



LEXUS GRANITO (INDIA) LIMITED

Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/S Vitco Vitrified” pursuant to a Deed of Partnership/Co-parcenership dated May 05, 2008. “M/S Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, Our company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to “Lexus Granito (India) Limited” pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838. For details of incorporation, Change of name and registered office of our Company, please refer to chapter titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on page 72 and 170 respectively of this Prospectus.

Registered Office: Survey No. 800, Opp. Lakhdirpur Village, Lakhdirpur Road, N. H. 8A, Tal. Morbi, Lakhdirpur, Rajkot – 363642, Gujarat, India
Tel. No.: +91 7567500110; **Fax No.:** Not Available; **E-mail:** info@lexustile.com; **Website:** www.lexustile.com

Contact Person: Payal Jain, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: NILESH DETROJA, HITESH DETROJA, ANILKUMAR DETROJA & PAVAN BLACKROCK PRIVATE LIMITED

THE ISSUE

INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF 57,60,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. 45 PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. 35 PER EQUITY SHARE) AGGREGATING RS. 2592.00 LAKHS (THE “ISSUE”), OF WHICH 3,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 45/- PER EQUITY SHARE, AGGREGATING RS. 135.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 54,60,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 45/- PER EQUITY SHARE, AGGREGATING RS. 2457.00 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.00% AND 28.45% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT HAVE BEEN DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND HAVE BEEN ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND RAJKOT EDITION OF THE REGIONAL GUJARATI NEWSPAPER PHULCHHAB, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND HAS BEEN MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 304 of this Prospectus. A copy has been delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME (“SEBI (ICDR) REGULATIONS”). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED ‘ISSUE INFORMATION’ BEGINNING ON PAGE 292 OF THIS PROSPECTUS.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is 4.1 times the face value and the Cap Price is 4.5 times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in “Basis for Issue Price” on page 115 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 23 of this Prospectus.

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company issued through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an approval letter dated July 17, 2017 from National Stock Exchange of India Limited for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, EMERGE Platform of the National Stock Exchange of India Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER



PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED
 406-408, Keshava Premises, Behind Family Court,
 Bandra Kurla Complex,
 Bandra East, Mumbai – 400 051
Tel: +91-22 6194 6724
Fax: +91-22 2659 8690
Website: www.pantomathgroup.com
Email: ipo@pantomathgroup.com
Investor Grievance Id: investor@pantomathgroup.com
Contact Person: Kirti Kanoria
SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road, Marol,
 Andheri East, Mumbai – 400 059
Tel: +91 22 62638200
Fax: +91 22 62638299
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor Grievance Id: investor@bigshareonline.com
Contact Person: Kirinvas Dornala
SEBI Registration Number: INR000001385

BID/ ISSUE PROGRAMME

BID/ISSUE OPENED ON: WEDNESDAY, AUGUST 09, 2017

BID/ISSUE CLOSED ON: FRIDAY, AUGUST 11, 2017

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

SECTION I – GENERAL

DEFINITION AND ABBREVIATION

In this Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Term	Description
“Lexus Granito (India) Limited” or “Lexus”, “LGIL” or “the Company”, or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Lexus Granito (India) Limited, a Public Limited Company incorporated under the Companies Act, 1956
AOA or Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Auditor or Statutory Auditor	The statutory auditor of our Company, being M/s. B.B. Kalaria & Co., Chartered Accountant
Bankers to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “General Information” on page 72 of this Prospectus.
Board of Directors/ the Board / our Board	The Board of Directors of our Company, as duly constituted from time to time, including Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Payal Jain.
Corporate Office	S.No. 42-BP, At. Lalapar, Tal. Morbi, Gujarat, India
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up.
Group Companies	Such Companies as are included in the chapter titled ‘Our Group Companies’ beginning on page 197 of this Prospectus
ISIN	International Securities Identification Number. In this case being INE500X01013
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being Khandelwal Prakash Murari Bhandari & Co., Chartered Accountants
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “Our Promoter and Promoter Group” beginning on page 192 of this Prospectus.
Promoters or our Promoters	Promoters of our Company being Anilkumar Detroja, Nilesh Detroja, Hitesh Detroja and corporate promoter Pavan Blackrock Private Limited
Registered Office	The Registered office of our Company situated at Survey No. 800, Opp. Lakhdhipur Village, Lakhdhipur Road, NH. 8A, Tal, Morbi, Lakhdhipur , Rajkot 363642, Gujarat, India
RoC / Registrar of Companies	Registrar of Companies, Gujarat at Ahmedabad, located at ROC

Term	Description
	Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat, India
Shareholders	Shareholders of our Company
you, your or yours	Prospective investors in this Issue

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad and Mumbai.
Banker(s) to the Issue/ Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 304 of this Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum

Term	Description
	Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bid Cum Application Collecting Intermediaries	1. a SCSB with whom the bank account to be blocked, is maintained 2. a syndicate member (or sub-syndicate member) If any 3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker') if any 4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) 5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Bid Lot	3,000 Equity shares and in multiples of 3,000 Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Rajkot edition of the Gujarati newspaper Phulchhab, each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in All edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Rajkot edition of the Gujarati newspaper Phulchhab, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.

Term	Description
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with BRLM. A Bid submitted at Cut-off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs 2,00,000. No other category of Bidders is entitled to Bid at the Cut-off Price.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be

Term	Description
	prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated June 13, 2017 issued in accordance with section 32 of the Companies Act, 2013 and filed with the Emerge Platform of National Stock Exchange of India under SEBI (ICDR) Regulations
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint

Term	Description
	Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in “Issue Procedure” on page 304 of this Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Emerge Platform of National Stock Exchange of India Limited.
Market Making Agreement	Market Making Agreement dated May 22, 2017 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of 3,00,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 45 per Equity Share aggregating Rs. 135.00 Lakhs for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5.12% of the QIB Portion i.e. 84,000 Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Emerge Platform of National Stock Exchange of India / SME Exchange	The Emerge Platform of National Stock Exchange of India, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
NSE	National Stock Exchange of India Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 54,60,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 45 per Equity Share aggregating Rs.

Term	Description
	2457.00 Lakhs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
Issue	The Initial Public Issue of to 57,60,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. 45 each, aggregating to Rs. 2592.00 Lakhs comprising the Fresh Issue.
Issue Agreement	The agreement dated May 22, 2017 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Issue Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “Objects of the Issue ” on page 109 of this Prospectus
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price of Rs. 41 per Equity Share (Floor Price) and the maximum price of Rs. 45 per Equity Share (Cap

Term	Description
	Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard and Rajkot edition of the Gujarati newspaper Phulchhab, each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on May 22, 2017 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
QIB Portion	The portion of the Issue being 30% of the Net Issue, consisting of 16,38,000 Equity Shares, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.

Term	Description
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited, 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.

Term	Description
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sub-Syndicate members	A SEBI Registered member of National Stock Exchange of India appointed by the BRLM and/or Syndicate Member to act as a Sub-Syndicate Member in the Issue
Syndicate Agreement	Includes the BRLM, Syndicate Members and Sub-Syndicate Members
Syndicate or Members of the Syndicate	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated May 22, 2017 entered into between the Underwriter and our Company
Working Day	(i) Till Application / Issue closing date: All days other than a Sunday or a public holiday, on which commercial banks in Mumbai are open for business; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL AND INDUSTRY TERMS

Term	Description
BRLM	Book Running Lead Manager
CAGR	Compound Annual Growth Rate
CSO	Central Statistics Office
EMDEs	Emerging Market and Developing Economies
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FICCI	The Federation of Indian Chambers of Commerce and Industry
FIPB	Foreign Investment Promotion Board
FMCG	Fast Moving Consumer Goods
FSC	Forest Stewardship Council
FY	Financial Year
GDP	Gross Domestic Product

Term	Description
GSM	Grams per Square Meter
GST	Goods and Services Tax
GVA	Gross Value Added
HTC	HTC Corporation
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupees
LCD	Liquid Crystal Display
MAT	Minimum Alternate Tax
M-SIPS	Modified Special Incentive Package Scheme
MSMEs	Micro, Small & Medium Enterprises
MYEA	Mid-Year Economic Analysis
NITI Aayog	The National Institution for Transforming India
NMP	National Manufacturing Policy
PMGKY	Pradhan Mantri Garib Kalyan Yojana
PMMY	Pradhan Mantri MUDRA Yojana
RBI	Reserve Bank of India
SAD	Special Additional Duty
SED	Strategic Engineering Division
SEZ	Special Economic Zone
TADF	Technology Acquisition and Development Fund
TASL	Tata Advanced Systems Ltd
UDAY	Ujwal DISCOM Assurance Yojana Scheme
UNIDO	United Nations Industrial Development Organisation
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WPI	Wholesale Price Index
YOY	Year-on-year
BPO	Business Process Outsourcing
IT	Information Technology
ICCTAS	Indian Council of Ceramic Tiles and Sanitary
ISO	International Standards Organisation
BIS	Bureau of Indian Standards
EN	European Standards
MOR	Modulus of Rupture
PEI	Porcelain Enamel Institute (PEI) Rating

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012

Term	Description
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items

Term	Description
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FTP	Foreign Trade Policy
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.

Term	Description
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page174 of this Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
LM	Lead Manager
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in

Term	Description
	the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SARFAESI	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover	Securities and Exchange Board of India (Substantial

Term	Description
Code	Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	EMERGE Platform of National Stock Exchange of India Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/ United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
UV	Ultraviolet
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

Notwithstanding the following: -

- i. In the section titled “Main Provisions of the Articles of Association” beginning on page 360 of this Prospectus, defined terms shall have the meaning given to such terms in that section;

- ii. In the section titled “Financial Statements” beginning on page 203 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “Risk Factor” beginning on page 23 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “Statement of Possible Tax Benefits” beginning on page 118 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 245 of this Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 203 of this Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 203 of this Herring Prospectus.

CURRENCY OF PRESENTATION

In this Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” beginning on page 23 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENT

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:-

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23 and 245 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

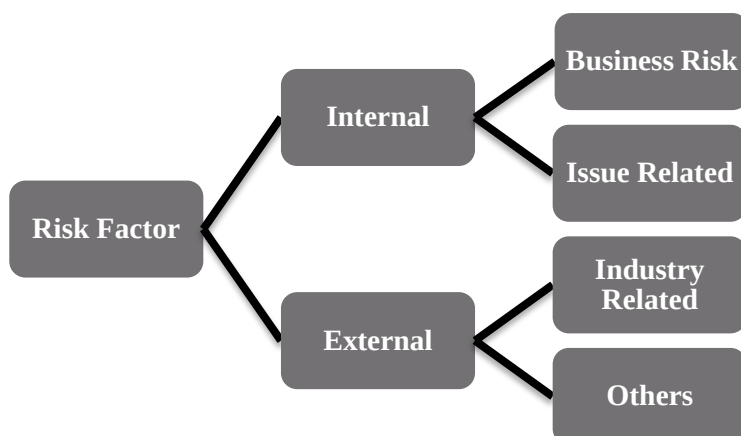
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 146, “Our Industry” beginning on page 121 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 245 respectively, of this Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively;*
- Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding:



1. ***There are certain taxation related proceedings, notices and claims pending with relevant statutory authorities at various jurisdictions against our Company, its Promoter Company and Group Company. Any adverse rulings or decisions in such proceedings by such authorities against our Company or its Promoter Company and Group Company may render us liable to liabilities and penalties and may have an adverse material impact on our business and results of operations. Our Company, Promoter, Group Company and Subsidiary are involved in certain litigation which is currently pending at various stages. Any adverse decisions in these cases against the Company, Promoter etc. may impact business and operations of the Company.***

Our Company, its promoter company – Pavan Black Rock Private Limited and Group Company – Lexus Ceramic Private Limited are involved in certain tax related proceedings involving certain Income Tax Proceedings, Central Sales Tax Proceedings and TDS matters. They have been issued notices under Income Tax Act, 1961. Further, Proceedings under Gujarat Value Added Tax Act, 2003 are pending against the Company for Financial Year 2011-12, 2012-13 and 2014-15.

Our Company was issued a Show Cause Notice regarding retention of TDS amount of Rs. 18,84,474/- deducted during FY 2013-14 and retention of TDS amount of Rs. 47,34,459/- for FY 2014-15. Similarly, Lexus Ceramic Private Limited was issued a Show Cause Notice regarding retention of TDS an amount of Rs. 19,04,377/- deducted during FY 2014-15. These amounts are not part of aggregate amount involved provided below in table. Also, we cannot assure you that, we, our promoters or our directors may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business and results of operations.

For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company please refer the chapter titled “Outstanding Litigations and Material Developments” on page 260 of this Prospectus. Except as mentioned above, there are no legal proceedings by or against our Company, Directors, Promoters and Group Company. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	IPR Proceedings	Aggregate amount involved (Rs. In Lakhs)
Company								
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	12	Nil	Nil	Nil	Nil	256.46
Promoters								
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	2	Nil	Nil	Nil	Nil	Not Ascertainable
Directors other than promoters								
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies								
By the Group Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Group Company	Nil	Nil	2	Nil	Nil	Nil	Nil	23.10

2. We have in the past entered into related party transactions and may continue to do so in the future.

Our Company has entered into various transactions with our Promoter, Promoter Group, Directors and their Relatives and Group Company. While we believe that all such transactions are conducted on arms length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter “Related Party Transactions” beginning on page 201 of the Prospectus.

3. Our Company has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.

Our Company has not complied with certain statutory provisions such as the following:

- Provision of Section 58A of the Companies Act, 1956 and Section 73 of Companies Act 2013 with respect to availment of unsecured loans from persons other than the directors, relatives of directors and members of the Company during the past.
- Non-compliance of section 185 of the Companies Act, 2013.
- Non-compliance of section 297 of the Companies Act, 1956.
- Non-compliance with section 383A of Companies Act 1956 and section 203 of Companies Act, 2013 by not appointing a Company Secretary for some period of time. However as on date of the Prospectus, our Company has appointed a Company Secretary.

No show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

4. Our statutory auditor and peer reviewed auditor has included certain audit qualifications in the statutory audited financial statements and restated financial statement respectively.

Our Statutory Auditor has given following adverse/qualified remarks for which adjustments wherever required has been taken during the restatement of financial statements.

Financial Year	Auditors Qualification	Management Comments
FY 2012-13	The Company has accepted unsecured loan of Rs.66.15 lacs from the person other than member, directors or relatives of directors which is considered as deposits as per the provisions of section 58A of the companies act'1956.	As per Management the company has accepted the deposit to meet short term loan requirement of funds to meet financial obligation as stipulated by the bank.
FY 2013-14	The company does not have formal internal audit system.	According to the management the company is conducting internal audit internally.
FY 2014-15	The company has granted interest free loan of Rs.10 lacs to one party covered in the register maintained under section 189 of the Companies Act 2013.	According to the management there is no relation of promoters with the said party.
FY 2015-16	The company has granted interest free loan of Rs.248.32 lacs to one party covered in the register maintained under section 189 of the Companies Act 2013.	According to the management this is not a loan transaction and it is for the advance payment made for purchase of plant & machinery.

Further our Peer reviewed auditor has included following audit qualifications in the restated financial statements:

- i. *Non compliance of section 185 of the companies act in relation to loan given to directors by the company as the company has granted loan to relatives of directors during the FY.2014-15 and FY.2015-16.*
- ii. *Non-compliance of The provisions of section 73 of the Companies Act'2013 in relation to acceptance of deposit by a company as the company has accepted deposit from Non Shareholder during the FY.2012-13, FY.2013-14, FY.2014-15, FY.2015-16 and FY.2016-17.*

However, our statutory auditor has confirmed that as on the date there are no outstanding qualifications with respect to section 185 and section 73 of Companies Act 2013. Till date our Company has not received any show cause notice with respect to above non compliances. However there can be no assurance that our Company may not be subject to any penalties in future for such non compliances.

5. Credit Rating of our Company.

The cost and availability of capital, amongst other factors, is also dependent on our credit ratings. We had been last rated by ICRA, [ICRA] BB (Stable) on our issue of unlisted NCD. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

6. We do not own the land on which our corporate and marketing offices are located.

We do not own the land on which our corporate and marketing offices are located. These offices are taken on lease by us from third parties for a certain period. For details, please refer chapter titled "Our Business" beginning on page 146 of the Prospectus. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse affect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our corporate or marketing offices to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

Moreover, the property deed of our registered office and manufacturing unit is in name of earlier owners i.e. Prabhulal Panara, Nanubhai Kanjiya, Jayantilal Kasundra. The land is transferred in name of company (erstwhile partnership firm) via clause in partnership deed and an affidavit by the owners. However the company is not able to trace deed of transfer for transfer of land in name of Company.

7. We outsource certain manufacturing job such as manufacturing of wall tiles, vitrified tiles, etc. on need basis.

At present, we also use third party manufacturing facilities to manufacture some of our product range such as wall tiles, vitrified tiles of certain designs, etc. The business of our Company is dependent on the trust our customers have in the quality of our products. Any goods received by us which do not comply with the quality specifications or standards prevalent in the business or market segment, may result in customer dissatisfaction, which may have an adverse effect on our sales and profitability. Also in case of goods manufactured by third parties for us, any inconsistency in standard, or any deterioration in quality of goods, supplied by them may hamper our reputation and thereby business operations. Another important factor in our industry is timeliness of delivery. Any refusal from suppliers to adhere to the delivery schedules or to supply in the necessary quantities may adversely affect our ability to deliver orders on time and as a result we may lose customers. Further our third party manufacturer's facilities are susceptible to operating risks such as power loss, natural disasters, etc. and any interruption in their manufacturing operations could adversely affect the timely delivery of our products. In case our Company receives significant higher demand or if there is a need to replace an existing manufacturer,

there can be no assurance that additional supplies of raw material or additional manufacturing capacity will be available and that too on the desired terms in order to enable us to fulfil our orders on time. Our Company has recently set up a wall tiles manufacturing unit and the dependence on external suppliers shall reduce to that extent.

8. Our Company has negative cash flows from its investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Amount (Rs. In lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Cash Flow from / (used in) Investing Activities	(3,391.54)	(3,343.81)	(126.28)	(107.86)	(87.53)
Cash Flow from / (used in) Financing Activities	2,713.53	2,201.04	(488.83)	(785.85)	(222.28)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

9. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business is working capital intensive. A significant portion of our working capital is utilized towards inventories and trade receivables. Summary of our working capital position is given below:-

Amount (Rs. In lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
A. Current Assets					
Inventories	3,535.02	1,553.54	845.30	652.94	1,918.31
Trade Receivables	3,151.81	1,808.11	1,796.28	1,757.64	1,089.34
Cash and Cash Equivalents	60.93	63.87	25.11	31.04	54.69
Short Term Loans & Advances	920.85	209.89	187.73	35.00	30.87
Other Current Assets	700.91	548.21	241.97	55.57	61.23
B. Current Liabilities					
Trade Payables	4,239.90	1,618.63	1,045.48	1,322.59	1,920.73
Other Current Liabilities	965.35	777.36	660.03	699.62	625.29
Short Term Provisions	238.87	125.12	18.78	0.17	44.85
Working Capital (A-B)	2,925.41	1,662.51	1,372.10	509.81	563.56
Inventories as % of total current assets	42.24	37.13	27.30	25.79	60.81
Trade receivables as % of total current assets	37.66	43.22	58.01	69.41	34.53

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables and inventories. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the

requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 109 of this Prospectus.

10. *Our business largely depends on the performance of our distributors/dealers. Any non-performance by these distributors may adversely affect our business operations, profitability and cash flows.*

We mainly sale our products directly to distributors who in turn take forward the supply chain. Our business hence largely depends on the performance of our distributors/dealers, who may be responsible for selling our products to end users at domestic as well as international level. We can give no assurance that the performance of such distributors/dealers will meet our required specifications or performance parameters. Such distributors are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such distributors/dealers and in the event that such distributors/dealers enter into agreements with competitors, we may not be able to take any course of action. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these distributors. Moreover, there can be no assurance that our distributors will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our distributors/dealers.

11. *We have issued Non-convertible Debentures on private placement basis*

Our Company has issued unlisted Non-convertible Debentures aggregating to Rs. 6,40,00,000 issued through private placement on April 07, 2017 for a period of thirty eight months at a coupon rate of 13.50% p.a. We had been last rated by ICRA, [ICRA] BB (Stable) on our NCD. In the event we default in repayment of the facility availed by us and any interest thereof, we could have significant adverse affect on business, financial condition or results of operations.

For further information on the *Financial Indebtedness* please refer to page 255 of this Prospectus.

12. *We do not have any offshore office or business place to look after our export operations.*

We sell our products to both domestic as well as international markets. A significant portion of our revenue from operations is derived from international markets. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international tiles sector in a timely manner. The business operations of our Company are mainly handled from our registered office and corporate office both located at Morbi. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

13. *We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.*

Our Company derives a significant part of its revenue from export operations. We export our products and receive sale proceeds in foreign currency. Further at times we also import some of the raw materials required in our manufacturing process. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company’s results of operations.

14. *The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.*

Our manufacturing processes requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any defaults or non compliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

15. *The shortage or non-availability of water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.*

Our manufacturing process requires substantial amount of water, particularly for mixing & grinding and glazing process. Currently, our Company procures water from a bore well situated in nearby vicinity which is maintained by one of our Director as required for our production process. We have not made any alternate arrangements for supply of water for our manufacturing facilities. Thus any unfavourable changes or shortage of resources may increase our cost of operations and adversely affect results of our operations.

16. *Our Company exports our products to many countries majorly Saudi Arabia, Mexico, etc. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.*

Our Company derives a significant part of its revenue from export operations. For the year ended March 31, 2017, our revenue from export operations contributed to 64.49 % of the total revenue from operations. Our Company exports its products to several countries of which Saudi Arabia, Mexico, Kuwait and Oman contribute to our major exports revenue. For details of country wise exports made by our Company during FY 2016-17 please refer chapter titled “Our History and certain other corporate matters” beginning on page 170 of this Prospectus. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to our industry, quality standards, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

17. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment.

We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of

employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

18. Our cost of production is exposed to fluctuations in the prices of raw materials.

Our Company is dependent on third party suppliers for procuring its raw materials. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

19. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of these approvals are required to be transferred in the name of "Lexus Granito (India) Limited" from "Lexus Granito (India) Private Limited" pursuant to conversion and name change of our company and any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of "Lexus Granito (India) Private Limited". After complying with the relevant provisions and procedures of Companies Act, 2013, the Company was converted into public limited company, followed by the name change of the Company to "Lexus Granito (India) Limited". We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

We have a logo "" which is used for our business purpose. The said logo is applied for registration with the Registrar of Trademarks, Trademark Registry, Government of India vide an Application No. 3247138 under Class 35 and 3247131 under Class 19 and both the applications currently stand objected. Further, Our Company is yet to apply for following approvals:

- Registration under Contract Labour Registration (Under Section 7 of the Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder),
- Renewal of Certificate of Compliance for complying with the Requirement of Construction Products (CPD/CPR) Council Directive 89/106/EEC (CPD)/Regulation (EU) No. 305/2011 (CPR) earlier certification number Certificate no: CE -2533 dated April 14, 2016,
- Renewal of Consent to Establish the Unit for a product at a particular production capacity issued by State Pollution Control Board earlier No. CTE-43744,
- Registration for Professional Tax Enrollment Certificate (PTEC) and Professional Tax Registration Certificate (PTRC).

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits

would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 269 of this Prospectus.

20. We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.

The Environmental Protection Act, 1986, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended and other regulations promulgated by the Ministry of Environment and Forest and various statutory and regulatory authorities and agencies in India regulate our handling of hazardous substances and wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

21. The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

22. Our manufacturing facility is located at Morbi, Gujarat. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.

Our Company has its manufacturing facility located at Morbi, Gujarat. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company’s operations will be

significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

23. *Conflicts of interest may arise out of common business undertaken by our Company and our Group Company.*

Our Group Company Lexus Ceramic Private Limited and Lioli Ceramica Private Limited is also authorized to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other company in which our Promoter has interests. There can be no assurance that our Promoter or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

24. *Our export operations are majorly done via Mundra Port, Gujarat.*

25. *Our export operations are majorly done via Mundra Port, Gujarat located in the Gulf of Kutch on the west coast of India and is one of the important ports in the western coastline. Any interruption in port facilities at Mundra port could adversely affect our business operations and financial position and thereby affecting the overall profitability of the business. If we do not maintain and increase the number of our arrangements for the distribution of our products, our business, results of operations and financial condition could be adversely affected.*

In most of the markets in which we have a presence, we generally sell our products to dealers or distributors. We have limited control over the operations and businesses of such local third party entities. We cannot assure you that we will be able to successfully identify or appoint new distributors/dealers or effectively manage our existing sales network. If the terms offered to such distributors/dealers by our competitors are more favourable than those offered by us, distributors/dealers may decline to sell our products and terminate their arrangements with us. We may be unable to appoint replacement distributors/dealers in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition. Further, our competitors may have exclusive arrangements with distributors/dealers and such distributors/dealers may not be able to stock and distribute our products, which may limit our ability to expand our sales network. Any failure on our part to maintain and increase the number of our arrangements for the sales of our products, our business, results of operations and financial condition could be adversely affected.

26. *We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.*

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

27. *Our Company's failure to maintain the quality, update the design patterns of the products or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.*

Our products depend on recent trends and developments as we manufacture and market the products as per the market trends. Any failure to maintain the quality standards patterns may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will

always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Also, rapid change in our customer's expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. While, we believe that we have always introduced new products and update our design patterns based on consumers need to cater to the growing demand of our customers and also endeavour regularly update our existing technology, our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results. Further if we are unable to offer new designs in the future or if our designs are not accepted by the market, our results of operations may be affected which in turn would affect our profitability.

28. Certain of our trademarks are not registered and as such we may not be able to effectively protect our intellectual property.

We operate in an extremely competitive environment, where generating brand recognition is significant element of our business strategy. Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. However our trademark applications under Trade Marks Act, 1999 for the business logo "lexu" are pending for registration with the Registrar of Trademarks, Trademark Registry, Government of India vide an Application No. 3247138 under Class 35 and 3247131 under Class 19. The status of both the applications currently stand objected. Therefore we do not enjoy the statutory protection accorded to a registered trademarks and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Thereby, our ability to use our logo may be impaired. There can be no assurance that we will be able to register the logo or our other trademarks or those third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill.

For further details, please refer the chapter titled "Government and Other Statutory Approvals" on page 269 of this Prospectus.

29. Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

30. Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major raw materials. Our business may be adversely affected if there is any disruption in the raw material supply.

We do not have any formal agreements with our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials supply or the non availability of raw materials, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, on the terms acceptable to us, which could materially affect our business, results of operations and financial

condition. Our management believes that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

31. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

Our contingent liabilities as on March 31, 2017 is as under:

(Rs in lakhs)

Particulars	Outstanding as at March 31st, 2017
Bank Guarantee	523.92
Outstanding TDS default	9.18
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2014-15	1.84
Guarantee against EPCG License	1199.54
Total	1734.48

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Financial Statements” on page 203 of this Prospectus.

32. Our Company has lapsed /delayed in making the required filings under Companies Act, 2013 and under the applicable provisions of Companies Act, 1956.

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956 some of which has not been done within the stipulated time period at some instances. Due to these delays in filings, our Company had on several occasions paid the requisite late fees. Although, we have not received any show-cause notice in respect of the above, such delay/non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

33. Our operations may be adversely affected in case of industrial accidents at any of our production facilities.

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery and personnel are covered under insurance, occurrence of accidents could hamper our production and consequently affect our profitability.

34. Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.

Our Company uses third party transportation providers for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

35. *Our insurance coverage may not be adequate.*

Our Company has obtained insurance coverage in respect of certain risks. These policies generally insure our assets against standard fire and special perils. Also we have taken marine cargo and workmen compensation insurance policies. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like housebreaking, terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

For further details, please refer chapter titled “Our Business” beginning on page 146 of this Prospectus.

36. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 5,309.64 Lakhs as on March 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse affect on business, financial condition or results of operations.

For further information on the *Financial Indebtedness* please refer to page 255 of this Prospectus.

37. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.*

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

For further details in this regard, , please refer chapter titled ‘*Financial Indebtedness*’ beginning on page 255 of this Prospectus.

38. *We have taken guarantees from Promoter and promoter group in relation to debt facilities provided to us.*

We have taken guarantees from Promoter and promoter group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled “*Financial Indebtedness*” beginning on page 255 of this Prospectus.

39. *Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.*

As on March 31, 2017, our Company has unsecured loans amounting to Rs. 2,077.44 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled Financial Statements as Restated beginning on page 203 of this Prospectus.

40. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 109 of this Prospectus.

41. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 202 of this Prospectus.

- 42. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 109 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use entire Issue Proceeds towards meeting the working capital requirement, general corporate purpose and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in financial year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 109 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 109 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Issue. Our Board of Directors will monitor the proceeds of this Issue.

- 43. *Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

- 44. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoter and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

45. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “Capital Structure” and “Our Management” on pages 85 and 174, respectively, of this Prospectus.

46. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.*

After completion of the Issue, our Promoter and Promoter Group will collectively own 69.99 % of the Equity Shares. As a result, our Promoter together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

47. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

48. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

Modernization and technology upgradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

49. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

50. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

51. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” beginning on page 85 of this Prospectus.

• **Issue Specific Risks**

52. We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.

Our Company has issued 34,55,724 Equity Shares through Right Issue in the last twelve months which may be at a price lower than the issue price. For further details of Equity Shares issued, please refer to chapter titled, ‘Capital Structure’ beginning on page 85 of this Prospectus.

53. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined by book built method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 115 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

EXTERNAL RISK FACTORS

Industry Risks:

- 54. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

Other Risks

- 55. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

- 56. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus.***

As stated in the reports of the Auditor included in this Prospectus under chapter "Financial Statements as restated" beginning on page 203, the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP

contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

57. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- excise duty on certain raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

58. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

59. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and vitrified tiles industry contained in the Prospectus.

While facts and other statistics in the Prospectus relating to India, the Indian economy and the vitrified tiles has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ‘*Our Industry*’ beginning on page 121 of this Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

60. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

61. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

62. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

63. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

64. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

65. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

PROMINENT NOTES

1. Public Issue of 57,60,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. 45 per Equity Share ("Issue Price") aggregating upto Rs. 2592.00 Lakhs, of which upto 3,00,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 54,60,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 30% and 28.89%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 72 of this Prospectus.
3. The pre-issue net worth of our Company was Rs. 3,384.43 lakhs as of March 31, 2017 and Rs. 2,145.06` lakhs for the year ended March 31, 2016. The book value of Equity Share was Rs 25.20 as at March 31, 2017 and Rs. 21.50 as at March 31, 2016 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 203 of this Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Anilkumar Detroja	7,78,600	34.61
Nilesh Detroja	7,64,511	21.28
Hitesh Detroja	4,75,442	19.89
Pavan Blackrock Private Limited	90,50,974	12.71

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "Capital Structure" beginning on page 85 of this Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer "Related Party Transaction" under chapter titled "Financial Statements as restated" beginning on page 203 of this Prospectus.
6. In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price For more information, please refer to the chapter titled "Issue Structure" beginning on page 300 of this Prospectus.
7. Except as disclosed in the chapter titled "Capital Structure", "Our Promoter and Promoter Group", "Our Management" and "Related Party Transaction" beginning on pages 85, 192, 174

and 201 respectively, of this Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.

8. Except as disclosed in the chapter titled “Capital Structure” beginning on page 85 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 115 of the Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Prospectus with the Stock exchange.
12. Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/S Vitco Vitrified” pursuant to a Deed of Partnership/Co-parcenership dated May 05, 2008. “M/S Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, Our company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to “Lexus Granito (India) Limited” pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838.

SECTION III – INTRODUCTION SUMMARY OF INDUSTRY

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 23 and 203 respectively of this Prospectus before deciding to invest in our Equity Shares.

OVERVIEW OF CERAMIC TILES INDUSTRY

Ceramic tiles as a product segment have grown to a sizeable chunk today at approximately 680 Millions Square meters production per annum. However, the potential seems to be great, particularly as the housing sector, retail, IT & BPO sectors have been witnessing an unprecedented boom in recent times. The key drivers for the ceramic tiles in India are the boom in housing sector coupled by government policies fuelling strong growth in housing sector. The retail boom in the Indian economy has also influenced the demand for higher end products. Overall the bullish growth estimates in the Indian economy has significantly influenced the growth of the Indian Ceramic tile industry.

The main product segments are the Wall tile, Floor tile, Vitrified tile and Industrial tile segments. The market shares (in value terms) are 20%, 23% 50%, and 7% respectively for Wall, Floor, Vitrified, and Industrial tiles. The tiles are available in a wide variety of designs, textures and surface effects. They cater to tastes as varied from rustics to contemporary marble designs in super glossy mirror finishes. Both, traditional methods of manufacturing (tunnel) and the latest single fast firing methods are deployed in manufacturing. Some of the latest trends in manufacturing methods can be seen in India.

The industry also enjoys the unique distinction of being highly indigenous with an abundance of raw materials, technical skills, infrastructural facilities despite being fairly capital intensive. A total of over 5, 50,000 people are employed in the sector. Out of this, 50,000 people are directly employed and 5,00,000 are indirectly associated. The potential is huge considering the per capita consumption of ceramic tiles in India. Currently it is at 0.50 square meters per person in comparison to over 2 square meters per person for like countries like China, Brazil and Malaysia.

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India’s capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world’s “political carrying capacity for globalisation” may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India’s export and growth prospects

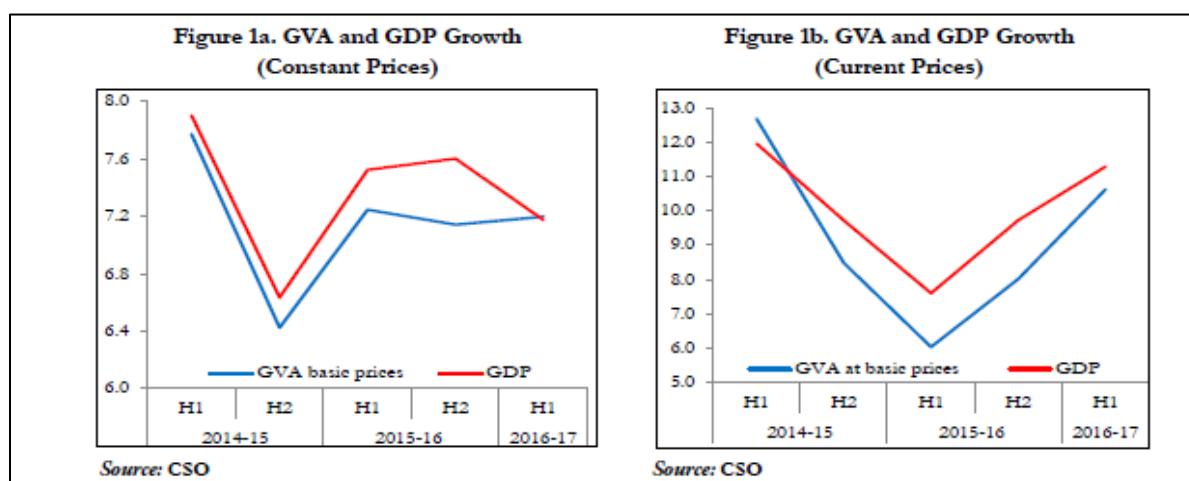
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-

December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2016-17

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money— cash—while increasing almost to the same extent another type of money— demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year's planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers' access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year's Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO's advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

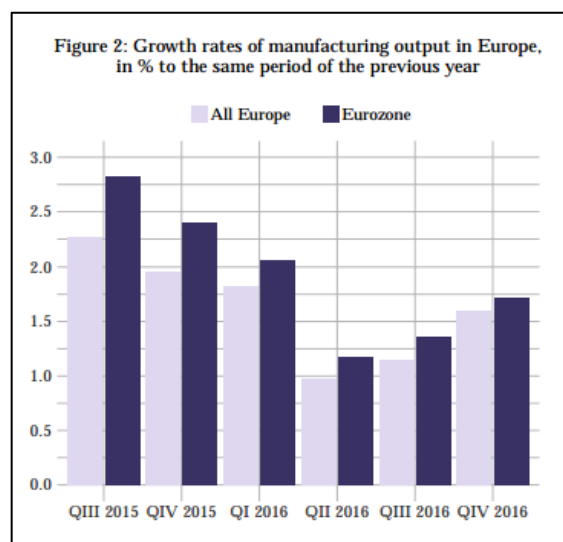
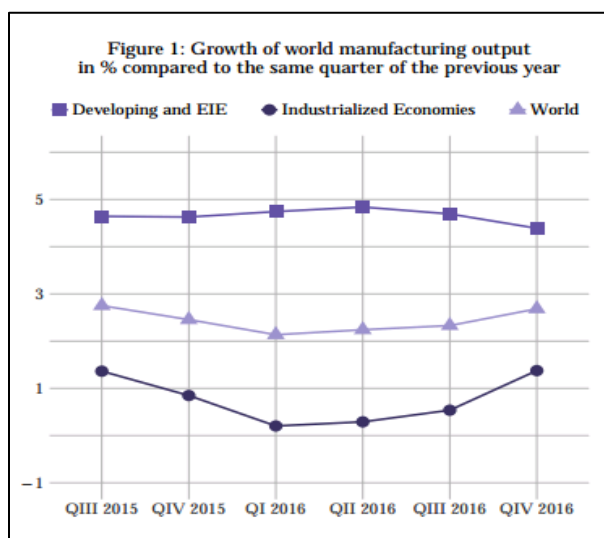
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World manufacturing growth

World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.



Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an expansion compared to the same period of the previous year. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent.

The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015. Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Key Findings - Global manufacturing

Global manufacturing production maintained a positive growth in nearly all industries in the final quarter of 2016. High- and medium-high-technology manufacturing industries held top positions, when looking at the year-by-year developments - the manufacture of computers, electronics and optical products grew by 6.3 per cent, the manufacture of motor vehicles rose by 6.2 per cent and the production of pharmaceutical products by 4.0 per cent. However, the production of other transport equipment, another high-technology sector, contracted by 0.9 per cent compared to the same period of the previous year. The largest loss was recorded in the tobacco industry, with its global production declining by 5.8 per cent.

As regards durable and capital goods, the production of machinery and equipment experienced an exceptionally high growth rate at 3.7 per cent in the fourth quarter of 2016. The manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of fabricated metal products and furniture both rose at a moderate pace of 1.7 per cent. Worldwide manufacturing of basic metals has systematically lost strength over the last few years and reached a negative growth rate of 0.7 per cent in the fourth quarter of 2016, mostly due to a visibly decreased production of basic metals in China.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods. The manufacture of food products rose by 3.1 per cent and beverages by 3.7 per cent, while the manufacture of wearing apparel increased by 0.5 per cent only. In low-technology manufacturing sectors, the global production of wood products rose by 3.3 per cent while the growth pace of manufacturing of paper products, textiles and leather products remained below 2.0 per cent.

The growth performance of developing and emerging industrial economies outperformed industrialized economies in nearly all manufacturing industries, including a number of high-technology industries, as illustrated in Figure 4. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

GLOBAL CERAMIC TILES MARKET REVIEW

Italian Ceramic Tile Industry Returns to Growth

The Italian ceramic tile industry ended 2016 on a positive note and can look forward with optimism to the two-year period 2017-2018 when growth is expected to continue. At the end of last year, **Italian tiles** returned to above what is considered to be a critical minimum threshold of 400 million square metres of total sales and production, both of which grew by about 5% to reach 415 million sq.m. As always, this was largely due to the strong performance of exports in all geographical regions (a total of 331 million sq.m, +4.4%). However, a very good piece of news was the recovery in the domestic Italian market (+5.5%), which has risen for the first time after a decade of decline. The only sore point is the

further contraction of the Russian market (-10%), although the decline is at least less severe than in previous years.

The Italian ceramic tile industry ended 2016 on a positive note, returning above what is considered the critical threshold of 400 million square metres in terms of both total sales and output. Sales grew by 4.6% to 415 million sq.m, production to 416 million sq.m (5.4% up on the 395 million sq.m of 2015 and 53 million sq.m more than the record lows of 2013). These figures were confirmed at the association's end of year conference by Confindustria Ceramica Chairman **Vittorio Borelli**, who noted that this result contributed to a fresh increase in exports (+4.4%, from 317 to 331 million sq.m) and an upturn in the domestic market (+5.5%, from 80 to 85 million sq.m), which has begun to recover after a decade of decline.

The growth in exports extends across all geographical areas. Western European markets, which account for around half of Italian exports by volume, saw a 4.9% increase over 2015, the best performances being in Germany, the Netherlands and the UK. Sales to the NAFTA region grew by 5%, driven by the excellent performance of the US market; sales in the Balkans and the Gulf states rose by 4.7% and those in the Far East by 3.3%; there were smaller increases in exports in Latin America (+2.1%), North Africa (+1.7%) and Central and Eastern Europe (+2.7%). This latter region was affected by the continued difficulties in the Russian market where sales of Italian tiles fell by a further 10% in 2016, although this fall was smaller than in previous years.

(Source: Ceramic World Review www.ceramicworldweb.it)

The Russian Ceramic Tile Industry

In 2016 the Russian ceramic tile industry managed to limit the decline in its end-of-year production to just -5.5% with respect to 2015, dropping from 170.4 to 161.1 million sq.m (Table 3). The biggest contraction was in the wall tile segment, where output fell from 75.1 million sq.m in 2015 to 69.3 million sq.m in 2016 (-7.7%). The floor tile segment suffered a modest decline during the first 9 months of the year, followed by a recovery in the last quarter to bring overall production to 91.85 million sq.m (down 3.6% on the 95.3 million sq.m of 2015).

Exports are estimated to have risen to around 24 million sq.m in 2016, 9-10% up on 2015, and as in the past were mainly shipped to the markets of Kazakhstan, Kyrgyzstan, Belarus, Ukraine and Uzbekistan. Domestic consumption is estimated to have fallen by a further 10% from 194.6 million sq.m in 2015 to 175 million sq.m in 2016. The biggest fall was once again in imports, estimated at below 38 million sq.m (down 18.2% following the 35.6% contraction seen in 2015). With the exception of Germany and Belarus, all the other exporter countries suffered between 10% and 50% losses by volume (Table 4). As a result, imports as a share of domestic consumption fell to 21.6%.

The construction industry and residential housing segment continued to decline for the whole year, causing considerable difficulties not only for the domestic ceramic industry but above all for the leading foreign companies exporting to the Russian market. The domestic industry managed to limit the fall in production to around 5.5% to 161 million sq.m, whereas imports were worse hit with a drastic 18% decline (around 38 million sq.m), while consumption contracted by around 10%.

(Source: Ceramic World Review www.ceramicworldweb.it)

USA Ceramic Review

The US economy has been expanding for the last 7 years and the entire building world has been enjoying long-term steady growth rates, in some cases reaching the highest levels since 2007. Domestic tile consumption rose last year to 269.5 million sq.m (+5.9%), the fourth highest value ever recorded and the best since 2004-2006 when it stood at more than 300 million sq.m/ year. Domestic production has risen for the seventh year running to almost 85 million sq.m (+1.7%), a record for the US tile industry. Imports grew 5.7% by volume to around 185 million sq.m, 68.6% of domestic consumption.

Through 3Q 2016 U.S. ceramic tile consumption was 2.19 billion sq. ft. (203.7 million sq. m), up 4.6% vs. 3Q 2015 YTD (2.10 billion sq. ft./194.8 million sq. m), according to figures from U.S. Dept. of Commerce & Tile Council of North America (tab. 1). Based on the data available to date, TCNA estimates 2016 U.S. ceramic tile consumption to be 2.90 billion sq. ft. (269.5 million sq. m), up 5.9% vs. 2015. For perspective this would make 2016 the fourth highest level ever reached by the U.S. ceramic tile market, topped only by the pre-recession boom of 2004-2006, when consumption was more than three billion sq. ft. annually (over 300 million sq.m/year).

Imports

Through 3Q 2016, 1.51 billion sq. ft. (140.2 million sq. m) of ceramic tile was brought in to the U.S., a 5.0% jump from 3Q 2015 YTD (1.44 billion sq. ft./133.6 million sq. m). Through 3Q 2016 imports comprised 68.8% of U.S. tile consumption (in volume), up slightly from 68.7% in 2015. Based on available data, TCNA projects U.S. imports for the year 2016 to be 1.99 billion sq. ft. (184.7 million sq. m.), up 5.7% from 2015. China remained the largest ceramic tile exporter in volume to the U.S. (3Q 2016 YTD), comprising a 29.2% share of U.S. imports. Mexico was in second place, making up 23.7% of imports, followed by Italy with a 19.3% share. Spain (9.2% share) and Brazil (5.0% share) rounded out the top five (table 2).

In spite of the peso's recent record low against the U.S. dollar, tile imports from Mexico have declined significantly over the last two years. Of the ten countries from which the U.S. imported the most tile (in volume), Spain (+41.2%) had the highest percentage increase in exports to the U.S. (3Q 2016 YTD vs. 3Q 2015 YTD), and Thailand (-18.0%) had the largest percentage decrease over the same timeframe. Through 3Q 2016, the value of imports was \$ 1,589 million, up 3.9% vs 3Q 2015 YTD.

Italy (\$ 567 million, up 8% vs 3Q 2015 YTD) was once again the largest exporter to the U.S. on a dollar basis, comprising 35.7% of U.S. imports. China (-2.6%) was second with a 24.5% share, and Mexico (-9.9%) was third with a 12.8% share (table 3). The \$ value/sq. ft. of all tile imports decreased slightly from \$1.06 in 2015 to \$1.05 through 3Q 2016. (11.3 \$/sq.m). Table 3 also shows the average values of tile (including duty, freight, and insurance) from the ten countries from which the most tiles were imported through 3Q 2016. Italian tiles confirm their highest value, 21 \$/sq.m.

U.S. Shipments

Through 3Q 2016 U.S. shipments of ceramic tile were on pace to increase for the seventh consecutive year. Based on data available to date, U.S. shipments in 2016 will set a new all-time high of approximately 912.6 million sq. ft. (84.8 million sq. m), up 1.7% from 2015. Through 3Q 2016, domestic shipments (less exports) were 683.9 million sq. ft. (63.5 million sq. m), up 3.7% from 3Q 2015 YTD. In dollar value U.S. FOB factory sales of domestic shipments (less exports) through 3Q 2016 were \$1.02 billion, up 5.2% vs. 3Q 2015 YTD (\$965.6 million). TCNA figures show that the per unit value of domestic shipments (less exports) increased from \$1.46 sq. ft. (15.7 \$/sq.m) (3Q 2015 YTD) to \$1.49 sq. ft., or 16.06 \$/sq.m (3Q 2016 YTD).

Exports

U.S. exports through 3Q 2016 were 27.2 million sq. ft. (2.5 million sq. m), a 13.6% decrease vs. 3Q 2015 YTD. The lion's share of these exports (in volume) were to its North American neighbours, Canada (64.4%) and Mexico (9.4%). The value of U.S. exports fell 15.4% from \$37.4 million (3Q 2015 YTD) to \$31.6 million (3Q 2016 YTD), according to figures from U.S. Dept. of Commerce.

Canadian Market Update

While the U.S. ceramic tile market has recently experienced several strong years of growth, the tile market in Canada has not followed suit, with consumption virtually flat each of the past two years. Based on currently available data, we estimate 2016 Canadian ceramic tile consumption will be 415.0 million sq. ft. (38.6 million sq. m), down 1.3% from the previous year and down 0.4% from 2014. As

there is no significant ceramic tile production in Canada, imports approximately equal consumption. Through 3Q 2016, 310.7 million sq. ft. (28.9 million sq. m) of ceramic tile arrived in Canada. This was a decrease of 1.3% from 3Q 2015 YTD, in which 314.7 million sq. ft. (29.2 million sq. m) of ceramic tile were imported into Canada.

(Source: Ceramic World Review www.ceramicworldweb.it)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Apple plans to produce iPhone SE at an upcoming facility in Bengaluru, owned by its partner Wistron, which has upgraded the plant to assemble Apple iPhones.
- Coca-Cola, the US-based beverage giant, plans to invest around Rs 750 crore (US\$ 112.5 million) to set up a food processing unit and a bottling plant at the newly developed Mohasa-Babai industrial estate in Hoshangabad, Madhya Pradesh.
- Panasonic Corporation, the Japan-based electronics company, plans to set up a new plant at Jhajjar, Haryana, to manufacture refrigerators for the Indian market, and a Research and Development (R&D) center for appliances consisting of two technical divisions to strengthen its product development in the country.
- BSH Home Appliances Group, the leading home appliances manufacturer in Europe, inaugurated its first technology centre in India at Adugodi, Bengaluru, which will enable the company to further develop localised technologies for the Indian market.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Ashok Leyland Ltd has launched its circuit series electric bus, the first ever electric bus designed and engineered entirely in India specifically for Indian road conditions, with a capacity to travel over 150 km on a single charge.

- Huawei, the China-based smartphone manufacturer, has entered into an agreement with solutions provider Flextronics Technologies (India) Private Limited, to manufacture its smartphones in India. Flextronics would start by making 3 million smart phones at its facility in Chennai and is expected to generate additional 1,500 jobs.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Tata Power has partnered with US-based Javelin Joint Venture, which is a partnership between Raytheon Company and Lockheed Martin, for its Strategic Engineering Division (SED), in order to create a strategy to co-develop and produce the Javelin missile system and integrate platform mounts to meet Indian requirements.
- LeEco, a Chinese technology company, has entered into a partnership with Compal Technologies and invested US\$ 7 million to set up manufacturing facility at Greater Noida in order to start manufacturing Le2 smartphones in India.
- Zopo Mobile, a China-based smartphone manufacturer, plans to invest Rs 100 crore (US\$ 15 million) to set up a manufacturing plant in Noida by the end of 2016, which will have a monthly production capacity of 100,000 units.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line at its Narsapura facility at Karnataka, and launch at least 10-15 products during FY 2016-17 in the country.
- Force Motors, a utility and commercial vehicles manufacturer, inaugurated its Rs 100 crore (US\$ 15 million) manufacturing facility in Pune, which will supply engines and axles to the Germany-based automobile manufacturer Mercedes-Benz.
- Boeing Company, an American plane maker, and Tata Advanced Systems Ltd (TASL), a fully owned subsidiary of Tata Sons, have entered into a joint venture to set up a new facility in Hyderabad to manufacture Boeing AH-64 Apache helicopter fuselages.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US\$ 37.5 million), and also invest around Rs 20 crore (US\$ 3 million) on an assembly unit for lithium ion batteries at its existing facility in Jhajjar in the next 8-10 months.
- Vital Paper Products, one of the major supply chain players in the paper and paper products industry, plans to set up a packaging product unit in the Special Economic Zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US\$ 9 million), which will be operational from April 2017.
- Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in Sri City, Andhra Pradesh, which was set up for Rs 3,000 crore (US\$ 450 million), with an annual production capacity of 50,000 units and is estimated to generate around 2,000-3,000 jobs.
- Airbus has procured more than US\$ 500 million worth of supplies from India in 2015, registering a growth of 15 per cent annually and has targeted a cumulative procurement of more than US\$ 2 billion over a period of five years up to 2020.
- Havells India Limited, one of the top Indian consumer electrical equipment producer, plans to set up a new manufacturing unit near Bengaluru by making an investment of Rs 1,059 crore (US\$ 158.85 million), which would be its twelfth plant in India and its first outside north India.

- Global beverage company Pepsi plans to invest Rs 500 crore (US\$ 75 million) to set up another unit in Maharashtra to make mango, pomegranate and orange-based citrus juices, while biotechnology giant Monsanto plans to set up a seed plant in Buldhana district of Maharashtra.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).
- The Government of India has removed the 12.5 per cent excise duty and 4 per cent special additional duty (SAD) on the manufacturing of point-of-sale (PoS) machines till March 31, 2017, which is expected to give a boost to the cashless economy as more PoS machines will be deployed in the future.
- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US\$ 900 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage entrepreneurs to help promote manufacturing in India.
- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.
- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to

provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.

- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh has secured investment deals valued at Rs 5,000 crore (US\$ 741.2 million) for setting up mobile manufacturing units in the state.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 735), Kishor - covering loans between Rs 50,000 (US\$ 750) to Rs 0.5 million (US\$ 7,500), and Tarun - covering loans between Rs 0.5 million (US\$ 7,500) and Rs 1 million (US\$ 15,000).

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

HISTORY OF CERAMIC TILES INDUSTRY IN INDIA

It is believed that the first clay tiles were produced seven to eight thousand years ago in the area now known as the Holy Land. Many sources independently verify that the actual known history of Tiles (and the known usage of wall and floor tile coverings) can be traced back as far as the fourth millennium BC (4000 BC) to Egypt. In those days, in Egypt, tiles were used to decorate various houses. Clay bricks

were dried beneath the sun or baked, and the first glazes were blue in colour and were made from copper, very exquisite! During that period ceramics were also known to be found in Mesopotamia. These ceramics bore decorations, which were white and blue striped and later possessed more varied patterns and colours. Later on, in China too, the Great Center of Ceramic Art, a fine, white stoneware with the earliest Chinese glaze was produced during the Shang-Yin dynasty (1523-1028 BC).

The usage and the art of making and decorating ceramic tiles had spread and by 900 A.D., decorative tiles had become widely used in Persia, Syria, Turkey and across North Africa. As transport and communication developed, tile usage and its penetration in other territories increased. Wars and territory take-overs caused this art to spread even faster. The Romans introduced tile making in Western Europe as they occupied territories. The Low Countries of Northern Europe somehow acquired the technology from Persia, while the Moors brought African tiles with them when they invaded Iberia (Spain). It was aboard the ships of Spanish conquistadors that decorative clay tiles found their way to the New World, where they were used primarily to decorate the Churches of newly built missions.

By the end of the 12th century, use and manufacture of Ceramic Tiles had spread across Italy and Spain and into the rest of Europe. Till that time they were mainly used to decorate the floors of Cathedrals and Churches. The skill had eventually vanished from Europe in the 16th century following the reformation. But the decorative wall tile art had survived in Turkey and the Middle East and the Delft tiles art survived in Holland. A form of tile making had also evolved among the natives of North and South America at some point. The first decorative tiles to appear in Colonial North America were imported from Northern Europe, mainly England the Brits having hijacked the technology from the Dutch. The tiles were too expensive for utilitarian purposes in the Colonies and were found almost exclusively in the homes of the wealthy.

Through the centuries, tile decoration was improved upon, as were methods of tile manufacture. For example, during the Islamic period, all methods of tile decoration were brought to perfection in Persia. Throughout the known world, in various countries and cities, Ceramic tile production and decoration reached great heights. The tile mosaics of Spain and Portugal, the floor tiles of Renaissance Italy, the faiences of Antwerp, the development of tile iconography in the Netherlands, and the Ceramic tiles of Germany are all prominent landmarks in the history of Ceramic tile.

In the early days, the tiles were hand-made, each tile was hand-formed and hand-painted, thus each was a work of art in its own right. Ceramic tile was used almost everywhere on walls, floors, ceilings, fireplaces, in murals, and as an exterior cladding on buildings. Today Ceramic tile throughout the world is not hand-made or hand-painted for the most part. Automated manufacturing techniques are used and the human hand does not enter into the picture until it is time to install the tile. They are used in an almost infinite number of ways and you don't have to consider yourself wealthy to own them. In commercial buildings, where both beauty and durability are considerations, ceramic tiles will be found, particularly in lobby areas and restrooms. In fact most modern houses throughout use Ceramic tiles for their bathrooms and kitchens and in every vital area of the premise. Ceramic tiles are also the choice of industry, where walls and floors must resist chemicals. And the Space Shuttle never leaves Earth without its protective jacket of high-tech, heat resistant tiles.

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

CERAMIC TILES INDUSTRY IN INDIA

Highlights

Ceramic Tiles today have become an integral part of home improvement. It can make a huge difference to the way your interiors and outdoors look and express. The Indian tile industry, despite an overall slowdown of the economy continues to grow at a healthy 15% per annum. Investments in the last 5 years have aggregated over Rs. 5000 crores. The overall size of the Indian ceramic tile industry is approximately Rs 18,000 crore (FY12). The production during 2011-12 stood at approx. 600 million square meters.

The Indian tile industry is divided into organized and unorganized sector. The organized sector comprises of approximately 14 players. The current size of the organized sector is about Rs 7,200

Crores. The unorganized sector accounts for nearly 60% of the total industry bearing testimony of the growth potential of this sector. India ranks in the top 3 list of countries in terms of tile production in the world. With proper planning and better quality control our exports (presently insignificant) contribution can significantly increase.

Background

Apart from their decorative looks, Ceramic Tiles are primarily hygiene products and that is how our broad spectrum of consumers view the product. This is fairly evident from its varied usage from bathrooms and kitchens in average Indian households to medical centers, labs, milk booths, schools, public conveniences, shopping malls and numerous other centers; which dot our day to day life. A ceramic tile is basically a "utility product" and that remains our promotional slogan. Popular housing projects are increasingly switching over to Ceramic Tiles moving away from the traditional use mosaic and even granite or marble, owing to several factors viz. ease in laying ability, versatility, low price and hygiene.

Nevertheless, this decorative aspect of a Ceramic Tiles has forever been in the forefront. Heavy churning out of bolder and colourful designs by the industry are testament to the fact that most households regard a ceramic tile as an "adornment" for an otherwise "drab look" of their age-old floorings or an unfurnished wall.

As a foreign exchange earner or a global player, Indian Tile industry has captured the attention of the world in the ceramic tiles segment. To compete internationally, our plants must be geared up to large units currently operating in China and Turkey are driven by economies of scale. These will also help us in lowering our cost of production significantly. Also, infrastructural support is a key factor that determines the speed of growth. Better infrastructure will bring in better growth in terms of consistency and sustenance. Freight, supply of power and gas remains the key cost-related issues impacting the industry. Availability, consistent supply and reasonable rates are extremely important for the growth of the ceramic tile industry.

Also, the prevailing anomalies pertaining to Basic Customs Duty on import of ceramic tiles from China and raw materials imported from abroad need to be corrected to prevent dumping of tiles from China. Rural thrust should be enhanced by favourable excise duty and MRP structure.

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

CURRENT STATUS OF THE INDUSTRY

The ceramic tiles industry in India has followed similar trends internationally which have been characterized by excess capacities and falling margins. Countries like Malaysia, Thailand, Indonesia, Sri Lanka and Vietnam are setting up their own plants. China has emerged as a major competitor. Producers from Spain and Italy have the advantage of lower transportation costs while exporting to USA and Germany. In India, the per capita consumption is as low as 0.50 square meters per person compared to China (2.6 square meters per person), Europe (5 to 6 square meters per person) or Brazil (3.4 square meters per person). Rising disposable incomes of the growing middle class and 40 million units of housing shortage hold out a great potential.

A major change that took over the ceramic tiles industry, was the introduction of vitrified and porcelain tiles. These new entrant product types are said to be the tiles of the future. Internationally these tiles are already the major sellers. This category of products account for almost 50% of total tile sales by value in this industry. These new products and the conventional wall & floor tiles have together made the organized industry grow to a formidable Rs. 7,200 crores industry. This coupled with a spate of expansions by many players make the industry look very promising in the future.

The Indian Industry has developed an export market although at the lower end. In volume it constitutes less than half a percent of the global market. (Presently India does not figure in the list of major exporting countries). But this reality could change as Indian exports are rising at an accelerating growth annually. The top-end of the global export market is presently dominated by China (36.8%) and Italy (15.1%).

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

SUMMARY OF BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Lexus Granito (India) Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW

Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/s Vitco Vitrified” pursuant to a Deed of Partnership/Co-parcenership dated May 05, 2008. “M/s Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, our Company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to “Lexus Granito (India) Limited” pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838. The registered office of the Company is situated at Survey No. 800, Opp. Lakhdirpur Village, Lakhdirpur Road, N. H. 8A, Tal. Morbi Lakhdirpur Rajkot, Gujarat-363642, India.

Our Company is engaged in manufacturing, trading and marketing of vitrified ceramic tiles and wall tiles for the domestic and international markets. Till date we were outsourcing manufacturing of wall tiles to third party manufacturers, however recently we have set up our own wall tiles manufacturing unit at our existing facility thereby integrating our operations and strengthening our routes in the industry. Our manufacturing facility is situated at Morbi, Gujarat and is spread over more than 4 hectares. Our manufacturing facility is well equipped with requisite plant and machineries and other facilities. We also have an in-house laboratory, enabling the company to develop new colours, besides facilitating conducting of tests and analysis of various products. Our quality system with respect to manufacture of our products has been ISO 9001:2008 certified. Further we have also been issued Certificate of Compliance by UK Certification & Inspection Ltd for our quality systems covering the design, manufacture and final inspection of the products. We manufacture and market our products under the brandname “Lexus”.

Our Company is promoted and managed by Anilkumar Detroja, Hitesh Detroja, Nilesh Detroja and Pavan Blackrock Private Limited. Our individual promoters manage and control the major affairs of our business operations. With their dedication and commitment, our Company has grown over a short span of time which is evidenced by the growth in our total revenue from Rs. 6,365.40 lakhs in FY 2012-13 to Rs. 16,473.11 lakhs in F.Y. 2016-17 and profit after tax from Rs.156.17 lakhs from F.Y. 2012-13 to Rs.508.82 lakhs in F.Y. 2016-17. It is the vision of our promoters which has been instrumental in defining the business strategy of our Company.

Our Company has been catering to both domestic and international markets. Our revenue from domestic and export operations contributed 35.51% and 64.49% respectively of our total revenue from operations for the year ended March 31, 2017. During FY 2017, we exported our products to various countries such as Saudi Arabia, Mexico, Kuwait, Oman, etc. We have been recently been recognized as Two Star Export House by the Directorate General of Foreign Trade vide certificate dated February 08, 2017. Our Company has also been awarded by Rising Stars at Power Brands Global London International Forum

for Equality. We intend to continue to mark a presence in global markets in our industry by supplying innovative products at competitive prices.

For marketing of our products, we have a dedicated marketing team who continuously interacts with customers and evaluate the market dynamics. We have also set up a corporate office at Morbi and two marketing offices at Jaipur and Delhi respectively for marketing our products. Our customers are mostly importers, distributors, dealers and project fabricators. We also cater to retail users as per their requirement.

Our Company's location and manufacturing facilities are as below:

Registered Office and Manufacturing Unit: Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot – 363642, Gujarat, India

Corporate Office: S.No. 42-BP, At. Lalapar, Tal. Morbi, Gujarat, India

Marketing Office:

Delhi- Plot No. 20 & 21, Mansarover Garden, New Delhi-110015, India

Jaipur- Shop No. 234, Muktanandnagar, Gopalpura, Jaipur, India

OUR PRODUCTS

Sr.No.	Product	Image	Description
1.	Vitrified Tiles		Vitrified tile is a ceramic tile with very low porosity. It is an alternative to marble and granite flooring. These tiles are water and frost resistance. Vitrified tiles are made by hydraulic pressing a mixture of clay, quartz, feldspar and silica, which make vitreous surface thus creating a single mass making them hard with low porosity.
2.	Wall Tile		Wall tile is generally not suitable for use on floors. It is usually non-vitreous, i.e. not manufactured to withstand excessive impact, abrasion or freeze/thaw cycling.

RAW MATERIALS

Our Company requires feldspar, clay powder, talc powder, quartz powder, etc. as the major raw material for our manufacturing process. We meet our raw material requirement by procuring such material majorly from Rajasthan.

OUR COMPETITIVE STRENGTHS



1. Focus on quality and innovation

We believe that quality and innovation are the bed-rock of successful strategy We stress on and constantly strive to maintain and improve the quality of our products. We supply a wide range of colours, designs and size variations of floor tiles and we believe that we will continue to do so in the future. We have an inhouse team who constantly works on developing new designs and come with innovative range of products. We also have an inhouse laboratory to keep a check on quality of products. Our quality system with respect to manufacture of our products has been ISO 9001:2008 certified. Our focus on quality and innovation helps us to compete against our other peers in the ceramic industry.

2. Our Experienced Management

We have an experienced management team with some of our team members having more than a decade experience in ceramic industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We also have employed people in different areas of work who have required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

3. Wide range of products

We are currently manufacturing floor tiles and supply the same in various sizes, designs and specifications for catering to the special needs of our clients. Our product range includes glossy series, matt series, rustic series, etc. We have also recently set up wall tiles unit for catering to the market demand. We believe that maintaining a wide range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment.

4. Existing relationship with the clients

We focus on building long-term client relationships and constantly try to cater customer needs with product in demand. Since we are mainly engaged in B2B business model, our existing client being distributors, dealers, importers etc. provides us repeated orders. We trust that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

5. Manufacturing Facility

Our manufacturing facility which is spread over more than 4 hectares is a well equipped facility allowing us to carry on all the facilities in house i.e. from batching of the raw materials to dispatch of the finished product. Also, recently have set up wall tiles unit at the same facility. Further the unit has adequate utilities and infrastructure facilities like fuel, water, power and human resources to carry uninterrupted production process.

6. Export markets

For the year ended March 31, 2017, our revenue from export operations contributed 64.49 % of our total revenue from operations. At present we are exporting to nearly 20 countries. We believe that we have developed good clientele network in export markets and going forward shall be able to take advantage of our existing operations and network to expand our export markets.

7. Location Advantage

Our company is located in Morbi which is considered as hub for ceramic industry in India and enjoys sound domestic and international market for finished products of ceramic and wall tiles. Hence, such location boosts our marketing activities and adds value to our revenues due to established markets.

BUSINESS STRATEGY

Our vision is to grow in existing and new markets by providing quality products. We intend to capitalize on the growing demand for our products in India and abroad. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business.



1. Development and expansion of our wall tile product segment

We have recently set up wall tile manufacturing unit at our existing manufacturing facility. The said unit is set up with an installed capacity of 5,40,00,000 sq. ft. p.a. till date, our Company has been catering to market demand of wall tiles by outsourcing the production of wall tiles to third party manufacturers. With the setting up of our own manufacturing unit for wall tiles, we aim to cater to demand for such products in a larger, better and efficient manner. We plan to develop various product ranges in wall tiles. We have been supplying wall tiles both in domestic and international markets and intend to develop and expand our domestic and export business operations with the aid of such manufacturing unit.

2. Brand image

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long-term relationships with our customers. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

3. Setting up of retail outlets

Domestically, we intend to set up our own retail outlets so as to capture the retail market directly. At present, in domestic markets, we are mainly supplying our products either through our distributors channel or directly to customers. By setting up our own retail outlets, we aim to have access to the ultimate consumer and increase our market penetration.

4. Capitalise on growing demand in construction industry

We believe that construction sector shall observe a rapid growth in the coming years on account of changing lifestyle and growth in housing finance facilities. We intend to capitalise on such growth opportunities by supplying products to large construction contractors and sufficing their complete tiles requirement. Further our Company is in process of obtaining ISI and BIS quality certifications which shall enable us to apply for government tenders. We believe that we are well positioned to cater to demand of such sector with our product ranges and competitive pricing structure.

5. Expanding our customer base

Our domestic and export operations contributed 64.49 % and 35.51 % respectively of our total revenue from operations for the year ended March 31, 2017. We have an established network of more than 300 dealers and distributors for our domestic networks. Internationally, we have been covering around 20 countries. We intend to continue to expand our domestic customer base by expanding our distribution network, opening of retail outlets, participating in government tenders, etc. For export markets, we aim to improve our operations, by increasing our presence in existing countries and by adding new geographies.

6. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. We continue to invest in operational excellence through out the organization. We ensure a strong quality commitment by our employees.

7. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organisation. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim

to undertake some marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions on both domestic and international levels, etc.

8. Enhancing existing production and product quality

We believe quality service and products of global standards will be of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perception and demand. We train our employees to consistently design and deliver client focused solutions. We will continue to focus on creating innovative designs in tiles through our R&D efforts.

CAPACITY AND CAPACITY UTILIZATION

Our manufacturing unit is engaged in manufacturing and sale of ceramic tiles. The production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Product Name	2014-15		2015-16		2016-17	
	Installed	Actual	Installed	Actual	Installed	Actual
Vitrified Tiles	3,25,50,000	2,31,18,042	35,26,25,000	2,20,77,110	6,51,00,000	3,84,91,639
Wall Tiles	N.A	N.A	N.A	N.A	N.A	N.A
Product Name	2017-18		2018-19		2019-20	
	Installed	Projected	Installed	Projected	Installed	Projected
Vitrified Tiles	6,51,00,000	4,55,00,000	6,51,00,000	5,07,00,000	6,51,00,000	5,65,00,000
Wall Tiles	5,40,00,000	2,96,15,384	5,40,00,000	3,59,33,333	5,40,00,000	4,32,00,000

COUNTRY WISE EXPORT SALES FOR FINANCIAL YEAR MARCH 31, 2017

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Australia	129.00	1.17%
Benin	15.21	0.14%
Dubai	373.28	3.40%
Kuwait	626.94	5.71%
Liberia	31.37	0.29%
Macedonia	20.98	0.19%
Mexico	3724.97	33.92%
Republic of Kosova	17.77	0.16%
Nepal	19.88	0.18%
Oman	501.75	4.57%
Poland	309.83	2.82%
Saudi Arabia	4749.72	43.25%
Slovakia	5.91	0.05%
Taiwan	352.51	3.21%
United States of America	94.88	0.86%
Qatar	28.25	0.08%

SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Sr. No.	Particulars	As March 31,				
		2017	2016	2015	2014	2013
1)	Equity & Liabilities					
	Shareholders' funds					
	a. Share capital	1,343.07	997.50	697.50	697.50	697.50
	b. Reserves & surplus	2,041.36	1,147.56	836.27	644.12	588.15
	Sub-total	3,384.43	2,145.06	1,533.77	1,341.62	1,285.65
2)	Non-current liabilities					
	a. Long-term borrowings	5,101.34	3,489.50	1,613.59	1,706.11	1,829.14
	b. Deferred tax liabilities (net)	236.31	217.18	52.17	0.00	0.00
	c. Other Long Term Liabilities	21.83	21.83	2.39	1.71	53.77
	d. Long-term provisions	36.68	25.46	11.88	8.96	6.64
	Sub-total	5,396.16	3,753.97	1,680.03	1,716.78	1,889.55
4)	Current liabilities					
	a. Short-term borrowings	2,214.64	1,377.95	972.45	941.36	1,206.24
	b. Trade payables	4,239.90	1,618.63	1,045.48	1,322.59	1,920.73
	c. Other current liabilities	965.35	777.36	660.03	699.62	625.29
	d. Short term provisions	238.87	125.12	18.78	0.17	44.85
	Sub-total	7,658.76	3,899.06	2,696.75	2,963.74	3,797.11
	T O T A L (1+2+3+4)	16,439.35	9,798.09	5,910.54	6,022.14	6,972.31
5)	Non-current assets					
	a. Fixed assets					
	i. Tangible assets	4,429.54	5,233.25	2,698.66	3,162.47	3,436.30
	ii. Intangible assets	1.58	2.57	2.85	3.75	0.32
	iii. Capital Work-in Progress	3,206.66	-	-	-	88.09
	Sub-total	7,637.78	5,235.82	2,701.51	3,166.22	3,524.71
	b. Non-Current Investments	235.85	0.55	0.15	0.15	0.15
	c. Deferred Tax Assets (Net)	-	-	-	48.22	70.13
	d. Long term loans & advances	58.77	259.86	10.21	0.13	0.13
	e. Other non-current assets	137.42	118.22	102.28	275.24	222.74
	Sub-total	432.04	378.63	112.64	323.74	293.15
6)	Current assets					
	a. Inventories	3,535.02	1,553.53	845.30	652.94	1,918.30
	b. Trade receivables	3,151.81	1,808.12	1,796.28	1,757.63	1,089.34
	c. Cash and bank balances	60.93	63.87	25.11	31.04	54.69
	d. Short term loans & advances	920.85	209.89	187.73	35.00	30.87
	e. Other current assets	700.91	548.21	241.97	55.57	61.23
	Sub-total	8,369.52	4,183.62	3,096.40	2,532.19	3,154.44
	T O T A L (5+6)	16,439.35	9,798.09	5,910.54	6,022.14	6,972.31

STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lacs)

Sr. No.	Particulars	As March 31				
		2017	2016	2015	2014	2013
1	INCOME					
	Revenue From Operation (Gross)	17,020.66	10,658.43	8,660.25	6,475.51	7,319.47
	Less: Excise Duty	667.17	508.60	620.93	608.66	975.22
	Revenue From Operation (Net)	16,353.49	10,149.84	8,039.33	5,866.85	6,344.24
	Other income	119.62	77.03	50.71	58.49	21.15
	Total revenue (A)	16,473.11	10,226.87	8,090.04	5,925.34	6,365.39
2	EXPENDITURE					
	Cost of Goods Consumed	8,882.74	5,440.34	5,985.35	4,253.73	4,911.93
	Purchase of Traded Goods	4,817.06	2,471.95	56.06	60.41	87.51
	Changes in Inventories of finished goods, work in progress and stock -in-trade	(1,039.11)	(135.15)	(89.54)	214.50	61.18
	Employee Benefit Expenses	711.60	517.60	350.73	192.23	245.81
	Finance costs	535.00	380.37	427.40	397.94	428.98
	Depreciation and amortization expenses	982.90	568.31	604.70	491.79	548.14
	Other expenses	1,157.47	498.22	451.90	260.84	66.48
3	Total expenses (B)	16,047.66	9,741.64	7,786.60	5,871.44	6,350.03
	Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	425.45	485.23	303.44	53.90	15.36
	Exceptional items	0	0	0	0	0
4	Net profit/ (loss) before extraordinary items and tax, as restated	425.45	485.23	303.44	53.90	15.36
	Extraordinary items	357.98	0	0	0	0
5	Net profit/ (loss) before tax, as restated	783.43	485.23	303.44	53.90	15.36
	Tax expense:					
	(i) Current tax	255.48	98.93	60.71	10.78	3.07
	(ii) Deferred tax (asset)/liability	19.14	165.01	100.39	21.91	(140.80)
	(iii) Mat Credit	-	(98.93)	(60.71)	(10.78)	(3.07)
6	Total tax expense	274.61	165.01	100.39	21.91	(140.80)
7	Profit/ (loss) for the year/ period, as restated	508.82	320.20	203.04	31.99	156.17

STATEMENT OF CASH FLOW AS RESTATED

(Rs. in Lacs)

Particulars	As March 31				
	2017	2016	2015	2014	2013
Cash flow from operating activities:					
Net profit before tax as per statement of profit and loss	425.45	485.21	303.43	53.90	15.37
Adjusted for:					
Depreciation	982.90	568.31	604.70	491.79	548.14
Profit on sale of fixed assets	(18.55)	0.00	0.00	0.00	0.00
Interest paid	535.00	380.37	427.40	397.94	428.98
Interest income	(8.97)	(8.88)	(23.80)	(25.42)	(19.07)
Operating cash flow before working capital changes	1,915.83	1,425.01	1,311.73	918.21	973.42
Adjusted for:					
(Increase)/Decrease in Inventories	(2,050.93)	(717.15)	(203.26)	1,289.36	(173.26)
(Increase)/Decrease in Trade Receivables	(1,343.70)	(11.83)	(38.65)	(668.30)	(59.81)
(Increase)/Decrease in Short Term Loans & Advances	(710.96)	(35.71)	(144.49)	(8.54)	28.53
(Increase)/Decrease in other current assets	(326.19)	(207.31)	(125.69)	16.44	43.06
Increase/(Decrease) in Other non current Assets	(19.20)	(15.95)	172.96	(52.50)	(48.13)
Increase/(Decrease) in Trade Payables	2621.27	573.15	(277.11)	(598.14)	(688.00)
Increase/(Decrease) in Other Current Liabilities	187.98	117.33	(39.58)	74.33	120.89
Increase/(Decrease) in Short Term Provisions	139.11	18.07	18.62	(44.69)	44.13
Increase/(Decrease) in other non current liabilities	0.00	19.44	0.68	(52.06)	53.77
Increase/(Decrease) in Long Term Provisions	11.21	13.59	2.92	2.32	6.63
Cash generated from operations	424.42	1178.64	678.12	876.44	301.23
Income taxes paid	107.33	(2.89)	68.95	6.37	11.91
Cash Flow Before Extraordinary Item	317.10	1181.53	609.17	870.07	289.32
Unsecured loan written off	357.98	0.00	0.00	0.00	0.00
Net cash flow from operating activities(A)	675.08	1181.53	609.18	870.07	289.33
Cash flow from investing activities:					
Purchase of Fixed Assets	(3,384.86)	(3,102.63)	(140.00)	(133.28)	(106.33)
proceeds from sale of fixed assets	18.55	0.00	0.00	0.00	0.00

Particulars	As March 31				
	2017	2016	2015	2014	2013
Investment made during the year	(235.30)	(0.40)	0.00	0.00	(0.15)
Increase/(Decrease) in Long Term Loans and Advances	201.09	-249.65	-10.09	0.00	(0.13)
Interest Income	8.97	8.88	23.80	25.42	19.07
Net cash used in investing activities (B)	(3,391.54)	(3,343.81)	(126.29)	(107.86)	(87.53)
<u>Cash flow from financing activities:</u>					
Proceeds from Issue of Share Capital	345.57	300.00	0.00	0.00	0.00
Securities premium received	454.43	0.00	0.00	0.00	0.00
Increase/(Decrease) in Short Term Borrowings	836.69	405.50	31.09	(264.88)	163.79
Increase/(Decrease) in Long Term Borrowings	1611.83	1875.91	(92.52)	(123.03)	42.91
Interest Paid	(535.00)	(380.37)	(427.40)	(397.94)	(428.98)
Net cash flow from/(used in) financing activities (C)	2,713.53	2,201.04	(488.83)	(785.85)	(222.28)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(2.93)	38.75	(5.93)	(23.65)	(20.48)
Cash & cash equivalents as at beginning of the year	63.87	25.11	31.04	54.69	75.17
Cash & cash equivalents as at end of the year	60.93	63.87	25.11	31.04	54.69

THE ISSUE

The following table summarizes the Issuer details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company	57,60,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. 45/- per Equity share aggregating to Rs. 2592.00 Lakhs
Of Which:	
Market Maker Reservation Portion	3,00,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. 45/- per Equity share aggregating to Rs. 135.00 Lakhs
Net Issue to Public	54,60,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 45/- per share aggregating Rs. 2457.00 Lakhs
Of which	
QIB Portion	16,38,000 Equity shares shall be available for allocation of face value of Rs. 10 each fully paid of the company at a cash price of Rs. 45/- per Equity Share aggregating Rs. 737.10 Lakhs for cash.
Of which	
Available for allocation to Mutual Funds (5.12% of the QIB portion)	84,000 Equity Shares
Balance of all QIBs including Mutual Funds	15,54,000 Equity Shares
Retail Portion	19,11,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. 45/- per Equity share aggregating Rs. 859.95 Lakhs will be available for allocation to Investors up to Rs. 2.00 Lakhs
Non-Institutional Portion	19,11,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 45/- per Equity Share aggregating Rs. 859.95 lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,34,30,724 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	1,91,90,724 Equity Shares of face value of Rs.10 each
Use of proceeds of this Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 109 of this Prospectus for information on use of Issue Proceeds.

Notes:-

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on May 04, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to

section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 05, 2017.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

- 1) *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*
- 2) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*
- 3) *Such number of Equity Shares representing 5.12% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 84,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.*

For further details please refer to section titled '*Issue Information*' beginning on page 292 of this Prospectus

GENERAL INFORMATION

Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/S Vitco Vitrified” pursuant to a Deed of Partnership/Co-parcenership dated May 05, 2008. “M/S Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, Our company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to “Lexus Granito (India) Limited” pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838.

For details of Incorporation, Change of Name of our Company, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 170 of this Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Lexus Granito (India) Limited

Survey No. 800, Opp. Lakhdhipur Village,
Lakhdhipur Road, N. H. 8A, Tal. Morbi,
Lakhdhipur, Rajkot – 363642, Gujarat, India

Tel: +91 7567500110

Fax: Not Available

Email: info@lexustile.com

Website: www.lexustile.com

Corporate Identification Number: U26914GJ2008PLC053838

CORPORATE OFFICE OF OUR COMPANY

Lexus Granito (India) Limited

S.No. 42-BP, at. Lalapar, Tal. Morbi,
Gujarat – 363642, India

Tel: +91 2822 244445

Fax: Not Available

Email: info@lexustile.com

Website: www.lexustile.com

REGISTRAR OF COMPANIES

Registrar of Companies, Gujarat, Ahmedabad

ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad – 380013,
Gujarat, India

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

Emerge Platform of National Stock Exchange of India

Exchange Plaza, C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051,
Maharashtra, India

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1	Babulal Detroja	56	01725541	Chitrakut Society, B/H. GIDC Sanala Road, Morbi - 363641, Gujarat, India	Chairman and Whole Time Director
2	Nilesh Detroja	33	01725545	Chitrakut Society, B/H. GIDC Sanala Road, Morbi - 363641 Gujarat, India	Whole Time Director
3	Hitesh Detroja	29	02760273	4-Chitrakut Society, B/H. GIDC Sanala Road, Morbi - 363641 Gujarat, India	Whole Time Director
4	Anilkumar Detroja	31	03078203	Chitrakut Society, B/H. GIDC Sanala Road, Morbi - 363641, Gujarat India	Managing Director
5	Parulben Detroja	32	02760294	Chitrakut Society, B/H. GIDC Sanala Road, Morbi, 363641, Gujarat India	Whole Time Director
6	Jitendra Gadara	36	06649234	13-5-296 Divyjivan Society, Ravapar Road, Ta- Morbi, Rajkot, Morbi 363641, Gujarat, India	Additional Director
7	Yagneshkumar Adroja	28	07814967	Nasitpar Tankara, Rajkot-363641, Gujarat, India	Additional Director
8	Girish Vadaviya	37	07815100	Maa-189 Shubhash Nagar Street No. 7 Ravapar Road, Morvi-363641 Gujarat, India	Additional Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 174 of this Prospectus

COMPANY SECRETARY & COMPLIANCE OFFICER

Payal Jain

Lexus Granito (India) Limited

Survey No. 800, Opp. Lakhdhirpur Village,
Lakhdhirpur Road, N. H. 8A, Tal. Morbi,
Lakhdhirpur, Rajkot – 363642, Gujarat, India



Tel: +91 7567500110

Fax: Not Available

Email: cs@lexustile.com

Website: www.lexustile.com

CHIEF FINANCIAL OFFICER

Dilipbhai Fultariya

Lexus Granito (India) Limited

Survey No. 800, Opp. Lakhdhipur Village,
Lakhdhipur Road, N. H. 8A, Tal. Morbi,
Lakhdhipur, Rajkot – 363642, Gujarat, India

Tel: +91 7567500110

Fax: Not Available

Email: cfo@lexustile.com

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

For all issue related queries and for redressal of complaints, bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

STATUTORY AUDITOR

B.B. Kalaria & Co.,

Chartered Accountant

4th Floor, Floor, Shivam Complex,
Near Sky Mall, Sanala Road,
Morbi-363641, Gujarat, India

Tel No.: +91 2822 230134

Fax No.: Not Available

Email: contact@bbkalaria.in

Contact Person: Brijesh Kalaria

Firm Registration No.: 127220W

Membership No.: 122875

PEER REVIEWED AUDITOR

Khandelwal Prakash Murari Bhandari & Co., Chartered Accountants

511/512 Atlanta Estate,
Near Virvani Estate, Western Express Highway,
Goregaon (East), Mumbai – 400 063,
Maharashtra, India

Tel No: +91 22 29277196/97/98

Fax No: Not Available

Email: info@cadhiraj.com

Contact Person: Punit Soni

Firm Registration No.: 102454W

Membership No.: 173087

Khandelwal Prakash Murari Bhandari & Co., Chartered Accountants holds a peer reviewed certificate dated September 16, 2016 issued by the Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051, Maharashtra, India

Tel: +91 22 6194 6724

Fax: + 91 22 2659 8690

Email: ipo@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Kirti Kanoria

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai – 400 059,
Maharashtra, India

Tel: +91 22 6263 8200

Fax: +91 22 6263 8299

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Srinivas Dornala

SEBI Registration Number: INR000001385

LEGAL ADVISOR TO THE ISSUE

M V Kini, Law Firm

Kini House, 216/263, 1st Floor, Near Citi Bank,
D.N. Road, Fort, Mumbai - 400 001, Maharashtra, India

Tel: +91 22 2261 2527/28/29
Fax: +91 22 2261 2530
E-mail: vidisha@mvkini.com
Contact Person: Vidisha Krishan
Website: www.mvkini.com

BANKER TO THE COMPANY

State Bank of India
SME Branch, Rajkot, Jaynath Complex,
1st Floor, Near Makkam Chowk,
Rajkot-360002, Gujarat, India
Tel: +91 281 2363927
Fax: +91 281 2363930
Email: sbi.60344@sbi.co.in
Website: www.sbi.co.in
Contact Person: Hitesh Trivedi

PUBLIC ISSUE BANK / BANKER TO THE ISSUE/ REFUND BANKER

ICICI Bank Limited

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road,
Backbay Reclamation,
Churchgate, Mumbai – 400 020,
Maharashtra, India
Tel: +91 22 6681 8932
Fax: +91 22 2261 1138
Email: shradha.salaria@icicibank.com
Contact Person: Shradha Salaria
Website: www.icicibank.com
SEBI Registration Number: INBI000000004

IndusInd Bank Limited

IndusInd Bank, PNA House, 4th Floor,
Plot No 57 & 57/1, Street No. 17, MIDC,
Andheri East
Mumbai – 400093, Maharashtra, India
Tel : +91 22 61069243/44/45
Fax : +91 22 61069315
Email: suresh.esaki@indusind.com
Contact Person: Suresh Esaki
Website: www.indusind.com
SEBI Registration Number: INBI000000002

REFUND BANKER TO THE ISSUE

ICICI Bank Limited

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road,
Backbay Reclamation,
Churchgate, Mumbai – 400 020,
Maharashtra, India
Tel: +91 22 6681 8932
Fax: +91 22 2261 1138
Email: shradha.salaria@icicibank.com
Contact Person: Shradha Salaria
Website: www.icicibank.com
SEBI Registration Number: INBI000000004

SYNDICATE MEMBER

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai-400051
Maharashtra, India

Tel: - +91 22 42577000

Fax: - +91 22 26598692

E-mail: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

Website: www.pantomathgroup.com

SEBI Registration Number: INZ000068338

DESIGNATED INTERMEDIARIES

Self Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on [http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor Syndicate-ASBA](http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA). For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 2592.00 lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 31, 2017, 2016, 2015, 2014, and 2013 as included in this Prospectus, our Company has not obtained any expert opinion.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Gujarati Newspaper, Gujarati being the regional language of Gujarat, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein 30 % of the Issue shall be allotted on a proportionate basis to QIBs, of which

5.12% shall be reserved for Mutual Funds. Further 35% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

Such number of Equity Shares representing 5.12% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 84,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 304 of this Prospectus

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below Rs. 22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 304. of this Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Prospectus and in the Bid cum Application Form;

BID / OFFER PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opening Date	Wednesday, August 09, 2017
Bid/Issue Closing Date	Friday, August 11, 2017
Finalization of Basis of Allotment with the Designated Stock Exchange	Friday, August 18, 2017
Initiation of Refunds	Monday, August 21, 2017
Credit of Equity Shares to Demat Accounts of Allottees	Tuesday, August 22, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	Wednesday, August 23, 2017

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated May 22, 2017 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India Tel: +91 22 61946724 Fax: +91 22 26598690 Email: ipo@pantomathgroup.com	57,60,000	2592.00	100%

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Contact Person: Madhu Lunawat SEBI Registration Number: INM000012110			
Total	57,60,000	2592.00	100%

**Includes 3,00,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager have entered into an agreement dated May 22, 2017 with the following Market Maker, duly registered with Emerge Platform of National Stock Exchange of India to fulfil the obligations of Market Making:-

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,
 Bandra Kurla Complex, Bandra (East), Mumbai-400051
 Maharashtra, India

Tel: - +91 22 42577000

Fax: - +91 22 26598692

E-mail: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

Website: www.pantomathgroup.com

SEBI Registration Number: INZ000068338

Pantomath Stock Brokers Private Limited registered with Emerge Platform of National Stock Exchange of India will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 45/- the minimum lot size is 3,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,35,000/- until the same, would be revised by National Stock Exchange of India.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 3,00,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. Emerge Platform of National Stock Exchange of India will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India can impose any other margins as deemed necessary from time-to-time.
11. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 80 crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / National Stock Exchange of India from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue is set forth below:

Amount (Rs.in lakhs except share data)

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	2,20,00,000 Equity Shares of face value of Rs. 10/- each	2,200.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,34,30,724 Equity Shares of face value of Rs. 10/- each	1,343.07	
C.	Present Issue in terms of this Prospectus		
	Issue of 57,60,000 Equity Shares of face value of Rs.10 each at a price of Rs. 45/- per Equity Share	576.00	2592.00
	Consisting:		
	Reservation for Market Maker – 3,00,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 45/- per Equity Share	30.00	135.00
	Net Issue to the Public – 54,60,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 45/- per Equity Share	546.00	2457.00
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	1,91,90,724 Equity Shares of face value of Rs. 10/- each	1,919.07	
E.	Securities Premium Account		
	Before the Issue		1,196.93
	After the Issue		3,212.93

- The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on May 04, 2017 and by the shareholders of our company vide a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Extra Ordinary General Meeting held on May 05, 2017
- Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the NonInstitutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and co-BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
- Such number of Equity Shares representing 5.12% of the Net QIB Portion shall be available for allocation on apportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 84,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund

Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in authorised Share Capital:

Since the Incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
Increased From	Increased To		
The authorised share capital of our Company on incorporation comprised of Rs.5,00,000 divided into 50,000 Equity Shares of Rs. 10 each		On Incorporation	-
Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10 each.	Rs. 7,00,00,000 consisting of 70,00,000 Equity shares of Rs. 10 each.	October 01, 2010	EGM
Rs. 70,000,000 consisting of 70,00,000 Equity shares of Rs. 10 each	Rs. 10,00,00,000 consisting of 1,00,00,000 Equity shares of Rs. 10 each	September 01, 2015	EGM
Rs. 10,00,00,000 consisting of 1,00,00,000 Equity shares of Rs.10 each	Rs. 15,25,00,000 consisting of 1,52,50,000 Equity shares of Rs.10 each	June 22, 2016	EGM
Rs. 15,25,00,000 consisting of 1,52,50,000 Equity shares of Rs. 10 each	Rs. 19,00,00,000 consisting of 1,90,00,000 Equity shares of Rs. 10 each	August 20, 2016	EGM
Rs. 19,00,00,000 consisting of 1,90,00,000 Equity shares of Rs. 10 each	Rs. 22,00,00,000 consisting of 2,20,00,000 Equity shares of Rs. 10 each	April 13, 2017	EGM

2. History of Equity Share Capital of our Company

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
On Incorporation	50,000	10	10	Other than cash*	Subscription to MOA(1)	50,000	5,00,000
March 30, 2011	42,02,008	10	20	Cash	Further Allotment (2)	42,52,008	4,25,20,080
August 08, 2011	22,72,992	10	20	Cash	Further Allotment (3)	65,25,000	6,52,50,000
October 15, 2011	4,00,000	10	25	Cash	Further Allotment (4)	69,25,000	6,92,50,000
December 14, 2011	50,000	10	80	Cash	Further Allotment (5)	69,75,000	6,97,50,000
September 21, 2015	30,00,000	10	10	Cash	Right Issue (6)	99,75,000	9,97,50,000
October 11, 2016	34,55,724	10	23.15	Cash	Right Issue(7)	1,34,30,724	13,43,07,240

*Equity shares allotted pursuant to conversion of M/s. Vitco Vitrified, a partnership firm into our Company under Part IX of the Companies Act, 1956.

1. Pursuant to conversion of M/s. Vitco Vitrified, a partnership firm into our Company under Part IX of the Companies Act, 1956, the Initial Subscribers to Memorandum of Association subscribed 50,000 Equity Shares of face value of Rs. 10/-each fully paid at par as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Nanubhai Kanjia	10,000
2	Prabhulal Panara	10,000
3	Jayantilal Kasundra	10,000
4	Pravinbhai Kasundra	5,000
5	Mayur Panara	5,000
6	Keshavjibhai Patel	5,000
7	Pankaj Marvania	5,000
	Total	50,000

2. Further allotment of 42,02,008 Equity Shares of face value of Rs. 10 each fully paid at a premium of Rs. 10 per Equity Share on March 30, 2011 as per the details given below:

Sr. No	Name of Allottee	No. of Shares Allotted
1.	Anilkumar Detroja	3,600
2.	Babubhai Detroja	1,39,605
3.	Bharatbhai Detroja	75,000
4.	Hitesh Detroja	76,442
5.	Nilesh Detroja	1,81,761
6.	Rajnikantbhai Detroja	25,000
7.	Bhagvanjibhai Jethloja	3,12,500
8.	Dayabhai Sherasiya	3,94,000
9.	Hitarthbhai Dalsaniya	50,000
10.	Kantilal Serasiya	3,94,000
11.	Lexus Ceramic Private Limited	18,25,000
12.	Manjulaben Jethloja	22,500
13.	Maulikbhai Makasana	20,000
14.	Narbherambhai Dalshaniya	25,000
15.	Pankajbhai Detroja	5,00,000
16.	Ramnklal Adroja	1,57,600
	Total	4,202,008

3. Further allotment of 22,72,992 Equity Shares of Rs. 10/- each fully paid at a premium of Rs. 10 per Equity Share on August 08, 2011 as per the details given below :

Sr. No.	Name of Allottee	No. of shares Allotted
1	Nileshbhai Detroja	48,750
2	Lexus Ceramic Private Limited	1,28,992
3	Pankajbhai Detroja	20,95,250
	Total	22,72,992

4. Further allotment of 4,00,000 Equity Shares of Rs. 10/- each fully paid at a premium of Rs. 15 per Equity Share on October 15, 2011 as per the details given below :

Sr. No.	Name of Allottee	No. of shares Allotted
1	Ruchitkumar Ashar	4,00,000
	Total	4,00,000

5. Further allotment of 50,000 Equity shares of Rs. 10/- each fully paid at a premium of Rs. 70 per Equity Share on December 14, 2011 as per the details given below :

Sr. No.	Name of Allottee	No. of shares Allotted
1	M Amin Wani, Aqib Amin Wani, Abdul Rahim Bhat , Raja Abdul Bhat (Partners)	50,000
	Total	50,000

6. Right issue of 30,00,000 Equity Shares of Rs. 10/- each fully paid at par on September 21, 2015 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Pavan Blackrock Private Limited	30,00,000
	Total	30,00,000

7. Right issue of 34,55,724 Equity Shares of Rs. 10/- each fully paid at premium of Rs. 13.15 as on October 11, 2016 as per the details given below :

Sr. No.	Name of Allottee	No. of shares Allotted
1	Pavan Blackrock Private Limited	34,55,724
	Total	34,55,724

3. We have not issued any Equity Shares for consideration other than cash except as follows:

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
On Incorporation	50,000	10	10	Since our Company was formed by conversion of the partnership firm M/s Vitco Vitrified, the partners in the firm became the initial subscribers to the MOA and were allotted Equity Shares against their respective closing balance in the capital account	Conversion from partnership firm to company	Nanubhai Kanjia	10,000
						Prabhulal Panara	10,000
						Jayantilal Kasundra	10,000
						Pravinbhai Kasundra	5,000
						Mayur Panara	5,000
						Keshavjibhai Patel	5,000
						Pankajbhai Marvania	5,000

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

6. Except as mentioned below, no shares have been issued at price below Issue Price within last one year from the date of this Prospectus:-

Date of Allotment/ Fully paid-up	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Allottees	No. of Shares allotted
October 11, 2016	10	23.15	Cash	Rights Issue	Pavan Blackrock Private Limited	34,55,724

7. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

i. Build Up of Promoter's shareholdings

As on the date of this Prospectus, our Promoters, Anilkumar Detroja, Nilesh Detroja , Hitesh Detroja and Pavan Blackrock Private Limited together holds 1,10,69,527 Equity Shares of our Company. None of the Equity shares held by our Promoter are subject to any pledge.

a. Anilkumar Detroja

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds	Pledge
June 30, 2010	10,000	10	10	Transfer	0.07%	0.05	3 years	Borrowings	No
March 30, 2011	3,600	10	20	Further Allotment	0.03%	0.02	3 years	Savings	No
June 12, 2017	30,000	10	35	Transfer	0.22%	0.16	1 year	Partners capital withdrawal from Karthik Industries	No
June 12, 2017	3,12,500	10	35	Transfer	2.33%	1.63	1 year	Partners capital withdrawal from Karthik Industries	No
June 12, 2017	22,500	10	35	Transfer	0.17%	0.12	1 year	Partners capital withdrawal from Karthik Industries	No
June 12, 2017	4,00,000	10	35	Transfer	2.98%	2.08	1 year	Partners capital withdrawal from Karthik Industries	No
Total	7,78,600				5.80%	8.11			

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

Details of borrowings:

Name of the Lender	Amount (Rs. In Lakhs)	Address
Nilesh Ghodasara	1.00	Morbi, Gujarat

b. Nilesh Detroja

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds	Pledge
June 30, 2010	5,000	10	10	Transfer	0.04%	0.03%	3 years	Savings	No
March 30, 2011	1,81,761	10	20	Further allotment	1.35%	0.95%	3 years	Savings/ Borrowings	No
August 08, 2011	48,750	10	20	Further allotment	0.36%	0.25%	3 years	Borrowings	No
March 28, 2014	94,000	10	20	Transfer	0.70%	0.49%	3 years	Borrowings/ Savings	No
	3,00,000	10	20		2.23%	1.56%	1 year		
June 15, 2016	85,000	10	23.25	Transfer	0.63%	0.44%	1 year	Partners capital withdrawal from Smile Ceramics	No
June 12, 2017	50,000	10	35	Transfer	0.37%	0.26%	1 year	Partners capital withdrawal from Karthik Industries	No
Total	7,64,511				5.69%	3.98%			

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

Details of borrowings:

Name of the Lender	Amount (Rs. In Lakhs)	Address
Nilesh Ghodasara	3.00	Morbi, Gujarat
Parul Detroja	8.25	Morbi, Gujarat
Parul Detroja	9.22	Morbi, Gujarat
Lexus Ceramic Private Limited	9.75	Morbi, Gujarat
Lexus Ceramic Private Limited	78.80	Morbi, Gujarat

c. Hitesh Babubhai Detroja

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds	Pledge
June 30, 2010	5,000	10	10	Transfer	0.04%	0.03%	3 years	Savings	No
March 30, 2011	76,442	10	20	Further allotment	0.57%	0.40%	3 years	Savings/ Borrowings	No
March 20, 2014	94,000	10	20	Transfer	0.70%	0.49%	3 years	Borrowings	No
	3,00,000	10	20	Transfer	2.23%	1.56%	1 year		
Total	4,75,442				3.54%	2.48%			

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

Details of borrowings:

Name of the lender	Amount (Rs. In Lakhs)	Address
Lexus Ceramic Private Limited	12.00	Morbi, Gujarat
Lexus Ceramic Private Limited	78.80	Morbi, Gujarat

d. Pavan Blackrock Private Limited

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds	Pledge
January 10, 2015	5,00,000	10	10	Transfer	3.72%	2.61%	3 years	Issue of shares of PBPL against acquisition of business of Pavan Corporation	No
January 10, 2015	20,95,250	10	Nil	Transfer	15.60%	10.92%	1 years	NA	No
September 21, 2015	30,00,000	10	10	Rights Issue	22.34%	15.63%	3 years	Borrowings from Karthik	No

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Lock-in Period	Source of funds	Pledge
								Industries	
October 11, 2016	34,55,724	10	23.15	Rights Issue	25.73%	18.01%	1 year	Borrowings from Karthik Industries	No
Total	90,50,974				67.39%	47.16%			

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

ii. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as Promoter's Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.94% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
Anilkumar Detroja						
June 30, 2010	10,000	10	10	Transfer	0.05	3 years
March 30, 2011	3,600	10	20	Further Allotment	0.02	3 years
Subtotal (A)	13,600					
Nilesh Detroja						
June 30, 2010	5,000	10	10	Transfer	0.03	3 years
March 30, 2011	1,81,761	10	20	Further allotment	0.95	3 years
August 08, 2011	48,750	10	20	Further allotment	0.25	3 years
March 28, 2014	94,000	10	20	Transfer	0.49	3 years
Subtotal (B)	3,29,511					
Hitesh Detroja						
June 30, 2010	5,000	10	10	Transfer	0.03	3 years
March 30, 2011	76,442	10	20	Further allotment	0.40	3 years
March 20, 2014	94,000	10	20	Transfer	0.49	3 years
Subtotal (C)	1,75,442					
Pavan Blackrock Private Limited						
January 10, 2015	5,00,000	10	10	Transfer	2.61	3 years
September 21, 2015	30,00,000	10	10	Rights Issue	15.63	3 years
Subtotal (D)	35,00,000					
Total	40,18,553				20.94	

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- a. The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- b. The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Prospectus at a price lower than the Issue Price;
- c. No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- d. The Equity Shares held by the Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- e. All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized; and
- f. The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

iii. Details of Share Capital locked in for one year

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv. Other requirements in respect of lock-in:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of 20.94 % of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

8. Except as below, there were no shares purchased / sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.

Date of Transfer	Name of the Transferee/ Transferor	Party Category	No. of Shares Allotted/ Transferred	Face Value	Transfer Price	Nature of Allotment
June 12, 2017	Anilkumar Detroja	Promoter	30,000	10	35	Purchase by way of Transfer
June 12, 2017	Anilkumar Detroja	Promoter	3,12,500	10	35	Purchase by way of Transfer
June 12, 2017	Nilesh Detroja	Promoter	50,000	10	35	Purchase by way of Transfer
June 12, 2017	Anilkumar Detroja	Promoter	22,500	10	35	Purchase by way of Transfer
June 12, 2017	Anilkumar Detroja	Promoter	4,00,000	10	35	Purchase by way of Transfer

9. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

Summary of Shareholding Pattern as on the date of this Prospectus:-

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares**		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			No.(a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	9	1,34,30,724	-	-	1,34,30,724	100.00	1,34,30,724	100.00	-	100.00	-	-	-	-	1,34,30,724
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	1,34,30,724	-	-	1,34,30,724	100.00	1,34,30,724	100.00	-	100.00	-	-	-	-	1,34,30,724

*As on the date of this Prospectus 1 Equity Shares holds 1 vote.

**All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on Emerge Platform of National Stock Exchange of India

I. Shareholding Pattern of Promoter and Promoter Group

	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
1	Indian																
(a)	Individuals/ Hindu undivided Family	-	7	24,25,758	-	-	24,25,758	18.06	24,25,758	18.06	-	18.06	-	-	-	-	24,25,758
(b)	Central Government / State Government (s)																-
(c)	Financial Institutions/ Banks																-
(d)	Any Other (Specify)	-	2	1,10,04,966	-	-	1,10,04,966	81.94	1,10,04,966	81.94		81.94	-	-	-	-	1,10,04,966

	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
)	Body Corporate																
	Sub-total (A) (1)		9	1,34,30,724	-	-	1,34,30,724	100.00	1,34,30,724	100.00	-	100.00	-	-	-	-	1,34,30,724
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category of Shareholder	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	9	1,34,30,724	-	-	1,34,30,724	100.00	1,34,30,724	100.00	-	100.00	-	-	-	-	1,34,30,724

II. Shareholding Pattern of the Public shareholder

	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+ C)			N o. (a)	As a % of total Shares held (b)	N o. (a)	As a % of total Shares held (b)	
	I	I I	III	IV	V	VI	VII = IV+V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (B) (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
									No of Voting Rights	Total as a % of (A+B+C)			N o. (a)	As a % of total Shares held (b)	N o. (a)	As a % of total Shares held (b)	
	I	I I	III	IV	V	VI	VII = IV+V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(2)	Central Government/State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category of Shareholder	P A N	Nos. of shareholders	No. of fully paid up equity shares held	No. of Part ly paid -up equity shares held	No. of share s und erly ing Dep osit ory Rec eipt s	Total nos. share s held	Sharehol ding as a % of total no. of shares (calculat ed as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlyi ng Outstan ding converti ble securitie s (includin g Warrant s)	Sharehol ding , as a % assuming full conversio n of convertib le securities (as a percentag e of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumber ed		Number of equity shares held in dematerial ized form***
									No of Voti ng Righ ts	Total as a % of (A+B+ C)			N o. (a)	As a % of total Shar es held (b)	N o. (a)	As a % of total Shar es held (b)	
	I	I I	III	IV	V	VI	VII = IV+V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	(holding DRs) (balancing figure)																
(e)	Any Other (Specify)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Public (B)= (B)(1)+(B)(2)+ (B)(3)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

III. Shareholding pattern of the Non Promoter- Non Public shareholder

Sr No	Category of Shareholder	P A N	N os. of sh ar eh ol de rs	No. of fully paid up equi ty shar es held	N o. of Par tly pa id-up equi ty shar es held	No. of shares under lying Depos itory Recei pts	Total nos. shares held	Shareh olding as a % of total no. of shares (calcula ted as per SCRR, 1957) As a % of (A+B+ C2)	Number of Voting Rights held in each class of securities		No. of Shares Under lying Outsta nding conver tible securit ies (inclu ding Warra nts)	Sharehol ding , as a % assuming full conversio n of convertibl e securities (as a percentag e of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbere d		Number of equity shares held in dematerial ized form***
									No of Voti ng Rig hts	Total as a % of (A+B +C)			No . (a)	As a % of total Shar es held (b)	No . (a)	As a % of total Shar es held (b)	
	I	II	III	IV	V	VI	VII = IV+V +VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (C)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter Non-Public Shareholding (C) = (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of National Stock Exchange of India before commencement of trading of such Equity Shares.

10. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1.	Pavan Blackrock Private Limited	9050974	67.39	9050974	47.16
2.	Anilkumar Babulal Detroja	778600	5.80	778600	4.06
3.	Nilesh Babulal Detroja	764511	5.69	764511	3.98
4.	Hitesh Babulal Detroja	475442	3.54	475442	2.48
	Sub total (A)	1,10,69,527	82.42	1,10,69,527	57.68
	Promoter Group				
5.	Lexus Ceramic Private Limited	1953992	14.55	1953992	10.18
6.	Babulal Detroja	357205	2.66	357205	1.86
7.	Narbherambhai Dalsaniya	25000	0.19	25000	0.13
8.	Maulikbhai Makasana	20000	0.15	20000	0.10
9.	Parulben Detroja	5000	0.04	5000	0.03
	Sub total (B)	23,61,197	17.58	23,61,197	12.30
	Total (A+B)	1,34,30,724	100.00	1,34,30,724	69.99

11. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Pavan Blackrock Private Limited	90,50,974	12.71
Anilkumar Detroja	7,78,600	34.61
Nilesh Detroja	7,64,511	21.28
Hitesh Detroja	4,75,442	19.89

12. There are no persons belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.
13. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Prospectus are set forth below:

a) Particulars of the top ten shareholders as on the date of filing this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pavan Blackrock Private Limited	90,50,974	67.39%
2.	Lexus Ceramic Private Limited	19,53,992	14.55%
3.	Anilkumar Detroja	7,78,600	5.80%
4.	Nilesh Detroja	7,64,511	5.69%
5.	Hitesh Detroja	4,75,442	3.54%
6.	Babulal Detroja	3,57,205	2.66%
7.	Narbherambhai Dalsaniya	25,000	0.19%
8.	Maulikbhai Makasana	20,000	0.15%
9.	Parulben Detroja	5,000	0.04%
	Total	1,34,30,724	100%

b) Particulars of the top ten shareholders as at ten days prior to the date of filing of this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pavan Blackrock Private Limited	90,50,974	67.39%
2.	Lexus Ceramic Private Limited	19,53,992	14.55%
3.	Anilkumar Detroja	7,78,600	5.80%
4.	Nilesh Detroja	7,64,511	5.69%
5.	Hitesh Detroja	4,75,442	3.54%
6.	Babulal Detroja	3,57,205	2.66%
7.	Narbherambhai Dalsaniya	25,000	0.19%
8.	Maulikbhai Makasana	20,000	0.15%
9.	Parulben Detroja	5,000	0.04%
	Total	1,34,30,724	100%

c) Particulars of the top ten shareholders two years prior to the date of filing of this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pavan Blackrock	25,95,250	37.21%
2.	Lexus Ceramic Private Limited	19,53,992	28.01%
3.	Nilesh Detroja	6,29,511	9.03%
4.	Hitesh Detroja	4,75,442	6.82%
5.	Ruchitkumar Ashar	4,00,000	5.73%
6.	Bhagvanjibhai Jethloja	3,12,500	4.48%
7.	Babulal Detroja	3,07,205	4.40%
8.	Bharatbhai Detroja	85,000	1.22%
9.	Mr.Amin Wani, Aqib Wani, Abdul Rahim Bhat, Raja Abdul Bhat (Partner)	50,000	0.72%
10.	Hitarthbhai Dalsaniya	50,000	0.72%
	Total	68,58,900	98.34%

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus.
16. Under-subscription in the net issue, if any, in any category, except in the QIB portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Emerge Platform of National Stock Exchange of India Limited.
17. The unsubscribed portion in any reserved category (if any) except in the OIB portion may be added to any other reserved category. The unsubscribed portion after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there is no other class of securities issued by our Company.
20. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its

capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

21. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Prospectus.
22. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
23. There are no safety net arrangements for this public issue.
24. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
25. In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price
26. As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
27. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
28. As per RBI regulations, OCBs are not allowed to participate in this Issue.
29. Our Company has not raised any bridge loans against the proceeds of the Issue.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
32. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
33. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
34. Our Company has 9 shareholders as on the date of filing of this Prospectus.
35. Our Promoters and the members of our Promoter Group will not participate in this Issue.
36. Our Company has not made any public issue since its incorporation.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, please refer to paragraph titled



“Details of Related Parties Transactions as Restated” in the chapter titled “Financial Statements as restated” on page 203 of this Prospectus.

39. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page 174 of this Prospectus.

OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing on the Emerge Platform of National Stock Exchange of India:

1. Working Capital requirements
2. General Corporate Purposes.

Also, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

DETAILS OF THE PROCEEDS

Particulars	Amount (Rs. in lakhs)
Gross Proceeds from the Fresh Issue	2,592.00
(Less): Issue related expenses	165.00
Net Proceeds	2,427.00

As at August 12, 2017, our Company has incurred Rs. 51.04 Lakhs towards Issue expenses out of internal accruals vide certificate issued by our Statutory Auditor dated August 12, 2017.

UTILIZATION OF NET PROCEEDS

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Working Capital Requirements	2,100.00	81.02	86.53
2.	General Corporate Purpose	327.00	12.62	13.47
	Total	2,427.00	93.63	100.00

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue, Bank Funding and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

While we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as incremental pre-operative expenses and external factors which

may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management in accordance with applicable laws. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards future growth opportunities, if required and general corporate purposes.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of Objects

1. Working Capital

We finance our working capital requirements from bank funding, internal accruals and other sources. As on date our Company's working capital sanction facilities consisted of an aggregate based limit of Rs. 2,200.00 lakhs. For further information, see "*Financial Indebtedness*" on page 255 of this Prospectus.

As on March 31, 2016 and March 31, 2017 our Company's net working capital consisted of Rs.1,662.51 lakhs and Rs. 2,925.41 lakhs respectively based on the restated financial statements.

The total net working capital requirement for the year 2018 is estimated to be Rs.5,091.00 lakhs which will be met through the Net Proceeds to the extent of Rs. 2,100.00 and the balance portion will be met through internal accruals/ Owned Funds and short term borrowings.

Basis of estimation of working capital requirement

The details of our Company's working capital requirement are based on the restated financial statements as at March 31, 2016 and March 31, 2017 are as set out in the table below

Amount (Rs. In Lakhs)

Particulars	As on March 31	
	2017	2016
Current Assets		
Inventories		
Raw materials	1,411.50	779.41
Consumables and spares/ Packing material	568.44	258.15
Work in progress	157.20	120.60
Finished Goods	1,397.88	395.37
Trade Receivables	3,151.81	1,808.11
Short term Loans and Advances and other Current Assets	1,621.76	758.10
Cash and cash equivalents	60.93	63.87
Total (A)	8,369.52	4,183.62
Current Liabilities		
Trade Payables	4,239.90	1,618.63
Other Current Liabilities and Provisions	1,204.22	902.48
Total (B)	5,444.11	2,521.11
Net Working Capital (A)-(B)	2,925.41	1,662.51

The details of our Company's expected working capital requirement as at March 31, 2018 is set out in the table below:

Amount (Rs. In Lakhs)

Particulars	2017-18 (Estimated)
Current Assets	
Inventories	
Raw materials	2,075.00
Consumables and spares/ Packing material	750.00
Work in progress	200.00
Finished Goods	1,750.00
Trade Receivables	4,250.00
Short term Loans and Advances and other Current Assets	398.00
Cash and cash equivalents	77.00
Total (A)	9,500.00
Current Liabilities	
Trade Payables	3,000.00
Other Current Liabilities and Provisions	1,409.00
Total (B)	4,409.00
Net Working Capital (A)-(B)	5,091.00
Issue Proceeds	2,100.00
Internal Accruals/ Net worth	791.00
Bank funding	2,200.00
Total Source	5,091.00

Assumption for working capital requirements

Assumptions for Holding Levels*

(In months)

Particulars	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018 (Estimated)
Current Assets			
Trade Receivables			
Domestic	3.36	3.85	3.86
Export	1.19	1.35	1.33
Inventories			
Raw materials	1.96	1.89	1.84
Consumables and spares/ Packing material	5.47	11.42	10.27
Work in progress	0.17	0.13	0.12
Finished Goods	0.57	1.23	1.05
Current Liabilities			
Trade Payables	3.63	5.32	2.50

Our Company proposes to utilize Rs. 2,100.00 lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

Justification for "Holding Period" levels

The justifications for the holding levels mentioned in the table above are provided below

Assets- Current Assets	
Trade receivables	It is in line with the previous year.
Inventories	In FY 2017-18 we have assumed raw material inventory of around 1.84 months which is similar to raw material inventory in

	FY 2016-17. Further we have assumed work in progress and finished goods inventory of 0.12 months and 1.05 months respectively in FY 2017-18 as we tend to have a better inventory management policy.
Liabilities - Current Liabilities	
Trade Payables	In FY 2017-18, the credit period is expected to be 2.50 months as compared to 5.32 months in FY 2016-17, as the Company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relation with the existing suppliers.

Pursuant to the certificate dated June 9, 2017, M/s. B. B. Kalaria & CO., Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements and the working capital projections as approved by the Board by the resolution dated June 9, 2017.

2. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds aggregating Rs 327.00 lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 165.00 Lakhs.

Expenses	Expenses(Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers, Brokers etc.	121.76	73.79	4.70
Regulatory fees	15.00	9.09	0.58
Marketing and Other Expenses	28.24	17.12	1.09
Total estimated Issue expenses	165.00	100.00	6.37

*** As at August 12, 2017, our Company has incurred Rs. 51.04 lakhs towards Issue expenses out of internal accruals vide certificate issued by our Statutory Auditor dated August 12, 2017.**

Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.50% on the Allotment

Amount# on the Applications wherein shares are allotted.

Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

No additional bidding charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

SCSBs will be entitled to a processing fee of Rs. 25 (plus applicable goods service tax), per valid ASBA Form, subject to total ASBA Processing Fees being maximum of Rs. 3.00 lakhs (plus applicable goods service tax), for processing the ASBA Forms procured by the members of the Syndicate, Sub- Syndicate, Registered Brokers, RTAs or CDPs from Retail Individual Applicants and Non-Institutional Applicants

and submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds Rs.3.00 lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs. 3.00 lakhs.

Registered Brokers will be entitled to a commission of Rs. 25 (plus applicable goods service tax), per every valid ASBA Form, subject to total commission being maximum of Rs. 3.00 lakhs (plus applicable goods service tax), which are directly procured by the Registered Brokers from Retail Individual Applicants and Non-Institutional Applicants and submitted to SCSBs for processing. In case the commission payable to Registered Brokers exceeds Rs. 3.00 lakhs, then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total commission payable does not exceed Rs. 3.00 lakhs.

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2017-18.

Activity	Total Amount (Rs in Lakhs)	Amount incurred till date	Estimated deployment of the Issue Proceeds FY 2017-2018
Working Capital Requirements	2,100.00	-	2,100.00
General Corporate Purposes	327.00	-	327.00

Further our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance our capital needs until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance additional capital needs will be repaid from the Net Proceeds of the Issue.

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILISATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Prospectus.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. 45.00 per Equity Share will be determined by the Company, in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is 4.5 times of the face value.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- Focus on quality and innovation
- Our experienced management
- Wide range of products
- Existing relationship with clients
- Manufacturing facility
- Export markets
- Location advantage

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 146 of this Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2017, 2016 and 2015 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2015	2.91	1
March 31, 2016	3.74	2
March 31, 2017	2.32	3
Weighted average		2.89

Note:-

- The earnings per share has been computed by dividing net profit [after excluding extraordinary items (net off tax)] as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

2. Price to Earnings (P/E) ratio in relation to Price Band of Rs. 41.00 to Rs. 45.00 per Equity Share of Rs. 10 each fully paid up.

Particulars	PE Ratio on cap price	PE Ratio on floor price
P/E ratio based on Basic EPS for FY 2016-17	19.40	17.67
P/E ratio based on Weighted Average EPS	15.56	14.47
*Industry P/E (on basic EPS)		
Lowest		77.32
Highest		77.32
Average		77.32

**Industry Comprises of Murudeshwar Ceramics Limited.

3. Return on Net worth (RoNW)

Return on Net Worth ("RoNW") as per restated financial statements

Year ended	RoNW (%)	Weight
March 31, 2015	13.24	1
March 31, 2016	14.93	2
March 31, 2017	8.56	3
Weighted Average		11.46

Note: The RoNW has been computed by dividing net profit after tax [after excluding extraordinary items (net off tax)] as restated, by Net Worth as at the end of the respective year excluding extraordinary items (net off tax) and miscellaneous expenditure to the extent not written off.

4. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2017

Particulars	(Amount in Rs.)
At Floor price	8.09
At Cap price	7.76

5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	25.20
Net Asset Value per Equity Share after the Issue	31.14
Issue Price per equity share	45.00

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period. Net worth is calculated as sum of share capital and free reserves excluding miscellaneous expenses to the extent not written off.
- Issue Price per equity share will be determined on conclusion of Book Building Process.

6. Comparison with other listed companies

Companies	CMP	Basic EPS	Diluted EPS	PE Ratio on Basic EPS	PE Ratio on Diluted EPS	RON W %	NAV (Per Share)	Face Value	Total Income (In Lakhs)
Lexus Granito (India) Limited	45	2.32	2.32	19.40	19.40	8.56	25.20	10.00	16,473.11
Peer Group*									
Murudeshwar Ceramics Ltd.	43.30	0.56	0.50	77.32	86.60	0.74**	75.51**	10.00	10,613.75

*Source: www.nseindia.com

**Money received against share warrants has not been considered for calculating Net worth of Murudeshwar Ceramics Limited

Notes:

- Considering the nature of business of the Company the peer is not strictly comparable. However same has been included for broad comparison.
- The figures for Lexus Granito (India) Limited are based on the restated results for the year ended March 31, 2017
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2017

- Current Market Price (CMP) is the closing price of respective script as on July 24, 2017
- The Issue Price of Lexus Granito India Limited is Rs. 45.00 per Equity Share. Lexus Granito India Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.

For further details see section titled “*Risk Factors*” beginning on page 23 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 203 of this Prospectus for a more informed view.



STATEMENT OF POSSIBLE TAX BENEFIT

To,

The Board of Directors,

Lexus Granito (India) Limited,
Survey No.800, opp, Lakhdhipur Village,
Lakhdhipur Road, N.H 8A, Tal.Morbi,
Lakhdhipur, Rajkot-363642,
Gujarat, India-363642

Dear Sirs,

Subject : Statement of Possible Special Tax Benefits available to Lexus Granito (India) Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009 as amended (the ‘Regulations’)

We hereby report that the enclosed annexure prepared by **the Management of the Company**, states the possible special tax benefits available to **Lexus Granito (India) Limited** (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Offer”) by the Company.

We do not express any opinion or provide any assurance as to whether:

- a. The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b. The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Khandelwal Prakash Murari Bhandari & Co.
Chartered Accountants
Firm Registration No.102454W

Punit Soni
Partner
M No. 173087

Date: June 7, 2017
Place: Mumbai

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV – ABOUT THE COMPANY OUR INDUSTRY

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 23 and 203 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

OVERVIEW OF CERAMIC TILES INDUSTRY

Ceramic tiles as a product segment have grown to a sizeable chunk today at approximately 680 Millions Square meters production per annum. However, the potential seems to be great, particularly as the housing sector, retail, IT & BPO sectors have been witnessing an unprecedented boom in recent times. The key drivers for the ceramic tiles in India are the boom in housing sector coupled by government policies fuelling strong growth in housing sector. The retail boom in the Indian economy has also influenced the demand for higher end products. Overall the bullish growth estimates in the Indian economy has significantly influenced the growth of the Indian Ceramic tile industry.

The main product segments are the Wall tile, Floor tile, Vitrified tile and Industrial tile segments. The market shares (in value terms) are 20%, 23% 50%, and 7% respectively for Wall, Floor, Vitrified, and Industrial tiles. The tiles are available in a wide variety of designs, textures and surface effects. They cater to tastes as varied from rustics to contemporary marble designs in super glossy mirror finishes. Both, traditional methods of manufacturing (tunnel) and the latest single fast firing methods are deployed in manufacturing. Some of the latest trends in manufacturing methods can be seen in India.

The industry also enjoys the unique distinction of being highly indigenous with an abundance of raw materials, technical skills, infrastructural facilities despite being fairly capital intensive. A total of over 5, 50,000 people are employed in the sector. Out of this, 50,000 people are directly employed and 5,00,000 are indirectly associated. The potential is huge considering the per capita consumption of ceramic tiles in India. Currently it is at 0.50 square meters per person in comparison to over 2 square meters per person for like countries like China, Brazil and Malaysia.

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

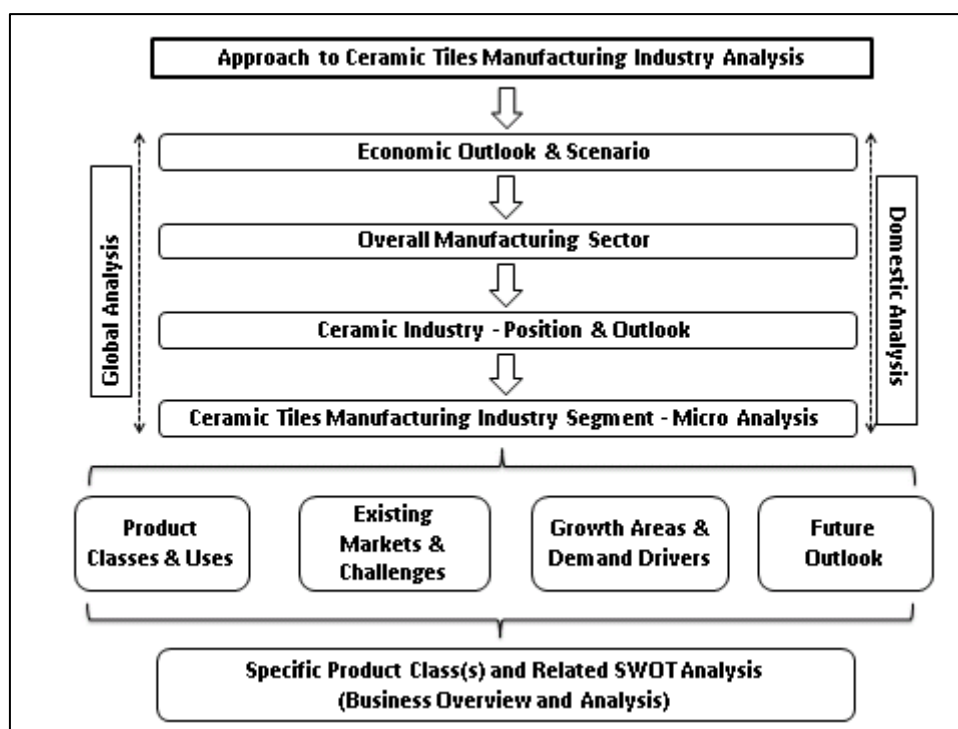
APPROACH TO CERAMIC TILES INDUSTRY ANALYSIS

India, the world’s third largest tile producer with volumes close to the 850 million square metre mark, has by now got us used to its impetuous growth rates. The immense volumes turned out by this key market have led industrial suppliers of technologies, raw materials and services worldwide to pay it special attention and develop a closer collaboration with its operators.

Analysis of Ceramic Tiles Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. “Ceramic Tiles Manufacturing Industry” forms part of Manufacturing Sector at a macro level. Hence, broad picture of “Manufacturing Sector” should be at preface while analysing the “Ceramic Tiles Manufacturing Industry”.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall manufacturing sector is “Ceramic Tiles Manufacturing Industry”, which in turn encompasses various components one of them being “Ceramic Tiles Manufacturing Industry”.

Thus, “Ceramic Tiles Manufacturing Industry” should be analysed in the light of “Ceramic Tiles Industry” at large. An appropriate view on Ceramic Tiles Manufacturing Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Ceramic Tiles Industry and Ceramic Tiles Manufacturing Segment micro analysis.



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GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India’s capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world’s “political carrying capacity for globalisation” may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India’s export and growth prospects.

Third, developments in the US, especially the rise of the dollar, will have implications for China’s currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade

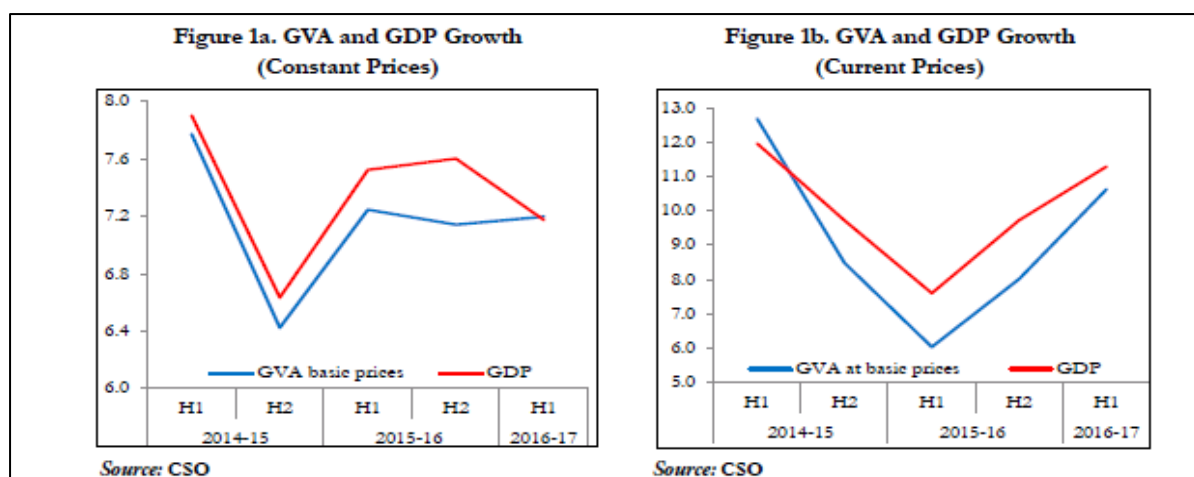
frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2016-17

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the

policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money— cash—while increasing almost to the same extent another type of money— demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year’s planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers’ access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year’s Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO’s advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India’s exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF’s January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result,

spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not

necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

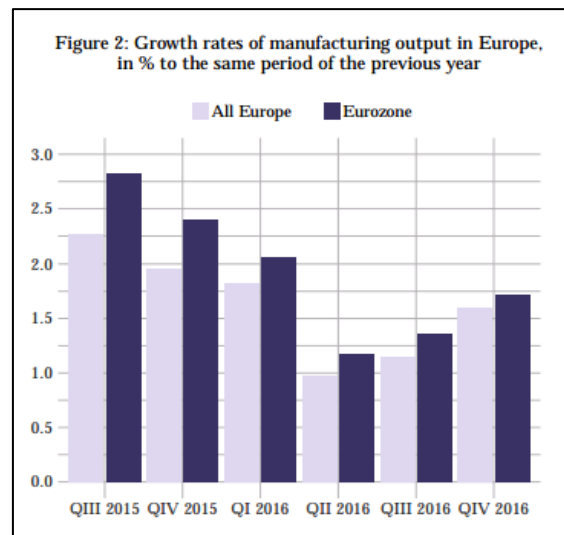
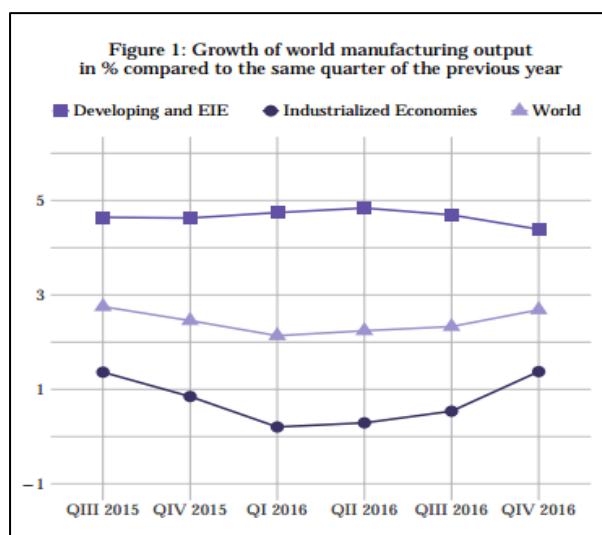
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World manufacturing growth

World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.



Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an expansion compared to the same period of the previous year. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent.

The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015. Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Industrialized Economies

The manufacturing output growth of industrialized economies improved in the last quarter of 2016 from 0.5 per cent in the third quarter to 1.4 per cent. This acceleration was characterized by an upward trend in East Asia and Europe. Manufacturing growth experienced a moderate, albeit noticeable slowdown in North America.

Among the industrialized country group, Europe's manufacturing output grew by 1.6 per cent in the final quarter of 2016, while the eurozone registered a growth rate of 1.7 per cent. The growth trends for these two groups converged and nearly merged at the end of 2016, displaying a fairly balanced resistance and response to adverse impacts. When comparing year-to-year developments among the leading eurozone economies, Italy registered a 2.8 per cent growth rate followed by Germany with a growth rate of 1.2 per cent, while a more moderate growth rate of 0.2 per cent was observed in France. The growth figures for the majority of eurozone countries were positive, with strong growth

performance observed in Slovenia - the fastest growing manufacturer among all eurozone countries in 2016. Manufacturing output rose by 2.0 per cent and more in Lithuania, Finland, the Netherlands and Ireland, while Portugal's dropped by 0.6 per cent.

Beyond the eurozone, the manufacturing production in the United Kingdom recorded a positive growth rate in the final quarter of 2016 at 1.9 per cent, despite an expected slowdown in the aftermath of Brexit. Manufacturing output in the Russian Federation grew by a moderate rate of 1.0 per cent, continuing its shaky recovery after the country's economy was severely hit by the drop in oil prices. The pace of growth remained slow in Czechia and Hungary due to the reduction in EU investment funds and even less positive results came from Switzerland, where manufacturing output dropped by 1.6 per cent compared to the same period of the previous year.

Overall manufacturing production in North America grew by 0.2 per cent compared to the fourth quarter of the previous year. The still strong dollar made American-made goods more expensive and less competitive compared to foreign produced goods, which led to weak exports and subsequently to a negligible 0.2 per cent improvement in total manufacturing output in the United States on a year-to-year basis. Positive growth was reported in the production of motor vehicles, computers, electronic and optical products, but the majority of manufacturing industries reported a decline. In Canada, manufacturing growth in the fourth quarter of 2016 varied considerably by industry. While the production of pharmaceuticals and chemicals remained strong, production in fabricated metal products and in the automotive industry dropped. Aggregated growth of manufacturing output in Canada was 0.2 per cent in the fourth quarter of 2016.

The disruption of a long period of consecutive contraction in the industrialized East Asian economies was confirmed by a positive result in the fourth quarter of 2016 - nearly 2.9 per cent improvement was observed compared to the fourth quarter of 2015. A major force stimulating this change was Japan, which recorded a positive growth rate of 2.7 per cent following a nearly two-year period of consecutive slumps, except for the last quarter, when the first signs of improvement arose. This upswing is primarily attributable to the boost in all three key sectors in Japan - the automotive industry, computers, electronic and optical products and machinery and equipment. Taking advantage of the weakening yen and a pickup in global trade, manufacturing production in the Republic of Korea witnessed a gain of 1.7 per cent. Malaysia's total manufacturing output recorded a 4.9 per cent rise in the fourth quarter of 2016 on a year-to-year basis, and very strong growth figures were also observed in Singapore.

Despite this overall improvement, global growth still looks fragile due to the uncertainty in Europe generated by Brexit and the upcoming U.S. secession from the Trans-Pacific Partnership. On the other hand, a new free-trade agreement between the EU and Canada looks promising for the manufacturing of a number of countries.

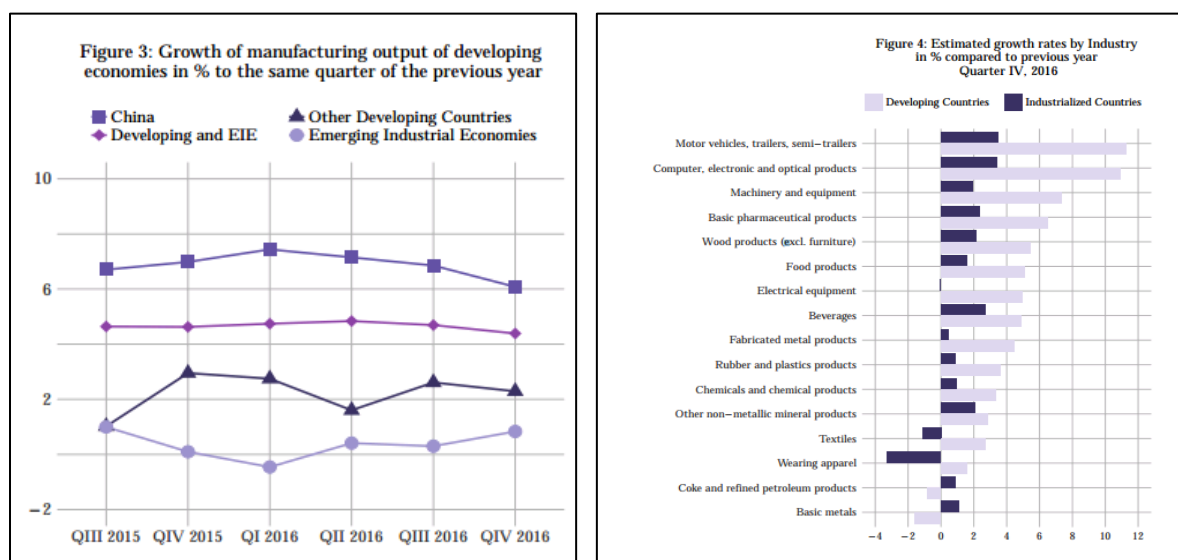
(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies

The overall growth of manufacturing output in developing and emerging industrial economies was affected by gloomy signals emanating from the major economies in this group. Although manufacturing activity in China continued to expand, its pace slowed compared to the previous quarter. In the final quarter of 2016, manufacturing production in China rose by 6.1 per cent over the same period of the previous year, reflecting a slowdown from the 6.9 per cent growth rate recorded in the previous quarter. This slightly steeper deceleration was mainly driven by negative growth in the production of basic metals, China's strongest industry. Following an uninterrupted downward trajectory since late 2013, the trend in China now seems to point towards stabilization at a sustainable pace.

Latin American economies, which have recently faced a severe decline due to subdued global demand, low commodity prices and domestic political turbulence, have reduced their declining growth rate to 1.0 per cent. On a sequential basis, the fall in manufacturing activity in Brazil has softened throughout 2016, dropping only by 2.9 per cent in a year-to-year comparison in the final quarter of 2016. The largest expansion was seen in the manufacturing of motor vehicles, closely followed by manufacturing of computer, electronic and optical products. Other larger Latin American manufacturers, namely

Mexico and Colombia, recorded a positive growth of 2.0 per cent and 1.5 per cent, respectively, while Argentina, Chile and Peru experienced contractions.



Growth performance was much higher in Asian economies, where manufacturing output rose by 5.5 per cent in the fourth quarter of 2016, a decent result considering that the production growth rate of Asian developing economies has not dropped below 6.0 per cent since the global financial crisis. Viet Nam again confirmed its position as one of the fastest growing Asian economies with a 9.6 per cent gain, benefiting mostly from its attractiveness for foreign direct investment and export oriented industries. Indonesia's manufacturing output expanded by 2.3 per cent in a year-by-year comparison, decelerating from much higher growth rates recorded in previous quarters, while India's manufacturing production output ended the year with a trivial, barely 0.5 per cent rise, the first positive growth figure registered in 2016. According to UNIDO estimates, positive developments were observed in other Asian economies: manufacturing output rose by 3.6 per cent in Saudi Arabia, almost 4.0 per cent in Pakistan and 1.3 per cent in Jordan. Bangladesh managed to maintain its robust growth in the fourth quarter of 2016, while manufacturing output in Mongolia contracted.

Estimates based on the limited available data indicate that manufacturing output in Africa decreased by 0.5 per cent in the final quarter of 2016. In terms of individual countries, a 0.6 per cent drop was registered in South Africa, the region's most industrialized economy. Egypt and Tunisia's manufacturing output also decreased compared to the same period of the previous year, while Morocco and Cote d'Ivoire registered a positive growth rate according to UNIDO estimates.

Among the other developing economies, the manufacturing output of East European countries achieved relatively higher growth rates. Manufacturing output rose by 4.1 per cent in Poland, 4.7 per cent in Romania, 4.3 per cent in Bulgaria and over 5.0 per cent in Serbia and Croatia. Manufacturing production in Turkey grew by 1.4 per cent, reversing the decline registered in the previous period.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Key Findings - Global manufacturing

Global manufacturing production maintained a positive growth in nearly all industries in the final quarter of 2016. High- and medium-high-technology manufacturing industries held top positions, when looking at the year-by-year developments - the manufacture of computers, electronics and optical products grew by 6.3 per cent, the manufacture of motor vehicles rose by 6.2 per cent and the production of pharmaceutical products by 4.0 per cent. However, the production of other transport equipment, another high-technology sector, contracted by 0.9 per cent compared to the same period of the previous year. The largest loss was recorded in the tobacco industry, with its global production declining by 5.8 per cent.

As regards durable and capital goods, the production of machinery and equipment experienced an exceptionally high growth rate at 3.7 per cent in the fourth quarter of 2016. The manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of fabricated metal products and furniture both rose at a moderate pace of 1.7 per cent. Worldwide manufacturing of basic metals has systematically lost strength over the last few years and reached a negative growth rate of 0.7 per cent in the fourth quarter of 2016, mostly due to a visibly decreased production of basic metals in China.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods. The manufacture of food products rose by 3.1 per cent and beverages by 3.7 per cent, while the manufacture of wearing apparel increased by 0.5 per cent only. In low-technology manufacturing sectors, the global production of wood products rose by 3.3 per cent while the growth pace of manufacturing of paper products, textiles and leather products remained below 2.0 per cent.

The growth performance of developing and emerging industrial economies outperformed industrialized economies in nearly all manufacturing industries, including a number of high-technology industries, as illustrated in Figure 4. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

GLOBAL CERAMIC TILES MARKET REVIEW

Italian Ceramic Tile Industry Returns to Growth

The Italian ceramic tile industry ended 2016 on a positive note and can look forward with optimism to the two-year period 2017-2018 when growth is expected to continue. At the end of last year, **Italian tiles** returned to above what is considered to be a critical minimum threshold of 400 million square metres of total sales and production, both of which grew by about 5% to reach 415 million sq.m. As always, this was largely due to the strong performance of exports in all geographical regions (a total of 331 million sq.m, +4.4%). However, a very good piece of news was the recovery in the domestic Italian market (+5.5%), which has risen for the first time after a decade of decline. The only sore point is the further contraction of the Russian market (-10%), although the decline is at least less severe than in previous years.

The Italian ceramic tile industry ended 2016 on a positive note, returning above what is considered the critical threshold of 400 million square metres in terms of both total sales and output. Sales grew by 4.6% to 415 million sq.m, production to 416 million sq.m (5.4% up on the 395 million sq.m of 2015 and 53 million sq.m more than the record lows of 2013). These figures were confirmed at the association's end of year conference by Confindustria Ceramica Chairman **Vittorio Borelli**, who noted that this result contributed to a fresh increase in exports (+4.4%, from 317 to 331 million sq.m) and an upturn in the domestic market (+5.5%, from 80 to 85 million sq.m), which has begun to recover after a decade of decline.

The growth in exports extends across all geographical areas. Western European markets, which account for around half of Italian exports by volume, saw a 4.9% increase over 2015, the best performances being in Germany, the Netherlands and the UK. Sales to the NAFTA region grew by 5%, driven by the excellent performance of the US market; sales in the Balkans and the Gulf states rose by 4.7% and those in the Far East by 3.3%; there were smaller increases in exports in Latin America (+2.1%), North Africa (+1.7%) and Central and Eastern Europe (+2.7%). This latter region was affected by the continued difficulties in the Russian market where sales of Italian tiles fell by a further 10% in 2016, although this fall was smaller than in previous years.

(Source: Ceramic World Review www.ceramicworldweb.it)

THE ITALIAN CERAMIC TILE INDUSTRY L'industria italiana delle piastrelle di ceramica												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% var 16/15
Production Produzione	569	559	512	368	387	400	367	363	382	395	416	+5.4
Total sales Vendite totali	566	547	506	408	413	413	382	389	395	397	415	+4.6
Domestic market Mercato interno	170	168	151	127	124	115	93	87	81	80	85	+5.5
Exports	396	379	355	281	289	298	289	303	314	317	331	+4.4

Source ~ Fonte: Confindustria Ceramica

(Source: Ceramic World Review www.ceramicworldweb.it)

The Russian Ceramic Tile Industry

In 2016 the Russian ceramic tile industry managed to limit the decline in its end-of-year production to just -5.5% with respect to 2015, dropping from 170.4 to 161.1 million sq.m (Table 3). The biggest contraction was in the wall tile segment, where output fell from 75.1 million sq.m in 2015 to 69.3 million sq.m in 2016 (-7.7%). The floor tile segment suffered a modest decline during the first 9 months of the year, followed by a recovery in the last quarter to bring overall production to 91.85 million sq.m (down 3.6% on the 95.3 million sq.m of 2015).

Exports are estimated to have risen to around 24 million sq.m in 2016, 9-10% up on 2015, and as in the past were mainly shipped to the markets of Kazakhstan, Kyrgyzstan, Belarus, Ukraine and Uzbekistan. Domestic consumption is estimated to have fallen by a further 10% from 194.6 million sq.m in 2015 to 175 million sq.m in 2016. The biggest fall was once again in imports, estimated at below 38 million sq.m (down 18.2% following the 35.6% contraction seen in 2015). With the exception of Germany and Belarus, all the other exporter countries suffered between 10% and 50% losses by volume (Table 4). As a result, imports as a share of domestic consumption fell to 21.6%.

TAB. 4 - RUSSIAN IMPORTS OF CERAMICS TILES														
Russia: import di piastrelle														
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 est.	% Var. 2016/15	% share
1. Belarus	8.2	7.7	9.2	11	10.9	14	14.1	12	14.4	15.8	14	12.9	-7.9	34.1
2. Ukraine	1.3	1.9	2.8	5.7	6.2	10.1	13.8	17	20.5	15.2	11.2	9	-19.6	23.8
3. Spain	7.9	10.1	11.2	13.9	7.1	9.3	10.4	13	13.1	13.1	7.5	5.8	-22.7	15.3
4. Poland	4.4	4.6	7.4	5.5	2.7	3.4	3.9	4.6	4.9	4.5	3.1	2.7	-12.9	7.1
5. China	6.8	11.7	12.5	13.9	4.8	7.4	10.6	10.8	14.9	12.8	4.5	2.6	-42.2	6.9
6. Italy	4.9	5.6	6.1	6.3	3.5	4	4.7	5.8	5.6	5.1	2.8	2.5	-10.7	6.6
7. Germany	0.4	0.5	0.6	0.9	0.5	0.6	1.2	1.5	1.7	2	1.1	1.3	18.2	3.4
8. Turkey	1.7	1.3	0.8	1	0.4	0.7	1.3	2	1.8	1.5	0.6	0.3	-50.0	0.8
Other countries	3.3	2.8	4.8	4.6	2	1.9	2.9	5.5	3.6	3	1.4	0.7	-50.0	1.9
TOTAL	38.9	46.2	55.4	62.8	38.1	51.4	62.9	72.2	80.5	73.0	46.2	37.8	-18.2	100.0

Values in million sq.m ~ Valori in milioni mq
Source ~ Fonte: "World Production & Consumption of Ceramic Tiles", Acimac November 2016 and estimates for 2016

The construction industry and residential housing segment continued to decline for the whole year, causing considerable difficulties not only for the domestic ceramic industry but above all for the leading foreign companies exporting to the Russian market. The domestic industry managed to limit the fall in production to around 5.5% to 161 million sq.m, whereas imports were worse hit with a drastic 18% decline (around 38 million sq.m), while consumption contracted by around 10%.

TAB. 3 - THE RUSSIAN CERAMIC TILE INDUSTRY AND MARKET L'industria e il mercato delle piastrelle ceramiche in Russia													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 est	% var. 16/15
Production ~ Produzione	100	115	135	147	117	126	136	154	166	166	170.4	161.1	-5.5
- Wall tiles										70	75.1	69.3	-7.7
- Floor tiles										96	95.3	91.8	-3.7
Exports	7	10	15	12	12	9	11	13	16	19	22	24	9.1
Imports	39	46	55	63	38	51	63	72	80	73	46.2	37.8	-18.2
Domestic consumption Consumo interno	131	153	176	191	139	158	181	213	230	220	194.6	174.9	-10.1
Local production on consumption (%) Produzione locale su consumo (%)	70.2	69.9	68.8	67.0	72.7	67.7	65.2	66.2	65.2	66.8	76.3	78.4	
Imports on consumption (%) Import su consumo (%)	29.8	30.1	31.3	33.0	27.3	32.3	34.8	33.8	34.8	33.2	23.7	21.6	

Values in million sq.m ~ Valori in milioni mq
Source ~ Fonte: "World Production & Consumption of Ceramic Tiles", Acimac November 2016 and estimates for 2016

(Source: Ceramic World Review www.ceramicworldweb.it)

USA Ceramic Review

The US economy has been expanding for the last 7 years and the entire building world has been enjoying long-term steady growth rates, in some cases reaching the highest levels since 2007. Domestic tile consumption rose last year to 269.5 million sq.m (+5.9%), the fourth highest value ever recorded and the best since 2004-2006 when it stood at more than 300 million sq.m/ year. Domestic production has risen for the seventh year running to almost 85 million sq.m (+1.7%), a record for the US tile industry. Imports grew 5.7% by volume to around 185 million sq.m, 68.6% of domestic consumption.

U.S Ceramic Tile Consumption

TAB. 1 - U.S. CERAMIC TILE SHIPMENTS, SALES AND CONSUMPTION USA: Produzione, vendite e consumo di piastrelle					
Year Anno	U.S. shipment Produzione	Imports	Exports	U.S. Consumption* Consumo	% var. in consumption from previous year Var.% consumo
2016 (est)	84.8 (+1.6%)	184.7 (+5.7%)	n.a.	269.5	5.9%
3Q 2016	66.1	140.2	2.5	203.7	4.6% (on 3Q 2015)
2015	83.4	174.8	3.8	254.4	9.9%
2014	75.8	159.1	3.4	231.5	0.5%
2013	73.8	160.2	3.7	230.2	12.9%
2012	69.5	138.6	4.2	203.9	5.4%
2011	66.7	131.1	4.2	193.6	4.0%
2010	60.3	129.6	3.9	186.0	7.7%
2009	53.1	123.9	4.2	172.8	-18.1%
2008	58.9	156.6	4.7	210.9	-15.2%
2007	50.6	202.4	4.4	248.7	-19.3%
2006	58.5	253.8	4.2	308.1	1.8%
2005	61.1	245.1	3.4	302.8	3.5%

*Shipments include exports. Consumption = Shipments-Exports+Imports
La produzione include l'export. Consumo=Produzione-Export+Import
Values in million sq.m ~ Valori in mil. di mq.
Source ~ Fonte: U.S. dept. of commerce & TCNA statistics

(Source: Ceramic World Review www.ceramicworldweb.it)

Through 3Q 2016 U.S. ceramic tile consumption was 2.19 billion sq. ft. (203.7 million sq. m), up 4.6% vs. 3Q 2015 YTD (2.10 billion sq. ft./194.8 million sq. m), according to figures from U.S. Dept. of Commerce & Tile Council of North America (tab. 1). Based on the data available to date, TCNA estimates 2016 U.S. ceramic tile consumption to be 2.90 billion sq. ft. (269.5 million sq. m), up 5.9% vs. 2015. For perspective this would make 2016 the fourth highest level ever reached by the U.S. ceramic tile market, topped only by the pre-recession boom of 2004-2006, when consumption was more than three billion sq. ft. annually (over 300 million sq.m/year).

Imports

Through 3Q 2016, 1.51 billion sq. ft. (140.2 million sq. m) of ceramic tile was brought in to the U.S., a 5.0% jump from 3Q 2015 YTD (1.44 billion sq. ft./133.6 million sq. m). Through 3Q 2016 imports comprised 68.8% of U.S. tile consumption (in volume), up slightly from 68.7% in 2015. Based on available data, TCNA projects U.S. imports for the year 2016 to be 1.99 billion sq. ft. (184.7 million sq. m.), up 5.7% from 2015. China remained the largest ceramic tile exporter in volume to the U.S. (3Q 2016 YTD), comprising a 29.2% share of U.S. imports. Mexico was in second place, making up 23.7% of imports, followed by Italy with a 19.3% share. Spain (9.2% share) and Brazil (5.0% share) rounded out the top five (table 2).

In spite of the peso's recent record low against the U.S. dollar, tile imports from Mexico have declined significantly over the last two years. Of the ten countries from which the U.S. imported the most tile (in volume), Spain (+41.2%) had the highest percentage increase in exports to the U.S. (3Q 2016 YTD vs. 3Q 2015 YTD), and Thailand (-18.0%) had the largest percentage decrease over the same timeframe. Through 3Q 2016, the value of imports was \$ 1,589 million, up 3.9% vs 3Q 2015 YTD.

Italy (\$ 567 million, up 8% vs 3Q 2015 YTD) was once again the largest exporter to the U.S. on a dollar basis, comprising 35.7% of U.S. imports. China (-2.6%) was second with a 24.5% share, and Mexico (-9.9%) was third with a 12.8% share (table 3). The \$ value/sq. ft. of all tile imports decreased slightly from \$1.06 in 2015 to \$1.05 through 3Q 2016. (11.3 \$/sq.m). Table 3 also shows the average values of tile (including duty, freight, and insurance) from the ten countries from which the most tiles were imported through 3Q 2016. Italian tiles confirm their highest value, 21 \$/sq.m.

U.S. Shipments

Through 3Q 2016 U.S. shipments of ceramic tile were on pace to increase for the seventh consecutive year. Based on data available to date, U.S. shipments in 2016 will set a new all-time high of approximately 912.6 million sq. ft. (84.8 million sq. m), up 1.7% from 2015. Through 3Q 2016, domestic shipments (less exports) were 683.9 million sq. ft. (63.5 million sq. m), up 3.7% from 3Q 2015 YTD. In dollar value U.S. FOB factory sales of domestic shipments (less exports) through 3Q 2016 were \$1.02 billion, up 5.2% vs. 3Q 2015 YTD (\$965.6 million). TCNA figures show that the per unit value of domestic shipments (less exports) increased from \$1.46 sq. ft. (15.7 \$/sq.m) (3Q 2015 YTD) to \$1.49 sq. ft., or 16.06 \$/sq.m (3Q 2016 YTD).

Exports

U.S. exports through 3Q 2016 were 27.2 million sq. ft. (2.5 million sq. m), a 13.6% decrease vs. 3Q 2015 YTD. The lion's share of these exports (in volume) were to its North American neighbours, Canada (64.4%) and Mexico (9.4%). The value of U.S. exports fell 15.4% from \$37.4 million (3Q 2015 YTD) to \$31.6 million (3Q 2016 YTD), according to figures from U.S. Dept. of Commerce.

(Source: Ceramic World Review www.ceramicworldweb.it)

TAB. 2 - US CERAMIC TILE IMPORTS BY COUNTRY OF ORIGIN, IN VOLUME 3Q 2015 AND 2016 USA: Importazioni di piastrelle in volume per Paese di origine (Gen-Set 2015-2016)						
Country	3Q 2015 YTD sq.m	2015/2014 % Change	% on total Q3 2015 imports	3Q 2016 YTD sq.m	2016/2015 % Change	% on total Q3 2016 imports
China	38,944,032	13.1%	29.2%	40,982,234	5.2%	29.2%
Mexico	37,015,205	1.6%	27.7%	33,299,611	-10.0%	23.8%
Italy	24,120,697	14.0%	18.1%	26,999,103	11.9%	19.3%
Spain	9,168,873	29.9%	6.9%	12,949,415	41.2%	9.2%
Brazil	5,890,117	18.7%	4.4%	7,074,873	20.1%	5.0%
Turkey	6,305,893	19.6%	4.7%	6,830,974	8.3%	4.9%
Peru	3,726,895	29.1%	2.8%	4,256,497	14.2%	3.0%
Colombia	2,055,733	8.7%	1.5%	1,714,031	-16.6%	1.2%
Thailand	976,082	17.2%	0.7%	800,236	-18.0%	0.6%
Portugal	651,257	18.6%	0.5%	703,458	8.0%	0.5%

Source ~ Fonte : U.S. Dept. of Commerce

(Source: Ceramic World Review www.ceramicworldweb.it)

TAB. 3 - U.S. CERAMIC TILE IMPORTS BY COUNTRY OF ORIGIN, IN VALUE (USD), 3Q 2015 AND 2016 USA: Importazioni di piastrelle in valore per Paese di origine. (Gen-Set 2015 e 2016)							
Country	3Q 2015 YTD (US\$)	3Q 2015/2014 % Change	% on total 3Q 2015 imports value	3Q 2016 YTD (US\$)	3Q 2016/2015 % Change	% on total 3Q 2016 imports value	Average price 3Q 2016 (\$/sq.m)
Italy	525,077,118	11.3%	34.3%	567,080,265	8.0%	35.7%	21.0
China	400,510,553	16.2%	26.2%	390,040,431	-2.6%	24.5%	9.5
Mexico	225,859,058	-2.4%	14.8%	203,520,323	-9.9%	12.8%	6.1
Spain	142,140,990	18.4%	9.3%	185,957,676	30.8%	11.7%	14.4
Turkey	73,467,889	21.2%	4.8%	80,869,856	10.1%	5.1%	11.8
Brazil	45,075,990	20.7%	2.9%	48,468,704	7.5%	3.0%	6.9
Peru	20,324,280	34.3%	1.3%	22,118,970	8.8%	1.4%	5.2
Japan	11,269,523	17.9%	0.7%	11,291,666	0.2%	0.7%	n.a
Colombia	12,190,782	6.6%	0.8%	10,468,542	-14.1%	0.7%	6.1
Portugal	9,597,019	24.4%	0.6%	9,513,659	-0.9%	0.6%	13.5
All Countries	1,529,597,523	12.5%	100.0%	1,589,348,671	3.90%	100.00%	11.3

Imports value includes duty, freight and insurance | Source ~ Fonte : U.S. Dept. of Commerce

(Source: Ceramic World Review www.ceramicworldweb.it)

Canadian Market Update

While the U.S. ceramic tile market has recently experienced several strong years of growth, the tile market in Canada has not followed suit, with consumption virtually flat each of the past two years. Based on currently available data, we estimate 2016 Canadian ceramic tile consumption will be 415.0 million sq. ft. (38.6 million sq. m), down 1.3% from the previous year and down 0.4% from 2014. As there is no significant ceramic tile production in Canada, imports approximately equal consumption. Through 3Q 2016, 310.7 million sq. ft. (28.9 million sq. m) of ceramic tile arrived in Canada. This was a decrease of 1.3% from 3Q 2015 YTD, in which 314.7 million sq. ft. (29.2 million sq. m) of ceramic tile were imported into Canada.

TAB. 4 - CANADA: CERAMIC TILE IMPORTS BY COUNTRY IN VOLUME. 3Q 2015 AND 2016 Canada: Importazioni di piastrelle in volume per Paese di origine. (Gen-Set 2015 e 2016)				
Country	3Q 2015 YTD (sq.m)	3Q 2016 YTD (sq.m)	3Q 2016/2015 % Change	% on total 3Q 2016 YTD Imports
China	11,075,640	9,800,523	-11.5%	34.0%
Italy	7,213,050	7,176,320	-0.5%	24.9%
Turkey	5,457,811	5,463,553	0.1%	18.9%
USA	1,731,115	2,542,778	46.9%	8.8%
Spain	1,683,777	2,044,190	21.4%	7.1%
Mexico	558,785	321,880	-42.4%	1.1%
Brazil	131,686	257,320	95.4%	0.9%
Portugal	240,338	203,412	-15.4%	0.7%
Thailand	163,649	160,663	-1.8%	0.6%
Israel	149,716	118,809	-20.6%	0.4%
All Countries	29,232,426	28,864,613	-1.3%	100.0%

Source ~ Fonte : Statistics Canada

(Source: Ceramic World Review www.ceramicworldweb.it)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Apple plans to produce iPhone SE at an upcoming facility in Bengaluru, owned by its partner Wistron, which has upgraded the plant to assemble Apple iPhones.
- Coca-Cola, the US-based beverage giant, plans to invest around Rs 750 crore (US\$ 112.5 million) to set up a food processing unit and a bottling plant at the newly developed Mohasa-Babai industrial estate in Hoshangabad, Madhya Pradesh.
- Panasonic Corporation, the Japan-based electronics company, plans to set up a new plant at Jhajjar, Haryana, to manufacture refrigerators for the Indian market, and a Research and Development (R&D) center for appliances consisting of two technical divisions to strengthen its product development in the country.
- BSH Home Appliances Group, the leading home appliances manufacturer in Europe, inaugurated its first technology centre in India at Adugodi, Bengaluru, which will enable the company to further develop localised technologies for the Indian market.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Ashok Leyland Ltd has launched its circuit series electric bus, the first ever electric bus designed and engineered entirely in India specifically for Indian road conditions, with a capacity to travel over 150 km on a single charge.
- Huawei, the China-based smartphone manufacturer, has entered into an agreement with solutions provider Flextronics Technologies (India) Private Limited, to manufacture its smartphones in India. Flextronics would start by making 3 million smart phones at its facility in Chennai and is expected to generate additional 1,500 jobs.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Tata Power has partnered with US-based Javelin Joint Venture, which is a partnership between Raytheon Company and Lockheed Martin, for its Strategic Engineering Division (SED), in order to create a strategy to co-develop and produce the Javelin missile system and integrate platform mounts to meet Indian requirements.
- LeEco, a Chinese technology company, has entered into a partnership with Compal Technologies and invested US\$ 7 million to set up manufacturing facility at Greater Noida in order to start manufacturing Le2 smartphones in India.
- Zopo Mobile, a China-based smartphone manufacturer, plans to invest Rs 100 crore (US\$ 15 million) to set up a manufacturing plant in Noida by the end of 2016, which will have a monthly production capacity of 100,000 units.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line at its Narsapura facility at Karnataka, and launch at least 10-15 products during FY 2016-17 in the country.

- Force Motors, a utility and commercial vehicles manufacturer, inaugurated its Rs 100 crore (US\$ 15 million) manufacturing facility in Pune, which will supply engines and axles to the Germany-based automobile manufacturer Mercedes-Benz.
- Boeing Company, an American plane maker, and Tata Advanced Systems Ltd (TASL), a fully owned subsidiary of Tata Sons, have entered into a joint venture to set up a new facility in Hyderabad to manufacture Boeing AH-64 Apache helicopter fuselages.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US\$ 37.5 million), and also invest around Rs 20 crore (US\$ 3 million) on an assembly unit for lithium ion batteries at its existing facility in Jhajjar in the next 8-10 months.
- Vital Paper Products, one of the major supply chain players in the paper and paper products industry, plans to set up a packaging product unit in the Special Economic Zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US\$ 9 million), which will be operational from April 2017.
- Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in Sri City, Andhra Pradesh, which was set up for Rs 3,000 crore (US\$ 450 million), with an annual production capacity of 50,000 units and is estimated to generate around 2,000-3,000 jobs.
- Airbus has procured more than US\$ 500 million worth of supplies from India in 2015, registering a growth of 15 per cent annually and has targeted a cumulative procurement of more than US\$ 2 billion over a period of five years up to 2020.
- Havells India Limited, one of the top Indian consumer electrical equipment producer, plans to set up a new manufacturing unit near Bengaluru by making an investment of Rs 1,059 crore (US\$ 158.85 million), which would be its twelfth plant in India and its first outside north India.
- Global beverage company Pepsi plans to invest Rs 500 crore (US\$ 75 million) to set up another unit in Maharashtra to make mango, pomegranate and orange-based citrus juices, while biotechnology giant Monsanto plans to set up a seed plant in Buldhana district of Maharashtra.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

- The Government of India has removed the 12.5 per cent excise duty and 4 per cent special additional duty (SAD) on the manufacturing of point-of-sale (PoS) machines till March 31, 2017, which is expected to give a boost to the cashless economy as more PoS machines will be deployed in the future.
- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US\$ 900 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage entrepreneurs to help promote manufacturing in India.
- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.
- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.
- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh has secured investment deals valued at Rs 5,000 crore (US\$ 741.2 million) for setting up mobile manufacturing units in the state.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 735), Kishor - covering loans between Rs 50,000 (US\$ 750) to Rs 0.5 million (US\$ 7,500), and Tarun - covering loans between Rs 0.5 million (US\$ 7,500) and Rs 1 million (US\$ 15,000).

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

HISTORY OF CERAMIC TILES INDUSTRY IN INDIA

It is believed that the first clay tiles were produced seven to eight thousand years ago in the area now known as the Holy Land. Many sources independently verify that the actual known history of Tiles (and the known usage of wall and floor tile coverings) can be traced back as far as the fourth millennium BC (4000 BC) to Egypt. In those days, in Egypt, tiles were used to decorate various houses. Clay bricks were dried beneath the sun or baked, and the first glazes were blue in colour and were made from copper, very exquisite! During that period ceramics were also known to be found in Mesopotamia. These ceramics bore decorations, which were white and blue striped and later possessed more varied patterns and colours. Later on, in China too, the Great Center of Ceramic Art, a fine, white stoneware with the earliest Chinese glaze was produced during the Shang-Yin dynasty (1523-1028 BC).

The usage and the art of making and decorating ceramic tiles had spread and by 900 A.D., decorative tiles had become widely used in Persia, Syria, Turkey and across North Africa. As transport and communication developed, tile usage and its penetration in other territories increased. Wars and territory take-overs caused this art to spread even faster. The Romans introduced tile making in Western Europe as they occupied territories. The Low Countries of Northern Europe somehow acquired the technology from Persia, while the Moors brought African tiles with them when they invaded Iberia (Spain). It was aboard the ships of Spanish conquistadors that decorative clay tiles found their way to the New World, where they were used primarily to decorate the Churches of newly built missions.

By the end of the 12th century, use and manufacture of Ceramic Tiles had spread across Italy and Spain and into the rest of Europe. Till that time they were mainly used to decorate the floors of Cathedrals and Churches. The skill had eventually vanished from Europe in the 16th century following the reformation. But the decorative wall tile art had survived in Turkey and the Middle East and the Delft tiles art survived in Holland. A form of tile making had also evolved among the natives of North and South America at some point. The first decorative tiles to appear in Colonial North America were imported from Northern Europe, mainly England the Brits having hijacked the technology from the Dutch. The tiles were too expensive for utilitarian purposes in the Colonies and were found almost exclusively in the homes of the wealthy.

Through the centuries, tile decoration was improved upon, as were methods of tile manufacture. For example, during the Islamic period, all methods of tile decoration were brought to perfection in Persia. Throughout the known world, in various countries and cities, Ceramic tile production and decoration reached great heights. The tile mosaics of Spain and Portugal, the floor tiles of Renaissance Italy, the faiences of Antwerp, the development of tile iconography in the Netherlands, and the Ceramic tiles of Germany are all prominent landmarks in the history of Ceramic tile.

In the early days, the tiles were hand-made, each tile was hand-formed and hand-painted, thus each was a work of art in its own right. Ceramic tile was used almost everywhere on walls, floors, ceilings, fireplaces, in murals, and as an exterior cladding on buildings. Today Ceramic tile throughout the world is not hand-made or hand-painted for the most part. Automated manufacturing techniques are used and the human hand does not enter into the picture until it is time to install the tile. They are used in an almost infinite number of ways and you don't have to consider yourself wealthy to own them. In commercial buildings, where both beauty and durability are considerations, ceramic tiles will be found, particularly in lobby areas and restrooms. In fact most modern houses throughout use Ceramic tiles for their bathrooms and kitchens and in every vital area of the premise. Ceramic tiles are also the choice of

industry, where walls and floors must resist chemicals. And the Space Shuttle never leaves Earth without its protective jacket of high-tech, heat resistant tiles.

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

CERAMIC TILES INDUSTRY IN INDIA

Highlights

Ceramic Tiles today have become an integral part of home improvement. It can make a huge difference to the way your interiors and outdoors look and express. The Indian tile industry, despite an overall slowdown of the economy continues to grow at a healthy 15% per annum. Investments in the last 5 years have aggregated over Rs. 5000 crores. The overall size of the Indian ceramic tile industry is approximately Rs 18,000 crore (FY12). The production during 2011-12 stood at approx. 600 million square meters.

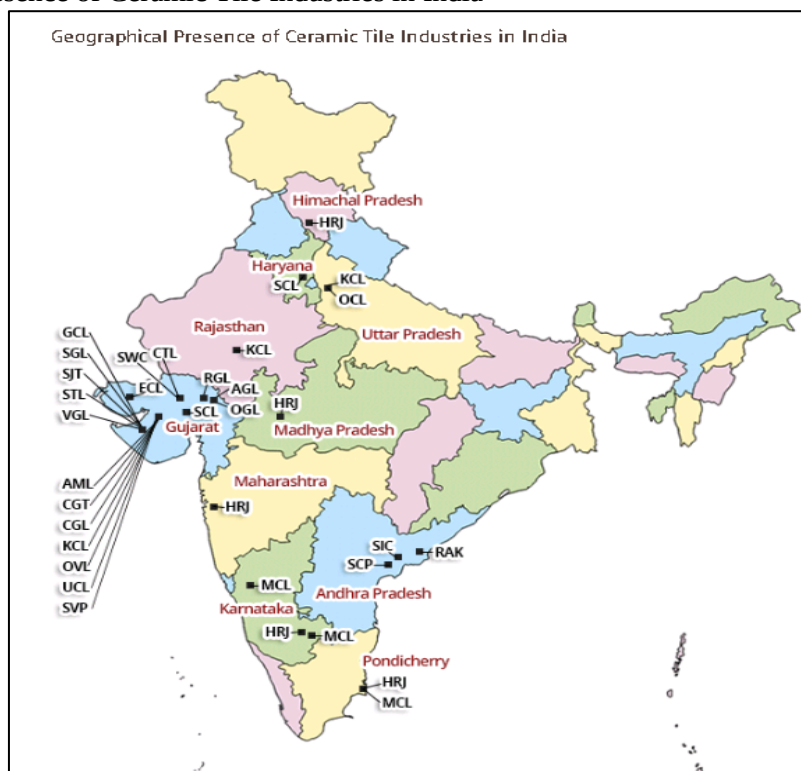
The Indian tile industry is divided into organized and unorganized sector. The organized sector comprises of approximately 14 players. The current size of the organized sector is about Rs 7,200 Crores. The unorganized sector accounts for nearly 60% of the total industry bearing testimony of the growth potential of this sector. India ranks in the top 3 list of countries in terms of tile production in the world. With proper planning and better quality control our exports (presently insignificant) contribution can significantly increase.

Background

Apart from their decorative looks, Ceramic Tiles are primarily hygiene products and that is how our broad spectrum of consumers view the product. This is fairly evident from its varied usage from bathrooms and kitchens in average Indian households to medical centers, labs, milk booths, schools, public conveniences, shopping malls and numerous other centers; which dot our day to day life. A ceramic tile is basically a "utility product" and that remains our promotional slogan. Popular housing projects are increasingly switching over to Ceramic Tiles moving away from the traditional use mosaic and even granite or marble, owing to several factors viz. ease in laying ability, versatility, low price and hygiene.

Nevertheless, this decorative aspect of a Ceramic Tiles has forever been in the forefront. Heavy churning out of bolder and colourful designs by the industry are testament to the fact that most households regard a ceramic tile as an "adornment" for an otherwise "drab look" of their age-old floorings or an unfurnished wall.

Geographical Presence of Ceramic Tile Industries in India



(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

As a foreign exchange earner or a global player, Indian Tile industry has captured the attention of the world in the ceramic tiles segment. To compete internationally, our plants must be geared up to large units currently operating in China and Turkey are driven by economies of scale. These will also help us in lowering our cost of production significantly. Also, infrastructural support is a key factor that determines the speed of growth. Better infrastructure will bring in better growth in terms of consistency and sustenance. Freight, supply of power and gas remains the key cost-related issues impacting the industry. Availability, consistent supply and reasonable rates are extremely important for the growth of the ceramic tile industry.

Also, the prevailing anomalies pertaining to Basic Customs Duty on import of ceramic tiles from China and raw materials imported from abroad need to be corrected to prevent dumping of tiles from China. Rural thrust should be enhanced by favourable excise duty and MRP structure.

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

TECHNICAL SPECIFICATION (MINIMUM REQUIREMENTS)

Sr. No.	Characteristics	Wall Tiles	Floor Tiles	Vitrified Tiles	Industrial Tiles
1	IS				IS 4457:2007
2	ISO	13006 BIII	13006 BIIa	13006 BIa	
3	EN	159 BIII	177 BIIa	176 BIa	
A	Dimension & Surface Quality				
1	Deviation in length	+ / - 0.5%	+ / - 0.6%	+ / - 0.6%	±0.75%
2	Deviation in thickness	+ / - 10%	+ / - 5%	+ / - 5%	±5%
3	Straightness of sides	+ / - 0.3%	+ / - 0.5%	+ / - 0.5%	±0.5%
4	Rectangularity	+ / - 0.5%	+ / - 0.6%	+ / - 0.6%	±0.6%
5	Surface flatness (warpage)	+ / - 0.5%	+ / - 0.5%	+ / - 0.5%	±0.5%
6	Surface quality	Min.95% free from defects	Min.95% free from defects	Min 95%	Min 95%
B	Physical Properties				
1	Water Absorption	> 10 % & < 20 %	> 3 % & ≤ 6 %	≤ 0.5 %	< 0.5%
2	Bending Strength/modulus of Rupture (N/sq.mm)	≥15	≥22	≥32	≥32
3	Scratch hardness (Mohs) EN 101	Minimum 3	4 to 6	Minimum 6	Min 6
4	Resistance to surface abrasion	To be specified by mfr.	To be specified by mfr.	Deep abrasion Maximum 175 mm ³	< 175 mm ³
5	Crazing resistance	Required	Required	Required	Required
6	Moisture expansion	Required	Required	Required	Required
8	Skid resistance (friction)			> 0.4	> 0.4

Sr. No.	Characteristics	Wall Tiles	Floor Tiles	Vitrified Tiles	Industrial Tiles
	coefficient)				
9	Breaking strength in N	Min 200	Min 600	Min 700	Min 700
10	Density (g/cm)			> 2.00gm/cc	> 2.00gm/cc
11	Frost resistance			Required	Required
12	Colour change resistance			Required	
C	Chemical Properties				
1	Resistance to staining	Minimum class 2	Minimum class 2	Required	Required
2	Resistance to household chemicals	Minimum class B	Minimum class B	Required	Required
3	Resistance to acid (wt. loss)	To be specified by mfr	To be specified by mfr	No damage	<1.5%
D	Thermal Properties				
1	Thermal shock resistance	Required	Resistance to 10 cycles	Required	Required
2	Thermal expansion	< 9 x 10 ⁻⁶ k-1	< 9 x 10 ⁻⁶ k-1	< 9 x 10 ⁻⁶ k-1	< 9 x 10 ⁻⁶ k-1

IS - Bureau of Indian Standards, ISO - International Standards, EN - European Standards

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

TECHNICAL SPECIFICATIONS - WALL TILE

Sr. No.	Property	ISO 13006 / EN-159 Group B III	Wall tile value	Method of Testing
1	Deviation in Length & Width	±0.5%	±0.3%	ISO 10545-2
2	Deviation in thickness	±5%	±4%	ISO 10545-2
3	Straightness of sides	±0.3%	±0.3%	ISO 10545-2
4	Rectangularity	±0.5%	±0.3%	ISO 10545-2
5	Surface flatness	±0.5%	±0.3%	ISO 10545-2
6	Surface Quality	Min 95%	Min 95%	ISO 10545-2
7	Water Absorption	> 10%	14% - 19%	ISO 10545-3
8	Flexural Strength (Average MOR)	> 15 N/mm ²	>16N/mm ²	ISO 10545-4
9	Scratch hardness of surface (Moh's scale)	Min, 3	Min, 3	EN 101
10	Crazing resistance	1 Cycle	2 Cycles at 7.5 Bar, Min	ISO 10545-7

11	Linear Thermal Expansion	$9 \times 10^{-6} \text{ K}^{-1}$, Max	$9 \times 10^{-6} \text{ K}^{-1}$, Max	ISO 10545-8
12	Thermal shock Resistance	No damage	No damage	ISO 10545-9
13	Resistance to household Chemicals	Resistance	Resistance	ISO 10545-13
14	Resistance to Staining	Resistance	Resistance	ISO 10545-14

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

TECHNICAL SPECIFICATIONS - FLOOR TILE

Sr. No.	Property	ISO 13006 / EN177 (Group BIIa)	Floor tile value	Method of Testing
1	Deviation in Length & Width	$\pm 0.6\%$	$\pm 0.5\%$	ISO 10545-2
2	Deviation in thickness	$\pm 5\%$	$\pm 4\%$	ISO 10545-2
3	Straightness of sides	$\pm 0.5\%$	$\pm 0.4\%$	ISO 10545-2
4	Rectangularity	$\pm 0.6\%$	$\pm 0.2\%$	ISO 10545-2
5	Surface flatness	$\pm 0.5\%$	$\pm 0.3\%$	ISO 10545-2
6	Surface Quality	Min 95%	Min 95%	ISO 10545-2
7	Water Absorption	3% - 6%	3% - 6%	ISO 10545-3
8	Flexural Strength (Average MOR)	$> 22 \text{ N/mm}^2$	$> 22 \text{ N/mm}^2$	ISO 10545-4
9	Scratch hardness of surface (Moh's scale)	> 3	4 to 6	EN 101
10	Resistance to Surface Abrasion (PEI)	I - V	PEI II - V	ISO 10545-7
11	Crazing resistance	2 Cycles	2 Cycles	ISO 10545-11
12	Linear Thermal Expansion	$< 9 \times 10^{-6} \text{ K}^{-1}$	$< 9 \times 10^{-6} \text{ K}^{-1}$	ISO 10545-8
13	Thermal shock Resistance	No damage	No damage	ISO 10545-9
14	Resistance to household Chemicals	Resistance	Resistance	ISO 10545-13
15	Resistance to Staining	Resistance	Resistance	ISO 10545-14

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

TECHNICAL SPECIFICATIONS - VITRIFIED TILE

No.	Technical Specifications	International Std. ISO 13006 / EN176 Group BIIa	Vitrified Tile	Method of Testing
1	Deviation in Length & Width	$\pm 0.6\%$	$\pm 0.1\%$	ISO 10545-2
2	Deviation in thickness	$\pm 5\%$	$\pm 4\%$	ISO 10545-2

No.	Technical Specifications	International Std. ISO 13006 / EN176 Group BIa	Vitrified Tile	Method of Testing
3	Straightness of sides	±0.5%	±0.1%	ISO 10545-2
4	Rectangularity	±0.6%	±0.2%	ISO 10545-2
5	Surface flatness	±0.5%	±0.2%	ISO 10545-2
6	Surface Quality	Min 95%	Min 95%	ISO 10545-2
7	Water Absorption	< 0.5%	< 0.05%	ISO 10545-3
8	Scratch hardness of surface (Moh's scale)	≥6	≥6	EN 101
9	Flexural Strength (Average MOR)	>35N/mm ²	>38N/mm ²	ISO 10545-4
10	Breaking Strength	>1300N	>1500N	ISO 10545-4
11	Resistance to deep Abrasion	<175mm ³	<144mm ³	ISO 10545-6
12	Skid Resistance (Friction coefficient)	>0.4	>0.4	ISO 10545-17
13	Bulk Density, in (g/cc)	>2	>2	DIN 51082
14	Linear Thermal Expansion	<9 x 10 ⁻⁶ K ⁻¹	<9 x 10 ⁻⁶ K ⁻¹	ISO 10545-8
15	Thermal shock Resistance	No damage	No damage	ISO 10545-9
16	Frost resistance	Frost proof	Frost proof	ISO 10545-12
17	Resistance to Chemicals	Resistant	Resistant	ISO 10545-13
18	Colour resistance to UV light	Resistant	Resistant	DIN 51094
19	Moisture expansion	Nil	Nil	ISO 10545-10

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

Sr. No.	Test Description	I.S.-4457: 2007	
A	Dimension		Industrial tile
1	Length & Width	±0.75%	±0.6%
2	Thickness	±5%	±5%
3	Straightness of sides	±0.5%	±0.5%
4	Rectangularity	±0.6%	±0.6%
5	Surface flatness	±0.5%	±0.3%
B	Physical Properties		
1	Water absorption	< 0.5 %	< 0.5 %
2	Mohs Hardness	-	>7

Sr. No.	Test Description	I.S.-4457: 2007	
A	Dimension		Industrial tile
3	Flexural strength (MOR)	>35 N/mm ²	>35 N/mm ²
4	Breaking Strength	≥1300N	>1500 N
5	Abrasion resistance/Deep abrasion	<175mm ³	<140mm ³
6	Skid Resistance	>0.4	>0.6
7	Density (gm/cc)	>2	>2
8	Moisture expansion	Nil	Nil
C	Chemical Properties		
1	Resistance to Acid (wt. Loss)	< 1.5 %	< 1.5 %
D	Thermal Properties		
1	Thermal expansion	<9 x 10 ⁻⁶	<9 x 10 ⁻⁶
2	Thermal shock resistance	No damage	No damage

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

CURRENT STATUS OF THE INDUSTRY

The ceramic tiles industry in India has followed similar trends internationally which have been characterized by excess capacities and falling margins. Countries like Malaysia, Thailand, Indonesia, Sri Lanka and Vietnam are setting up their own plants. China has emerged as a major competitor. Producers from Spain and Italy have the advantage of lower transportation costs while exporting to USA and Germany. In India, the per capita consumption is as low as 0.50 square meters per person compared to China (2.6 square meters per person), Europe (5 to 6 square meters per person) or Brazil (3.4 square meters per person). Rising disposable incomes of the growing middle class and 40 million units of housing shortage hold out a great potential.

A major change that took over the ceramic tiles industry, was the introduction of vitrified and porcelain tiles. These new entrant product types are said to be the tiles of the future. Internationally these tiles are already the major sellers. This category of products account for almost 50% of total tile sales by value in this industry. These new products and the conventional wall & floor tiles have together made the organized industry grow to a formidable Rs. 7,200 crores industry. This coupled with a spate of expansions by many players make the industry look very promising in the future.

The Indian Industry has developed an export market although at the lower end. In volume it constitutes less than half a percent of the global market. (Presently India does not figure in the list of major exporting countries). But this reality could change as Indian exports are rising at an accelerating growth annually. The top-end of the global export market is presently dominated by China (36.8%) and Italy (15.1%).

(Source: Indian Council of Ceramic Tiles and Sanitary ware www.icctas.com)

OUR BUSINESS

In this chapter, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Lexus Granito (India) Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this chapter is derived from our Restated Financial Statements.

OVERVIEW

Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/s Vitco Vitrified” pursuant to a Deed of Partnership/Co-parcenership dated May 05, 2008. “M/s Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, our Company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to “Lexus Granito (India) Limited” pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838. The registered office of the Company is situated at Survey No. 800, Opp. Lakhdirpur Village, Lakhdirpur Road, N. H. 8A, Tal. Morbi Lakhdirpur Rajkot, Gujarat-363642, India.

Our Company is engaged in manufacturing, trading and marketing of vitrified ceramic tiles and wall tiles for the domestic and international markets. Till date we were outsourcing manufacturing of wall tiles to third party manufacturers, however recently we have set up our own wall tiles manufacturing unit at our existing facility thereby integrating our operations and strengthening our routes in the industry. Our manufacturing facility is situated at Morbi, Gujarat and is spread over more than 4 hectares. Our manufacturing facility is well equipped with requisite plant and machineries and other facilities. We also have an in-house laboratory, enabling the company to develop new colours, besides facilitating conducting of tests and analysis of various products. Our quality system with respect to manufacture of our products has been ISO 9001:2008 certified. Further we have also been issued Certificate of Compliance by UK Certification & Inspection Ltd for our quality systems covering the design, manufacture and final inspection of the products. We manufacture and market our products under the brandname “Lexus”.

Our Company is promoted and managed by Anilkumar Detroja, Hitesh Detroja, Nilesh Detroja and Pavan Blackrock Private Limited. Our individual promoters manage and control the major affairs of our business operations. With their dedication and commitment, our Company has grown over a short span of time which is evidenced by the growth in our total revenue from Rs. 6,365.40 lakhs in FY 2012-13 to Rs. 16,473.11 lakhs in F.Y. 2016-17 and profit after tax from Rs.156.17 lakhs from F.Y. 2012-13 to Rs.508.82 lakhs in F.Y. 2016-17. It is the vision of our promoters which has been instrumental in defining the business strategy of our Company.

Our Company has been catering to both domestic and international markets. Our revenue from domestic and export operations contributed 35.51% and 64.49% respectively of our total revenue from operations for the year ended March 31, 2017. During FY 2017, we exported our products to various countries such as Saudi Arabia, Mexico, Kuwait, Oman, etc. We have been recently been recognized as Two Star Export House by the Directorate General of Foreign Trade vide certificate dated February 08, 2017. Our Company has also been awarded by Rising Stars at Power Brands Global London International Forum for Equality. We intend to continue to mark a presence in global markets in our industry by supplying innovative products at competitive prices.

For marketing of our products, we have a dedicated marketing team who continuously interacts with customers and evaluate the market dynamics. We have also set up a corporate office at Morbi and two marketing offices at Jaipur and Delhi respectively for marketing our products. Our customers are mostly

importers, distributors, dealers and project fabricators. We also cater to retail users as per their requirement.

Our Company's location and manufacturing facilities are as below:

Registered Office and Manufacturing Unit: Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot – 363642, Gujarat, India

Corporate Office: S.No. 42-BP, At. Lalapar, Tal. Morbi, Gujarat, India

Marketing Office:

Delhi- Plot No. 20 & 21, Mansarover Garden, New Delhi-110015, India

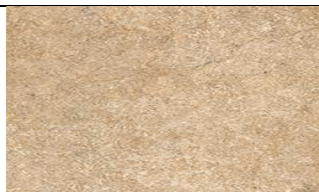
Jaipur- Shop No. 234, Muktanandnagar, Gopalpura, Jaipur, India

OUR PRODUCTS

Sr.No.	Product	Image	Description
1.	Vitrified Tiles		Vitrified tile is a ceramic tile with very low porosity. It is an alternative to marble and granite flooring. These tiles are water and frost resistance. Vitrified tiles are made by hydraulic pressing a mixture of clay, quartz, feldspar and silica, which make vitreous surface thus creating a single mass making them hard with low porosity.
2.	Wall Tile		Wall tile is generally not suitable for use on floors. It is usually non-vitreous, i.e. not manufactured to withstand excessive impact, abrasion or freeze/thaw cycling.

OUR KEY PRODUCT RANGE

Following are the various types of ceramic tiles manufactured and sold by us.

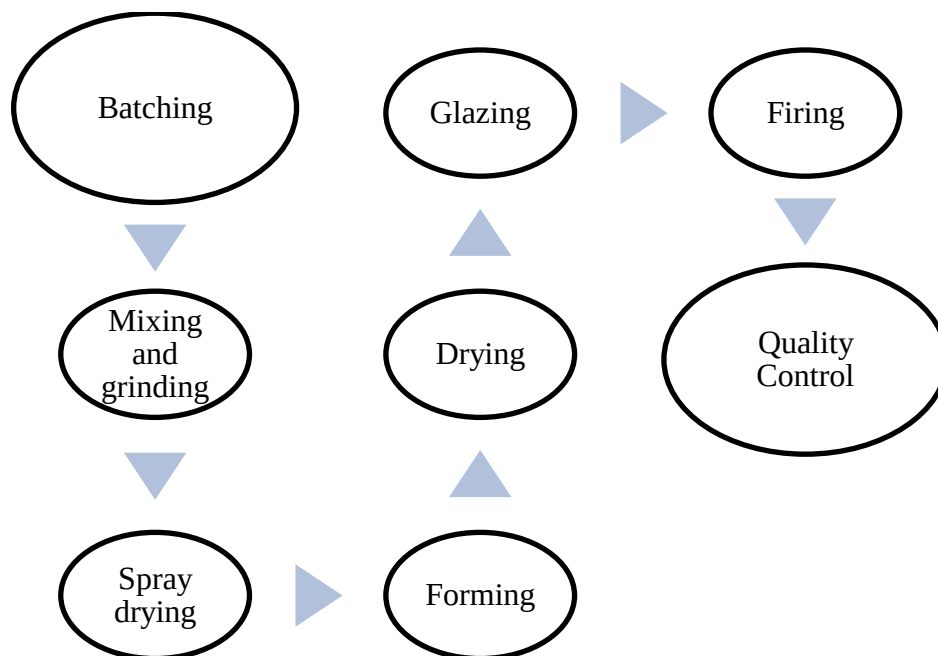
Sr.No.	Product	Image
Vitrified Tiles		
1.	Marble Glossy Series	
2.	Rustic Stone Series	
3.	Rustic Wood Series	
4.	Matt Series	
Wall Tiles		
5.	Elevation Series	
6.	Glossy Series	
7.	Satin Matt Series	

We also innovate designs of our products as per the latest trends

RAW MATERIALS

Our Company requires feldspar, clay powder, talc powder, quartz powder, etc. as the major raw material for our manufacturing process. We meet our raw material requirement by procuring such material majorly from Rajasthan.

OUR PRODUCTION PROCESS



The manufacturing of tiles requires following process to obtain a finish product. These steps include batching, mixing and grinding, spray-drying, forming, drying, glazing, and firing.

1. Batching:

Batching is the first step in manufacturing process of tiles after procurement of raw material. Batching is required for determining the required body composition of the desired product. It is important to mix the right amounts together to achieve the desired properties. It is required to take into the consideration both physical properties and chemical compositions of the raw materials. Once the appropriate weight of each raw material is determined, the raw materials must be mixed together.

2. Mixing and grinding:

Once the ingredients are weighed, they are added together in a ball mill. Water is also added to improve the mixing of a multiple-ingredient batch as well as to achieve fine grinding. This process is called wet milling. The resulting water-filled mixture is called a slurry or slip. The water is then removed from the slurry by filter pressing (which removes 40-50 percent of the moisture), followed by dry milling.

3. Spray drying:

Post mixing and grinding process the excess water is usually removed via spray drying. The slurry or slip are dried as they are heated at approx. 800 degrees celsius by a rising hot air column, forming small, free flowing granules that result in a powder suitable for forming.

4. Forming:

In the forming step, the ceramic mix is consolidated and molded to produce a cohesive body of the desired shape and size. Forming methods can be classified as either dry forming, plastic molding, or wet forming. Once the composition of the powder becomes homogenous, it is taken to the press where it is molded and squeezed under high pressure to form a biscuit or raw tile body.

5. Drying:

Drying means loss of moisture from the surface of the substance by evaporation, and the drying speed depends on the temperature and humidity. When the substance is dried and moisture is lost, particles are put close to each other, resulting in shrinkage.

6. Glazing:

Glazes resemble glass in structure and texture. The purpose of glazing is to provide a smooth, shiny surface that seals the ceramic body. Not all ceramics are glazed. Those that are glazed can be glazed prior to firing, or can be glazed after firing, followed by re firing to set the glaze. A stream of glaze falls onto the tile as it passes on a conveyor underneath. Sometimes, the glaze is simply sprayed on.

7. Firing:

After glazing, the tile must be heated intensely to strengthen it and give it the desired porosity. Firing is the process by which ceramics are thermally consolidated into a dense, cohesive body composed of fine, uniform grains. This process also is referred to as sintering or densification. Ceramics generally are fired at approx. 1200 degree Celsius. The application enhances the densification of the ceramic. These kilns move the wares on a roller conveyor and do not require kiln furnitures such as batts or saggers.

8. Quality Control:

Under this department, the finished product is assessed whether it meets client specification and our Company's set standard. On approval the finished products are sent for packing and dispatched.

OUR COMPETITIVE STRENGTHS



1. Focus on quality and innovation

We believe that quality and innovation are the bed-rock of successful strategy. We stress on and constantly strive to maintain and improve the quality of our products. We supply a wide range of colours, designs and size variations of floor tiles and we believe that we will continue to do so in the future. We have an inhouse team who constantly works on developing new designs and come with

innovative range of products. We also have an inhouse laboratory to keep a check on quality of products. Our quality system with respect to manufacture of our products has been ISO 9001:2008 certified. Our focus on quality and innovation helps us to compete against our other peers in the tiles industry.

2. Our Experienced Management

We have an experienced management team with some of our team members having more than a decade experience in ceramic industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We also have employed people in different areas of work who have required technical competence and qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources.

3. Wide range of products

We are currently manufacturing floor tiles and supply the same in various sizes, designs and specifications for catering to the special needs of our clients. Our product range includes glossy series, matt series, rustic series, etc. We have also recently set up wall tiles unit for catering to the market demand. We believe that maintaining a wide range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment.

4. Existing relationship with the clients

We focus on building long-term client relationships and constantly try to cater customer needs with product in demand. Since we are mainly engaged in B2B business model, our existing client being distributors, dealers, importers etc. provides us repeated orders. We believe that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with existing clients.

5. Manufacturing Facility

Our manufacturing facility which is spread over more than 4 hectares is a well equipped facility allowing us to carry on all the facilities in house i.e. from batching of the raw materials to dispatch of the finished product. Also, recently have set up wall tiles unit at the same facility. Further the unit has adequate utilities and infrastructure facilities like fuel, water, power and human resources to carry uninterrupted production process.

6. Export markets

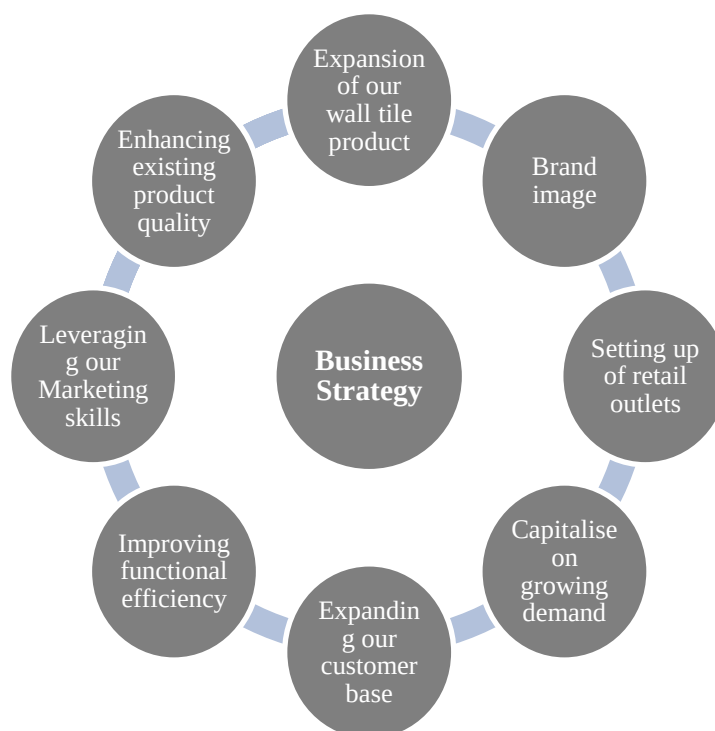
For the year ended March 31, 2017, our revenue from export operations contributed 64.49% of our total revenue from operations. At present we are exporting to nearly 20 countries. We believe that we have developed good clientele network in export markets and going forward shall be able to take advantage of our existing operations and network to expand our export markets.

7. Location Advantage

Our company is located in Morbi which is considered as hub for ceramic industry in India and enjoys sound domestic and international market for finished products of ceramic and wall tiles. Hence, such location boosts our marketing activities and adds value to our revenues due to established markets.

BUSINESS STRATEGY

Our vision is to grow in existing and new markets by providing quality products. We intend to capitalize on the growing demand for our products in India and abroad. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our strengths and expanding the operations of our business.



1. Development and expansion of our wall tile product segment

We have recently set up wall tile manufacturing unit at our existing manufacturing facility. The said unit is set up with an installed capacity of 5,40,00,000 sq. ft. p.a. Till date, our Company has been catering to market demand of wall tiles by outsourcing the production of wall tiles to third party manufacturers. With the setting up of our own manufacturing unit for wall tiles, we aim to cater to demand for such products in a better manner. We plan to develop various product ranges in wall tiles. We have been supplying wall tiles both in domestic and international markets and intend to develop and expand our domestic and export business operations with the aid of such manufacturing unit.

2. Brand image

We intend to build our brand primarily through continued investment in product innovation supported by research and development initiatives, marketing activities and the establishment of long-term relationships with our customers. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing required services to the satisfaction of the customers.

3. Setting up of retail outlets

Domestically, we intend to set up our own retail outlets so as to capture the retail market directly. At present, in domestic markets, we are mainly supplying our products either through our distributors channel or directly to customers. By setting up our own retail outlets, we aim to have access to the ultimate consumer and increase our market penetration.

4. Capitalise on growing demand in construction industry

We believe that construction sector shall observe a rapid growth in the coming years on account of changing lifestyle and growth in housing finance facilities. We intend to capitalise on such growth opportunities by supplying products to large construction contractors and sufficing their complete tiles requirement. Further our Company is in process of obtaining ISI and BIS quality certifications which shall enable us to apply for government tenders. We believe that we are well positioned to cater to demand of such sector with our product ranges and competitive pricing structure.

5. Expanding our customer base

Our domestic and export operations contributed 35.51 % and 64.49 % respectively of our total revenue from operations for the year ended March 31, 2017. We have an established network of more than 300 dealers and distributors for our domestic networks. Internationally, we have been covering around 20 countries. We intend to continue to expand our domestic customer base by expanding our distribution network, opening of retail outlets, participating in government tenders, etc. For export markets, we aim to expand our operations, by increasing our presence in existing countries and by adding new geographies.

6. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. We continue to invest in operational excellence through out the organization. We ensure a strong quality commitment by our employees.

7. Leveraging our Marketing skills and Relationship

Leveraging our marketing skills and relationship is a continuous process in our organisation. We believe in imparting training to our employees for enhancing their marketing skills. Further we aim to undertake some marketing initiatives as well to increase our brand visibility. Such initiatives shall include print and electronic advertisements, sponsorships, participating in industrial exhibitions on both domestic and international levels, etc.

8. Enhancing existing production and product quality

We believe quality service and products of global standards will be of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them and enabling us to understand the market perceptin and demand. We train our employees to consistently design and deliver client focused solutions. We will continue to focus on creating innovative designs in tiles through our R&D efforts.

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our registered office & manufacturing unit and corporate office at Morbi, Gujarat is well equipped with computer systems, internet connectivity, other communication equipments, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility is equipped with requisite utilities and facilities including the following:

Power

Our Company meets its power requirements by purchasing electricity from Paschim Gujarat Vij Company Limited. The current sanction limit provided to us is 5,000 KVA.

Water

Our Company procures water from a bore well situated in nearby vicinity which is maintained by one of our Director as required for our production process.

CAPACITY AND CAPACITY UTILIZATION

Our manufacturing unit is engaged in manufacturing and sale of ceramic and wall tiles. The production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Product Name	2014-15		2015-16		2016-17	
	Installed	Actual	Installed	Actual	Installed	Actual
Vitrified Tiles	3,25,50,000	2,31,18,042	35262500	2,20,77,110	6,51,00,000	3,84,91,639
Wall Tiles	N.A	N.A	N.A	N.A	N.A	N.A
Product	2017-18		2018-19		2019-20	

Name	Installed	Projected	Installed	Projected	Installed	Projected
Vitrified Tiles	6,51,00,000	4,55,00,000	6,51,00,000	5,07,00,000	6,51,00,000	5,65,00,000
Wall Tiles	5,40,00,000	2,96,15,384	5,40,00,000	3,59,33,333	5,40,00,000	4,32,00,000

COUNTRY WISE EXPORT SALES FOR FINANCIAL YEAR MARCH 31, 2017

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Australia	129.00	1.17%
Benin	15.21	0.14%
Dubai	373.28	3.40%
Kuwait	626.94	5.71%
Liberia	31.37	0.29%
Macedonia	20.98	0.19%
Mexico	3724.97	33.92%
Republic of Kosova	17.77	0.16%
Nepal	19.88	0.18%
Oman	501.75	4.57%
Poland	309.83	2.82%
Saudi Arabia	4749.72	43.25%
Slovakia	5.91	0.05%
Taiwan	352.51	3.21%
United States of America	94.88	0.86%
Qatar	28.25	0.08%

PLANT AND MACHINERY

The major plant and machinery of our Company is as follows:-

Name of Major Machinery	Qty	Vendor
625 KVA Silent DG Set	1	Sai Generators Pvt. Ltd. (Rajkot)
66 KV Sub Station	1	Electro Products
Agitators for Ceramic Slip Storage	32	PM Industries, Pune
Air Compressor	5	Kaesar Compressor
Apollo Feeding System	2	Foshan Textile Import & Export Co. Ltd. (China)
Automatic Mains Failure (AMF) for 325 KVA DG set	1	Sai Generators Pvt. Ltd. (Rajkot)
Automatic Packing Machine	2	Foshan Hua Ming Da
Ball Mill	3	Foshan Mingfeng Trading , China
Ball Mill	4	Foshan Yi Long Economic & Trade Co. Ltd. (china)
Ball Mill Wall Tiles Plant New	5	Bhagwati Engineering
Chain Stove	2	Foshan Wonderful Equipment Co.Ltd. China
Chain Stove	1	Foshan Greens Import & Export Co. Ltd.
Coal Gasification System	2	Sadguru Industries
Compositors	4	
Connecting Table & Compensator	4	BNS Uniwin International Co., Ltd
Cooling Tower MR-25	8	Maheshwari Refrigeration
DG Set	3	Vishal Trading
Digital Machine	3	Siti B&T Group S.P.A

Double Charge Feeder	1	Foshan Boffin Mechanicle & Electrical Co.Ltd. China
Double Layer Firing Kiln	1	Modenna Technology Hong Kong Ltd
Fully Automatic Permanent Slurry Iron Remover	1 set	Foshan Eminent Industry Development Co.,Ltd
Glazing Line	1	Foshan Mingfeng Trading , China
Glazing Line	2	Ashirwad Globaltech Industries
Gvt Sturrer	15	Krishna Engineering
Heat Exchenger (Oil Condenser)	6	Comp Air Treatment System.P.Ltd.
High Intensity Magnetic Iron Seprator	1	Excel Magnetics, Ahmedabad
Horizontal Dryer	2	Sachi Hong Kong Ltd. Italy
Hydraulic Press	4	Sachi Hong Kong Ltd. Italy
Hydraulic Press & Feeder	1	Foshan Synergy Ltl Enterpirse Co. Ltd
Hydraulic Press & Feeder	1	Mahalaxmi International
Iron Particals Remover	1	Era Machatronix Pvt. Ltd. Morbi
Kiln	2	Sachi Hong Kong Ltd. Italy
Modern & Efficient Tar Catchers (Wesps)	2	Parot Power Pvt.Ltd.
Nano Machine	2	Foshan Jian-Cheng Economic & Trade Co. Ltd. (China)
Nano Polishing Machine	1	Huge Power Development Ltd. China
Polishing Line	1 set	Foshan Kelid Machines Co. Ltd. China
Polishing Line	1 set	Xincheng International Financial Leasing Co. Ltd. (China)
Silo	10	Global Engineering
Silos for Ceramic Powder Storage	36	PM Industries, Pune
Sp. Dryer 450 TN	1	Sacmi Engg. (India) Pvt. Ltd. (Mumbai)
Spray Dryer 150 TPD	1	PM Industries, Pune
Spray Dryer 350 TPD	1	PM Industries, Pune
Tile Flatness Checking Machine	1	Appel S.R.L
Toshiba Print Heads -5 colors	1	EFI Cretaprint S.L.U. (Spain)
Ull Dry Squaring & Chamfering Line	4	Foshan Yueshan Import & Export Co.,Ltd
Vella Flow	6	Mahalaxmi International
Vertical Dryer Gtech-Italy	2	Modenna Technology Hong Kong Ltd
Wet Squaring And Chamfering Machine	4	Xincheng International (Hong Kong) Co. Ltd

COLLABORATIONS

As on the date of this Prospectus, our Company has not entered into any technical or other collaboration

EXPORT AND EXPORT OBLIGATIONS

EPCG	Export Obligation (In USD/ Euro)	Duty Saved (Rs. in Lakhs)	Balance Export Obligation to be completed (Rs. in Lakhs)	Period to which Export Obligation to be completed
2430003022/3/12/00	USD 9,29,126.66	99.57	1,199.54	June 23, 2021
2430003121/3/12/00	USD 19,16,086.52	204.70		August 12,2021
2430003242/3/12/00	USD 27,19,005.99	296.15		November 08, 2021
2430003645/3/12/00	USD 49,07,162.43	556.55		June 23, 2022
2430003978/3/12/00	USD 3,78,128.28	42.57		November 10, 2022

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As at March 31, 2017 we have 160 employees who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Apart from these we also employ casual labour or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to successfully implement our growth plans.

SALES & MARKETING

The efficiency of the marketing and sales network is critical to success of our Company. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their relevant experience and good rapport with these customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Our Domestic as well as Export Marketing is handled by Hitesh Detroja. We believe our relationship with our customers is strong and established as we receive repeated orders. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. Our company also has its marketing office in Delhi and Jaipur to cater the customers in different regions. Our products are sold under brand name “Lexus”.

We intend to expand our existing customer base by increasing our presence in existing markets and reaching out to other geographical areas. Our marketing team is ready to take up challenge so as to scale new heights.

MARKETING STRATEGY:

Our Company intends to focus on following marketing strategies:

- Introducing new range of products
- Customer satisfaction
- Continuous follow-up with customers
- Develop new market and customers

END USERS

We cater to International and Domestic customers. Currently we supply our products through dealers, distributors, importers or directly to customers.

We deal in ceramic and wall tiles that are used for residential and commercial purposes which are sold as per the orders received by parties either directly or through distributors.

The market for tiles can be broadly classified into two categories, on the basis of their end-use:

a) International Buyers

The demand for ceramic tiles in international market is mostly from buyers like Wholesale Importers and Warehouse Distributors, Merchant Exporter. They mostly cater to the dealers and fabricators network who then supply to the end users

b) Domestic Users

The domestic users mostly comprise distributors, dealers and project fabricators. We also cater to retail users as per their requirement.

COMPETITION

Our industry being a large and global industry, we face competition from various domestic and international players. The Industry which we cater to is highly competitive, unorganized and fragmented with many small and medium-sized companies and entities and we compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range.

Most of our competitors in the regional level are from the unorganized sector of the ceramic industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way. We see our self competing with Murudeshwar Ceramics Ltd which is our comparable peer listed on BSE Ltd and National Stock Exchange of India Limited.

INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies.

We have taken Standard Fire & Special Perils Policy for majority of our assets at our registered office and factory. These policies also insure us against the risk of earthquakes with plinth and foundation. We also have a Marine Cargo Open Policy that covers our products while in inland transit. Further we have Workmen's Compensation Insurance to cover our employees. Our policies are subject to customary exclusions and customary deductibles.

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

LAND AND PROPERTY

We have our properties located at following:

Owned Properties:

Sr No	Address of the Property	Area of the Property	Current Usage
1.	Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi Lakhdhirpur Rajkot, Gujarat-363642, India.	4-08-73 hec.are. sq.mt.	Registered office and manufacturing facility

The property deed is in name of earlier owners i.e. Prabhulal Panara, Nanubhai Kanjiya, Jayantilal Kasundra. The land is transferred in name of company (erstwhile partnership firm) via a clause in partnership deed and an affidavit by the owners. However the company is not able to trace deed of transfer for transfer of land in name of Company.

Lease Properties:

The following properties are taken on rent by our Company:

Sr. No.	Name of the Licensor	Address of the Property	Period of Agreement	Consideration	Usage
1.	Parimal Ashar and Rohiniben Ashar	S.No. 42-Bp, 46A-2p, 46Bp, 47-A-2p, 47-K-2p, 54-Bp, 56/1A-2p & S. No.56/1-Bp At. Lalapar, Tal. Morbi, Gujarat, India	July 01, 2015 to June 30, 2025	Rs. 2,65,000 p.m.	Corporate Office
2.	Sidharth Singh as general attorney for and on behalf of	Plot No. 20 & 21, Mansrover Garden, New Delhi-110015,	November 1, 2016 to October 31,	Rs. 2,00,000 p.m.	Marketing Office

Sr. No.	Name of the Licensor	Address of the Property	Period of Agreement	Consideration	Usage
	Rekha Singh	India	2020		
3.	Ramesh Chandra Khandelwal	Shop No. 234, Muktanandnagar, Gopalpura, Jaipur, India	July 15, 2016 to June 14, 2019	Rs. 18,000 p.m.	Marketing Office

INTELLECTUAL PROPERTY RIGHTS

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/Renewal	Registration status
1.		DEVICE	35	Lexus Granito (India) Private Limited	3247138	April 29, 2016	-	Objected
2.		DEVICE	19	Lexus Granito (India) Private Limited	3247131	April 29, 2016	-	Objected

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of ceramic tile manufacturing. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 269 of this Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

INDUSTRIAL POLICY OF RELEVANT STATE

Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat, will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new

laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

Legal Metrology Act, 2009

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec. 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

Anti-Trust Laws

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employees' State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1976

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Stone Breaking and Crushing as well as graphite powdering and incidental processing industries as per Part B of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer

appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor is to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

TAX RELATED LEGISLATIONS

Value Added Tax (“VAT”)

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Gujarat Value Added Tax Act, 2003 (“GVAT”)

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of ‘dealer’ defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlors, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc. are covered under this Act. It is duty of the employers to deduct tax from the

person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

Monthly Salary Amount payable in Gujarat

Less than Rs. 5999	Nil
Rs. 6000 to Rs. 8999	Rs. 80 per month
Rs. 9000 to Rs. 11999	Rs. 150 per month
Rs. 12000 & above	Rs. 200 per month

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Central Sales Tax Act, 1956 (“CST”)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

OTHER LAWS

The Factories Act, 1948

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of

the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 ("Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981("the Act") was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- The Copyright Act, 1957
- The Trade Marks Act, 1999

The Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process

producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS:

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the

goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

THE FOREIGN DIRECT INVESTMENT

The Reserve Bank of India ("RBI") also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/S Vitco Vitrified” pursuant to a Deed of Partnership/Co-parcenership dated May 05, 2008. “M/S Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, Our company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to “Lexus Granito (India) Limited” pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838.

Nanubhai Kanjia, Prabhubhai Panara, Jayantilal Kasundra, Pravinbhai Kasundra, Mayurbhai Panara, Keshavjibhai Patel and Pankajbhai Marvania were the initial subscribers to the Memorandum of Association of our company. All the subscribers to the Memorandum of Association have dissociated themselves by transferring their equity shareholdings on June 30, 2010.

Anilkumar Detroja, Nilesh Detroja, Hitesh Detroja are the individual promoters and Pavan Blackrock Private Limited is the corporate promoter of our Company. Our current promoters were first associated with our Company as below:

Promoters	Association
Anilkumar Detroja	First acquired shares on June 30, 2010
Nilesh Detroja	First acquired shares on June 30, 2010
Hitesh Detroja	First acquired shares on June 30, 2010
Pavan Blackrock Private Limited	First acquired shares on January 10, 2015

Our company is currently engaged in manufacturing and marketing of Vitrified Ceramic Tiles and wall tiles in the domestic and international markets having an integrated manufacturing unit based in Morbi, Gujarat. We have been recently been recognized as Two Star Export House by the Directorate General of Foreign Trade vide certificate dated February 08, 2017. For information of our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “Our Business”, “Financial Statements as Restated”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Government and Other Statutory Approvals” beginning on page 146, 203, 245 and 269 respectively of this Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

Since Incorporation, our Company’s Registered Office is situated at Survey No. 800 Opp. Lakhdhipur Village, Lakhdhipur Road, Lakhdhipur, N.H.8A, Tal. Morbi, Lakhdhipur, Rajkot -363642, Gujarat, India.

KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

YEAR	EVENTS
2008	Formation of Partnership Firm under the name and style of “M/s Vitco Vitrified”
2008	Incorporation of our Company as Vitco Vitrified Private Limited pursuant to conversion of the partnership firm
2010	Change of Name of our Company to “Lexus Granito (India) Private Limited” Change of control of the Company to our existing promoters
2016	Received Certificate of Recognition as “One Star Export House” from Directorate General of Foreign Trade
2017	Conversion of Company from Private Limited to Public Limited Received Certificate of Recognition as “Two Star Export House” from Directorate General of Foreign Trade Awarded as “Rising Stars” at Power Brands Global London International Forum for Equality

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

“To carry on in India or elsewhere the business to manufacture, produce, treat, process, design, develop, build, convert, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, job work, mix, modify, market, operate, prepare, and to act as brokers, agents, stockiest, consignors, franchisers, distributors, suppliers, promoters, wholesalers, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and uses of tiles, including vitrified tiles, ceramic tiles, glazed tiles, mosaics tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, porcelain tiles, roofing tiles, china tiles, Ceramic Products and by-products thereof, sanitary wares, wash basins, ceramics wares, earth wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain ware, bathroom, accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fitting, parts, accessories consumable, components and buy-products thereof.”

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Since incorporation, the following Changes have been made to our Memorandum of Association

DATE OF AGM / EGM	CHANGES
June 24, 2010	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company as Lexus Granito (India) Private Limited on change of name of the Company. Fresh Certificate of Incorporation dated June 26, 2010 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli
October 01, 2010	Increase of Authorised Capital from Rs. 5,00,000 consisting of 50,000 Equity Shares of Rs.10/- each to Rs. 7,00,00,000 consisting of 70,00,000 Equity Shares of Rs.10/- each
September 01, 2015	Increase of Authorised Capital from Rs. 7,00,00,000 consisting of 70,00,000 Equity Shares of Rs.10/- each to Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs.10/- each
June, 22, 2016	Increase of Authorised Capital from Rs. 10,00,00,000 consisting of

DATE OF AGM / EGM	CHANGES
	1,00,00,000 Equity Shares of Rs.10/- each to Rs. 15,25,00,000 consisting of 1,52,50,000 Equity Shares of Rs.10/- each
August 20, 2016	Increase of Authorised Capital from Rs.15,25,00,000 consisting of 1,52,50,000 Equity Shares of Rs.10/- each to Rs. 19,00,00,000 consisting of 1,90,00,000 Equity Shares of Rs.10/- each
April 13, 2017	Increase of Authorised Capital from Rs.19,00,00,000 consisting of 1,90,00,000 Equity Shares of Rs.10/- each to Rs. 22,00,00,000 consisting of 2,20,00,000 Equity Shares of Rs.10/- each
April 13, 2017	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company from Lexus Granito (India) Private Limited to Lexus Granito (India) Limited as a result of conversion from private to public limited.

COUNTRY WISE EXPORT SALES FOR FINANCIAL YEAR MARCH 31, 2017

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Australia	129.00	1.17%
Benin	15.21	0.14%
Dubai	373.28	3.40%
Kuwait	626.94	5.71%
Liberia	31.37	0.29%
Macedonia	20.98	0.19%
Mexico	3724.97	33.92%
Republic of Kosova	17.77	0.16%
Nepal	19.88	0.18%
Oman	501.75	4.57%
Poland	309.83	2.82%
Saudi Arabia	4749.72	43.25%
Slovakia	5.91	0.05%
Taiwan	352.51	3.21%
United States of America	94.88	0.86%
Qatar	28.25	0.08%

OUR HOLDING / SUBSIDIARY COMPANY

Our Company has one holding company i.e. Pavan Blackrock Private Limited as on date of filing this Prospectus. Pavan Blackrock Private Limited, a company registered under Companies Act, 1956 bearing Corporate Identification Number U10100GJ2011PTC064719; holds 90,50,974 Equity shares in our Company i.e. 67.39% of our total paid up capital. The Registered office of the same is situated at 420, Morbi-Rajkot Highway, Near Maruti Show Room, Taluka – Morbi, Sanala, Rajkot - 363641, Gujarat, India. Pavan Blackrock Private Limited is engaged in the business of manufacturing and sale of coal.

Our Company does not have any Subsidiary Company as on date of filing of this Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled “Financial Statements as Restated” and “Capital Structure” beginning on page 203 and 85, respectively, of this Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities being carried out by our Company in the last five years.

INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunction or restraining order.

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

SHAREHOLDERS' AGREEMENTS

Our Company has not entered into any shareholders' agreement as on date of filing of this Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on date of filing of this Prospectus.

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Prospectus.

FINANCIAL PARTNERS

As on the date of this Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Prospectus.

STRIKES AND LOCK-OUTS

There have been no instances of strikes or lockouts in our Company since incorporation.

REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

NUMBER OF SHAREHOLDERS

Our Company has 9 shareholders as on date of this Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has eight directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship
1.	Name: Babulal Detroja Age: 56 years Father's Name: Mahadev Detroja Designation: Chairman and Whole Time Director Address: Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India Occupation: Business Nationality: Indian Term: 5 years from May 04, 2017 subject to liable to retire by rotation DIN: 01725541	May 04, 2017	Public Limited Company – Nil Private Limited Company – ➤ Lexus Ceramic Private Limited
2.	Name: Nilesh Detroja Age: 33 years Father's Name: Babulal Detroja Designation: Whole Time Director Address: Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India Occupation: Business Nationality: Indian Term: 5 years from May 04, 2017 subject to liable to retire by rotation DIN: 01725545	May 04, 2017	Public Limited Company – Nil Private Limited Company – ➤ Pavan Blackrock Private Limited ➤ Lexus Ceramic Private Limited ➤ Lioli Ceramica Private Limited
3.	Name: Hitesh Detroja Age: 29 years Father's Name: Babulal Detroja Designation: Whole Time Director Address: 4-Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India Occupation: Business Nationality: Indian Term: 5 years from May 04, 2017 subject to liable to retire by rotation DIN: 02760273	May 04, 2017	Public Limited Company – Nil Private Limited Company – ➤ Lexus Ceramic Private Limited ➤ Lioli Ceramica Private Limited Limited Liability Partnership: ➤ Lenora Vitrified LLP
4.	Name: Parulben Detroja Age: 32 years Husband's Name: Nilesh Detroja Designation: Whole Time Director	May 04, 2017	Public Limited Company – Nil Private Limited Company – ➤ Lexus Ceramic Private Limited

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship
	Address: Chitrakut Society, Sheri No.4, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India Occupation: Business Nationality: Indian Term: 5 years from May 04, 2017 subject to liable to retire by rotation DIN: 02760294		
5.	Name: Anilkumar Detroja Age: 31 years Father's Name: Babulal Detroja Designation: Managing Director Address: Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India Occupation: Business Nationality: Indian Term: 5 years from May 04, 2017 subject to liable to retire by rotation DIN: 03078203	May 04, 2017	Public Limited Company – Nil Private Limited Company – ➤ Pavan Blackrock Private Limited ➤ Lioli Ceramica Private Limited
6.	Name: Jitendra Gadara Age: 36 years Father's Name: Rasiklal Gadara Designation: Additional Director Address: 13-5-296 Divyjiwan Society, Ravapar Road, Ta- Morbi, Rajkot, Morbi 363641, Gujarat, India Occupation: Business Nationality: Indian Term: Till Next Annual General Meeting DIN: 06649234	May 17, 2017	Public Limited Company – Nil Private Limited Company – Nil
7.	Name: Yagneshkumar Adroja Age: 28 years Father's Name: Ramjibhai Adroja Designation: Additional Director Address: Nasitpar Tankara, Rajkot-363641, Gujarat, India Occupation: Business Nationality: Indian Term: Till Next Annual General Meeting DIN: 07814967	May 17, 2017	Public Limited Company – Nil Private Limited Company – Nil
8.	Name: Girish Vadaviya Age: 37 years Father's Name: Prabhulal Vadaviya	May 17, 2017	Public Limited Company – Nil Private Limited Company – Nil

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship
	Designation: Additional Director Address: Maa-189 Shubhash Nagar Street No. 7 Ravapar Road, Morvi-363641 Gujarat, India Occupation: Business Nationality: Indian Term: Till Next Annual General Meeting DIN: 07815100		

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Babulal Detroja

Babulal Detroja, aged 56 years is the Chairman and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has nearly a decade of experience in the ceramic industry and has thorough knowledge of products of our Company. He looks after the strategic growth of our Company and looks after overall business operations.

Nilesh Detroja

Nilesh Detroja, aged 33 years is the Promoter and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in the ceramic industry and currently looks after the production and product research & development of our Company. He handles our designing department and keeps the team updated with the latest on-going trends.

Hitesh Detroja

Hitesh Detroja, aged 29 years is the Promoter and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in the ceramic industry and is entrusted with the responsibility to look after the marketing and administration department of our Company. He also looks after the export operations of our Company. It is under guidance of Hitesh that our Company has grown over a short span of time which is evidenced by the total income crossing over Rs. 16,400.00 lakhs in FY 2016-17.

Parulben Detroja

Parulben Detroja, aged 32 years, has been designated as the Whole Time Director of our Company. She currently looks after the Human Resource Department of the Company and also manages the approvals required from the regulatory authorities from time to time.

Anilkumar Detroja

Anilkumar Detroja, aged 31 years is the Promoter and Managing Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in this industry and has been key person in formulating and implementation of business strategy for growth & expansion and manages overall business operations. He also looks after financial affairs of the Company.

Jitendra Gadara

Jitendra Gadara aged 36 years was appointed as Additional Director of our company pursuant to section 149 (4) of Companies Act, 2013 with effect from May 17, 2017

Yagneshkumar Adroja

Yagneshkumar Adroja aged 28 years was appointed as Additional Director of our company pursuant to section 149 (4) of Companies Act, 2013 with effect from May 17, 2017

Girish Vadaviya

Girish Vadaviya aged 37 years was appointed as Additional Director of our company pursuant to section 149 (4) of Companies Act, 2013 with effect from May 17, 2017

CONFIRMATIONS

As on the date of this Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Name of the Director	Name of the Other Director	Relation
Babulal Detroja	Nilesh Detroja Hitesh Detroja Anilkumar Detroja	Father-Sons
Nilesh Detroja	Hitesh Detroja Anilkumar Detroja	Brothers
Nilesh Detroja	Parulben Detroja	Husband-wife

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION/COMPENSATION PAID TO DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2016.

Name of the Director	Amount (in Lakhs)
Babulal Detroja	36.00
Nilesh Detroja	36.00
Hitesh Detroja	36.00
Anilkumar Detroja	36.00

Compensation of our Managing Director:

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and Articles of Association of the Company.

Terms and conditions of employment of our Managing Director

Anilkumar Detroja was re-appointed as Managing Director of our Company with effect from May 04, 2017 for a period of five years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 7,00,000/- per month Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination & Remuneration Committee, if any and may be increased up to Rs. 1,68,00,000 per annum subject to the provisions of the act.
Term of Appointment	5 years from May 04, 2017 subject to liable to retire by rotation
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, he shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform his duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

Terms and conditions of employment of our Whole Time Directors

1. Babulal Detroja was re-appointed as Whole Time Director of our Company with effect from May 04, 2017 for a period of five years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 7,00,000/- per month
Term of Appointment	5 Years
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, he shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform his duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

2. Nilesh Detroja was re-appointed as Whole Time Director of our Company with effect from May 04, 2017 for a period of five years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 7,00,000/- per month Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination & Remuneration Committee, if any and may be increased up to Rs. 1,68,00,000 per annum subject to the provisions of the act.
Term of Appointment	5 years from May 04, 2017 subject to liable to retire by rotation
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, he shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform his duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

3. Hitesh Detroja was re-appointed as Whole Time Director of our Company with effect from May 04, 2017 for a period of five years. The terms and conditions of his employment are as follows:

Remuneration	Rs. 7,00,000/- per month Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination & Remuneration Committee, if any and may be increased up to Rs. 1,68,00,000 per annum subject to the provisions of the act.
Term of Appointment	5 years from May 04, 2017 subject to liable to retire by rotation
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year.

	C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, he shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform his duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

4. Parulben Detroja was re-appointed as Whole Time Director of our Company with effect from May 04, 2017 for a period of five years. The terms and conditions of her employment are as follows:

Remuneration	Rs. 90,000/- per month Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination & Remuneration Committee, if any and may be increased up to Rs. 1,68,00,000 per annum subject to the provisions of the act.
Term of Appointment	5 years from May 04, 2017 subject to liable to retire by rotation
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, she shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform her duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

Sitting Fees

Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

OTHER CONFIRMATIONS

As on the date on this Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Whole Time Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director and Whole Time Director pursuant to bonus or profit sharing plan.

SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our

The following table details the shareholding of our Directors as on the date of this Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Babulal Detroja	3,57,205	2.66	1.86
2.	Nilesh Detroja	7,64,511	5.69	3.98
3.	Hitesh Detroja	4,75,442	3.54	2.48
4.	Parulben Detroja	5,000	0.04	0.03
5.	Anilkumar Detroja	7,78,600	5.80	4.06

INTERESTS OF DIRECTORS

Interest in promotion of our Company

Some of our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “*Related Party Transactions*” beginning on page 201 of this Prospectus.

Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing of this Prospectus.

Interest as member of our Company

As on date of this Prospectus, our Directors together hold 23,80,758 Equity Shares in our Company i.e. 17.73 % of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

Interest as a Creditor of our Company

As on the date of this Prospectus, our Company has not availed loans from the Directors of our Company. For further details, refer to chapter titled “*Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 255 and 203 respectively of this Prospectus

Interest as Director of our Company

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 174, 203 and 85 respectively, of this Prospectus our Directors, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

Interest as Key Managerial Personnel of our Company

Babulal Detroja- Chairman and Whole Time Director, Nilesh Detroja- Whole Time Director, Hitesh Detroja- Whole Time Director, Parulben Detroja- Whole Time Director and Anilkumar Detroja- Managing Director are the Key Managerial Personnel of our Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party*”

Transactions” under chapter titled “*Financial Statements as Restated*” beginning on page 203 of this Prospectus.

Interest in transactions involving acquisition of land

Our Directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to in the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 146 of this Prospectus, our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Other Indirect Interest

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 203 of this Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

Interest in the Business of Our Company

Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 203 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any Subsidiary Company or Associate Company as on date of filing Prospectus.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Prospectus:

Name	Date of event	Nature of event	Reason
Rajnikant Detroja	March 24, 2015	Cessation	Resignation as Director
Bharat Detroja	March 24, 2015	Cessation	Resignation as Director
Pankajkumar Detroja	March 24, 2015	Cessation	Resignation as Director
Parulben Detroja	April 13, 2017	Appointment	Appointment as Director
Babulal Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Nilesh Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Hitesh Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Parulben Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Anilkumar Detroja	May 04, 2017	Re-appointment	Designated as Managing Director
Jitendra Gadara	May 17, 2017	Appointment	Appointment as Additional Director
Yagneshkumar Adroja	May 17, 2017	Appointment	Appointment as Additional Director
Girish Vadaviya	May 17, 2017	Appointment	Appointment as Additional Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on April 13, 2017 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs.500 Crores

(Rupees Five Hundred Crores Only) notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied to the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The Corporate governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Prospectus, there are 8 Directors on our Board out of which at least one third are independent Directors. Parulben Detroja is the Woman Director of our Company. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibility Committee

A) Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**"), as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on May 18, 2017.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Director	Status	Nature of Directorship
Jitendra Gadara	Chairman	Additional Director
Yagneshkumar Adroja	Member	Additional Director
Anilkumar Detroja	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and

- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

B) Stakeholder's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on May 18, 2017.

The Stakeholders' Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Yagneshkumar Adroja	Chairman	Additional Director
Parulben Detroja	Member	Whole Time Director
Hitesh Detroja	Member	Whole Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

B. Meetings: The Stakeholder's Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Role of the Stakeholder's Relationship Committee:

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on May 18, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of Director	Designation in Committee	Nature of Directorship
Girish Vadaviya	Chairman	Additional Director
Jitendra Gadara	Member	Additional Director
Yagneshkumar Adroja	Member	Additional Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

1) Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

2) Meetings: The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or

two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

3) Role of the Nomination and Remuneration Committee not limited to but includes:

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

D) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility are:-

Our Company has reconstituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act, 2013. The constitution of the Corporate Social Responsibility was approved by a meeting of the Board of Directors held on May 18, 2017. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Babulal Detroja	Chairman	Whole Time Director
Girish Vadaviya	Member	Additional Director
Nilesh Detroja	Member	Whole Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate Social Responsibility Committee. The scope and function of the Committee and its terms of reference shall include the following:

The terms of reference of the Corporate Social Responsibility Committee of our Company include the formulating, recommending to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities and monitor the corporate social responsibility policy of our Company from time to time.

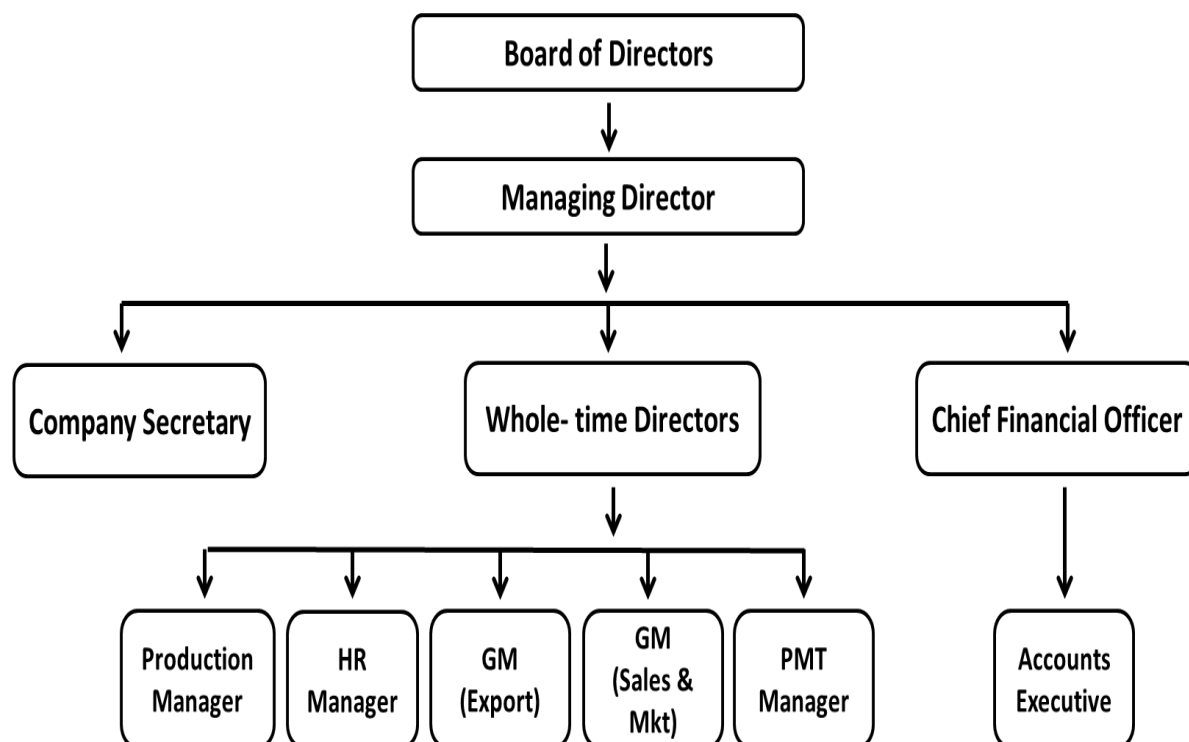
Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge Platform of National Stock Exchange of India. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of

Directors at their meeting held on May 18, 2017 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Payal Jain, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

ORGANISATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

The details of our Key Managerial Personnel are set out below:

Babulal Detroja

Babulal Detroja, aged 56 years is the Chairman and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has nearly a decade of experience in the ceramic industry and has thorough knowledge of products of our Company. He looks after the strategic growth of our Company and looks after overall business operations.

Nilesh Detroja

Nilesh Detroja, aged 33 years is the Promoter and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in the ceramic industry and currently looks after the production and product research & development of our Company. He handles our designing department and keeps the team updated with the latest on-going trends.

Hitesh Detroja

Hitesh Detroja, aged 29 years is the Promoter and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in the ceramic industry and is entrusted with the responsibility to look after the marketing and

administration department of our Company. He also looks after the export operations of our Company. It is under guidance of Hitesh that our Company has grown over a short span of time which is evidenced by the total income crossing over Rs. 16,400.00 lakhs in FY 2016-17.

Parulben Detroja

Parulben Detroja, aged 32 years, has been designated as the Whole Time Director of our Company. She currently looks after the Human Resource Department of the Company and also manages the approvals required from the regulatory authorities from time to time.

Anilkumar Detroja

Anilkumar Detroja, aged 31 years is the Promoter and Managing Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in this industry and has been key person in formulating and implementation of business strategy for growth & expansion and manages overall business operations. He also looks after financial affairs of the Company.

Dilipbhai Fultariya

Dilipbhai Fultariya, aged 34 years, is a Chief Financial Officer of our Company with effect from May 04, 2017. He has been associated with the Company since August 2011. He is responsible for looking after accounting, finance and taxation of our Company.

Payal Jain

Payal Jain, aged 25 years, is Company Secretary and Compliance Officer of our Company with effect from June 02, 2017. She is a Company Secretary by qualification and an Associate member of Institute of Company Secretaries of India. She looks after the Legal, Secretarial and Compliance Department of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

Name of Key Managerial Personal	Name of Key Managerial Personal	Relationship
Babulal Detroja	Nilesh Detroja Hitesh Detroja Anilkumar Detroja	Father-Sons
Nilesh Detroja	Hitesh Detroja Anilkumar Detroja	Brothers
Nilesh Detroja	Parulben Detroja	Husband-wife

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

Sr.No.	Name of the Shareholder	No. of shares held	% of shares held
1.	Babulal Detroja	3,57,205	2.66
2.	Nilesh Detroja	7,64,511	5.69
3.	Hitesh Detroja	4,75,442	3.54
4.	Parulben Detroja	5,000	0.04
5.	Anilkumar Detroja	7,78,600	5.80

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

Except as disclosed in the Annexure T of the Financial Statement on page 203 of this Prospectus Our company has not given any loans and advances to the Key Managerial Personnel.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 174 and 201 respectively of this Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

Name of Managerial Personnel	Date of Event	Nature of event	Reason
Babulal Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Nilesh Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Hitesh Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Parulben Detroja	May 04, 2017	Re-appointment	Designated as Whole Time Director
Anilkumar Detroja	May 04, 2017	Re-appointment	Designated as Managing Director
Dilipbhai Fultariya	May 04, 2017	Appointment	Appointment as Chief Financial Officer
Megha Singh	April 12, 2017	Appointment	Appointment as Company Secretary and Compliance Officer
Megha Singh	June 01, 2017	Cessation	Resignation as Company Secretary and Compliance Officer
Payal Jain	June 02, 2017	Appointment	Appointment as Company Secretary and Compliance Officer

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled "*Related Party Transactions*" in the section titled "*Financial Statements as Restated*" beginning on page 203 of this Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are Nilesh Detroja, Hitesh Detroja, Anilkumar Detroja and Pavan Blackrock Private Limited. As on the date of this Prospectus, our Promoters hold, in aggregate 1,10,69,527 Equity Shares representing 82.42 % of the pre-issue paid up capital of our Company.

Brief profile of our individual promoters is as follows:

	Nilesh Detroja, Promoter & Whole Time Director Nilesh Detroja, aged 33 years is the Promoter and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in the ceramic industry and currently looks after the production and product research & development of our Company. He handles our designing department and keeps the team updated with the latest on-going trends. Nationality: Indian Passport No: N4843962 Driving License: GJ03/315342/02 Voters ID: CSD5477989 Address: Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India For further details relating to Nilesh Detroja, including terms of appointment as our Whole-time Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 174 of this Prospectus.
	Hitesh Detroja, Promoter & Whole Time Director Hitesh Detroja, aged 29 years is the Promoter and Whole Time Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in the ceramic industry and is entrusted with the responsibility to look after the marketing and administration department of our Company. He also looks after the export operations of our Company. It is under guidance of Hitesh that our Company has grown over a short span of time which is evidenced by the total income crossing over Rs. 16,400.00 lakhs in FY 2016-17. Nationality: Indian Passport No: Z2646504 Driving License: GJ03-2010-0354538 Voters ID: CSD5479993 Address: 4-Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India For further details relating to Hitesh Detroja, including terms of appointment as our Whole-time Director, other directorships please refer to the chapter titled “<i>Our Management</i>” beginning on page 174 of this Prospectus.

	Anilkumar Detroja, Promoter & Managing Director
	Anilkumar Detroja, aged 31 years is the Promoter and Managing Director of our Company. He has been designated as Whole Time Director w.e.f. May 04, 2017. He has an experience of more than seven years in this industry and has been key person in formulating and implementation of business strategy for growth & expansion and manages overall business operations. He also looks after financial affairs of the Company. Nationality: Indian Passport No: M7983744 Driving License: GJ03/003853/05 Voters ID: CSD5477971 Address: Chitrakut Society, B/H. GIDC Sanala Road, Morbi-363641, Gujarat, India For further details relating to Anilkumar Detroja, including terms of appointment as our Managing Director, other directorships please refer to the chapter titled “Our Management” beginning on page 174 of this Prospectus.

DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our individual promoters shall be submitted to the Stock Exchange at the time of filing of this Prospectus.

OUR CORPORATE PROMOTER

Pavan Blackrock Private Limited (PBPL)

PBPL was incorporated as private limited company under the name and style of “Pavan Blackrock Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated on April 01, 2011 bearing Corporate Identification Number U10100GJ2011PTC064719. The registered office of PBPL is situated at 420, Morbi-Rajkot Highway Nr. Maruti Show Room, Tal. Morbi, Sanala, Rajkot, Gujarat-363641, India. The paid up capital of PBPL is Rs. 340.50 Lakhs.

The Main Objects of PBPL are:

To carry on in India or elsewhere the business to manufacture, produce, process, convert, commercialize, control, compound develop, distribute, derive, discover, excavate, grade, handle, release, generate, manipulate, mine, quarry, prepare, promote, supply, import, export, buy, sell and to act as agent, broker, concessionaries, consultant, collaborator, jobworker or otherwise to deal in all varieties, descriptions, characteristics and application of coal, lignite, peat, coke and semi coke of coal, premium hard coke, pitch coke, coal briquettes, coal ovoids and similar solid fuels manufactured from coal, coal gas, water gas, producer gas, white coal, petroleum coke, calcined petroleum coke and other allied goods, products, their by-products

Natural persons in control of the Corporate Promoter:

PBPL is promoted by Hitesh Detroja, Nilesh Detroja and Anilkumar Detroja.

Board of Directors:

The Board of Directors of Pavan Blackrock Private Limited as on the date of this Prospectus are as under:

1. Nilesh Detroja
2. Anilkumar Detroja

3. Pankajkumar Detroja

There has been no change in Management and control of PBPL in three years preceding the date of this Prospectus.

DECLARATION

Our Company confirms that the permanent account number, bank account number, company registration number and address of ROC where the company is registered of our corporate promoter shall be submitted to the Stock Exchange at the time of filing of this Prospectus with it.

INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our Promoters in our Company, please refer “*Capital Structure*” on page 85 of this Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

Some of Our Promoters are the Directors and KMP of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of our Company. For details please see “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 174, 203 and 85 respectively of this Prospectus.

Except as mentioned in the chapter titled “Our Business” under ‘Land & Property’, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page 201 of this Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled “*Our Group Companies*” beginning on page 197 of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “*Related Party Transactions*” on page 201 of this Prospectus.

PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY

Except as stated otherwise in the chapters “*Related Party Transactions*” on page 201 of the Prospectus, there has been no payment or benefits to the Promoters during the two years prior to the filing of this Prospectus nor is there any to pay or give any benefit to our Promoter or Promoter Group.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

A. Individuals related to our natural Promoters:

Relationship with Promoters	Nilesh Detroja	Hitesh Detroja	Anilkumar Detroja
Father	Babulal Detroja	Babulal Detroja	Babulal Detroja
Mother	Muktaben Detroja	Muktaben Detroja	Muktaben Detroja
Brother	Hitesh Detroja Anilkumar Detroja	Nilesh Detroja Anilkumar Detroja	Nilesh Detroja Hitesh Detroja
Spouse	Parulben Detroja	Bhumikaben Detroja	Dimpalben Detroja
Son		Naksha Detroja Jiaan Detroja	Kartik Detroja Rishi Detroja
Daughter	Palak Detroja	-	-
Spouse's Father	Narbheram Dalsaniya	Dineshbhai Patel	Mavjibhai Kalavadiya
Spouse's Mother	Durgaben Dalsaniya	Hansaben Makasana	Savitaben Kalavadiya
Spouse's Brother	Kalpeshbhai Dalsaniya	Maulik Makasana	-
Spouse's Sister	-	-	Pravinaben Chandrola Meenaben Adroja Jagrutiben Sarsavadiya Geetaben Nesadiya Chetnaben Padaliya Bhumikaben Padsumbiya

In case of our Corporate Promoter:

Pavan Blackrock Private Limited

a subsidiary or holding company of such body corporate;	Nil
any body corporate in which the promoter holds ten per cent or more of the equity share capital or which holds ten per cent. or more of the equity share capital of the promoter;	Nil
Any body corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent or more of the equity share capital in that body corporate also holds twenty per cent. or more of the equity share capital of the issuer; an	Nil

B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- Kartik Industries
- Lexus Ceramic Private Limited
- Maulik Electricals
- Sadguru International
- Shubham Sales Agency
- Lioli Ceramica Private Limited
- Lenora Vittrified LLP

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our Board of Directors as Whole Time Directors and Managing Director. Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Name of Promoters	Relationship with	Relation
Nilesh Detroja	Hitesh Detroja Anilkumar Detroja	Brothers
Nilesh Detroja	Babulal Detroja	Son-Father

Name of Promoters	Relationship with	Relation
Hitesh Detroja Anilkumar Detroja		
Nilesh Detroja	Parulben Detroja	Husband-wife

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Except as mentioned below, our Promoters have not disassociated themselves from any entities/firms during preceding three years.

Name of Entity	Type	Date of Disassociation	Reason for disassociation
Nilesh Detroja			
Smile Ceramics	Partnership Firm	March 17, 2015	Preoccupation with other professional work

CHANGES IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments*” on page 260 of this Prospectus.

CONFIRMATIONS

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) and are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “*Related Party Transactions*” on page 201 of this Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated May 04, 2017, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature. Further, companies which have not been disclosed as related parties in the restated financial statements of our company for the last five financial years or which are no longer associated with our Company have not be disclosed as Group Companies.

For, avoidance of doubt, it is clarified that our Holding Company shall not be considered as Group Company.

The following company are identified as Group Companies of our Company:

1. Lexus Ceramic Private Limited
2. Lioli Ceramica Private Limited

OUR GROUP COMPANIES:

The Details of our group Companies are provided below

1. LEXUS CERAMIC PRIVATE LIMITED (LCPL)

Lexus Ceramic Private Limited is a Private Company incorporated on April 27, 2007 under the provisions of Companies Act, 1956 and has its registered office situated at Survey No. 793/P, At. PO. Ghuntu, Morbi, Gujarat-363642, India. The Corporate Identification Number is U26914GJ2007PTC050675. The paid up capital of the Company is Rs. 230.25 Lakhs.

Board of Directors as on the date of this Prospectus:

1. Babulal Detroja
2. Nilesh Detroja
3. Hitesh Detroja
4. Parulben Detroja

Main Object:

To carry on in India or elsewhere the business to manufacture, produce, treat, process, design, develop, build, convert, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, jobwork, mix, modify, market, operate, prepare, and to act as brokers, agents, stockiests, consignors, franchisers, distributors, suppliers, promoters, wholesalers, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and uses of tiles, including ceramic tiles, glazed tiles, mosaics tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, porcelain tiles, roofing tiles, china tiles, Ceramic Products and by-products thereof, sanitary wares, wash basins, ceramics wares, earth wares, crookeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terra-cotta, porcelain ware, bathroom, accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fitting, parts, accessories, consumable, components and buy-products thereof.

Financial Performance

Amount (Rs. in lakhs)

Particulars	2015-16	2014-15	2013-14
Equity Paid Up Capital	230.25	230.25	230.25
Reserves and Surplus	280.68	276.58	247.60
Net Asset Value (In Rs.)	22.19	22.01	20.75

Nature and Extent of Interest of Promoters

Hitesh Detroja, Nilesh Detroja and Anilkumar Detroja natural promoters of our company collectively holds 5,37,800 equity shares constituting 23.26% of total number of equity shares in Lexus Ceramic Private Limited. They also serve as directors in the Company.

2. Lioli Ceramica Private Limited

Lioli Ceramica Private Limited is a Private Company incorporated on October 28, 2016 under the provisions of Companies Act, 2013 and has its registered office situated at Survey No. 315/P2, Juna Sadulka, Nr. Lemica Paper Mill, 8-A National Highway, Morbi Rajkot, Gujarat-363642, India. The Corporate Identification Number is U26999GJ2016PTC094240. The paid up capital of the Company is Rs. 770.00 Lakhs.

Board of Directors as on the date of this Prospectus:

1. Nilesh Detroja
2. Manish Gadara
3. Hitesh Detroja
4. Anilkumar Detroja
5. Milan Gadara
6. Amit Gadara

Main Object:

To carry on in India or elsewhere the business to manufacture, produce, trade, deal, treat, process, design, develop, build, convert, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, job work, mix, modify, market, operate, prepare, and to act as brokers, agents, stockiest, consignors, franchises, collaborators, distributors, suppliers, promoters, concessionaires, consultants, C&F agent, wholesaler, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and use of tiles, & Sanitarywares, including ceramic tiles, wall glazed tiles, floor tiles, marbles tiles, wall tiles, granite tiles, Vitrified tiles, porcelain tiles, roofing tiles, china tiles, Ceramic Products and by-products thereof, sanitary wares, ceramics wares, earthen wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain ware, glass, bathroom fittings and accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fittings, parts accessories, consumable, components & by-products thereof.

Financial Performance

Since, the Company has been incorporated October 28, 2016 it has not filed its financial statements.

Nature and Extent of Interest of Promoters

Hitesh Detroja, Nilesh Detroja and Anilkumar Detroja natural promoters of our company collectively holds 15,55,000 equity shares constituting 20.19% of total number of equity shares in Lioli Ceramica Private Limited. They also serve as directors in the Company.

CONFIRMATION

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

Our Group Company has not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Companies have become not been declared sick companies under the SICA. Additionally, Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

LITIGATION

For details on litigations and disputes pending against the Promoter and Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 260 of this Prospectus.

DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Except as mentioned below, our Promoters have not disassociated themselves from any entities/firms during preceding three years.

Name of Entity	Type	Date of Disassociation	Reason for disassociation
Nilesh Detroja			
Smile Ceramics	Partnership Firm	March 17, 2015	Preoccupation with other professional work

NEGATIVE NET WORTH

None of our Group Companies have negative net worth as on the date of their respective last audited financial statements.

DEFUNCT / STRUCK-OFF COMPANY

None of our Group Companies has become defunct or struck – off in the five years preceding the filing of Prospectus.

INTEREST OF OUR PROMOTER AND GROUP COMPANIES

Interest in the promotion of our Company

Our Group Companies are interested to the extent of their shareholding of Equity Shares, from time to time, for which they are entitled to receive the dividend declared, if any, by our Company. Our Individual Promoters may also benefit from holding directorship in our Company.

Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of Prospectus or proposed to be acquired by it.

Interest in the transactions for acquisition of land, construction of building and supply of machinery.

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS

Our Promoters are interested as Directors and/or Member in our Group Companies which are involved in activities similar to those conducted by our Company. Our Group Companies are authorised under their constitutional documents to engage in a similar line of business as we do. Further, we have not entered



into any non compete or similar arrangement with these Group Companies or otherwise with our Promoter. Accordingly, there can be no assurance that these Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures.

SALES/PURCHASES BETWEEN OUR COMPANY & GROUP COMPANIES

Other than as disclosed in the chapter titled "*Related Party Transactions*" on page 201 of this Prospectus, there are no sales / purchases between the Company and the Group Companies.

PAYMENT OR BENEFIT TO OUR GROUP COMPANIES

Except as stated in chapter titled "*Related Party Transactions*" beginning on page 201 of this Prospectus, there has been no payment of benefits to our Group Companies for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 nor is any benefit proposed to be paid them.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure T* of restated financial statement under the section titled, *Financial Statements as restated*’ beginning on page 203 of this Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years and till March 31, 2017.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION V – FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RE-STATED

**Independent Auditor’s Report for the Restated Financial Statements of
Lexus Granito (India) Limited**

To,
The Board of Directors,
Lexus Granito (India) Limited,
Survey No.800, opp, Lakhdhipur Village,
Lakhdhipur Road, N.H 8A, Tal.Morbi,
Lakhdhipur, Rajkot-363642, Gujarat, India-363642

We have examined the attached Restated Statement of Assets and Liabilities of **Lexus Granito (India) Limited (the Company)** as at, March 31st, 2017, 2016, 2015, 2014 & 2013 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial year ended on March 31st, 2017, 2016, 2015, 2014, 2013 (collectively the “**Restated Summary Statements**” or “**Restated Financial Statements**”). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of **National** Stock Exchange Limited (NSE).

1. Report on Restated Financial Statements

The Restated Summary Statements have been prepared in accordance with the requirements of:

- i. Part I of Chapter III to the Companies Act, 2013 (“**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014.
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and related amendments/clarifications made thereto from time to time;
 - iii. The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform (“IPO” or “SME IPO”); and
 - iv. The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”)
2. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on March 31st, 2017, 2016, 2015, 2014 & 2013 which have been approved by the Board of Directors.
 3. Financial Statements for the financial year ended on March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 has been audited by **S.K.MEHTA & ASSOCIATES** and for March 31, 2017 has been audited by **B. B. KALARIA & CO.** Chartered Accountants, and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. We have also carried out re-audit of the financial statements for the period/year ended on March 31st, 2017 as per the relevant guidelines.
 4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - i. The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at, March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the

Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

- ii. The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the year ended on, March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - iii. The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the year ended on, March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.
5. Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the years ended on ,March 31, 2017, 2016, 2015, 2014 and 2013 we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:
- a) Adjustments for any prior period and material amounts in the respective financial years have been made to which they relate; and
 - b) Extra-ordinary items has been disclosed separately in the Restated Summary Statements.
 - c) Adjustments on account of the statutory audit qualifications, if any, h ave been adjusted and regrouped to the financial statements of the respective year of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - d) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
 - e) There are no revaluation reserves, which need to be disclosed separately in the “**Restated Financial Statements**.”
 - f) The Company has not paid any dividend on its equity shares till March 31, 2017.
 - g) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.
6. We have also examined the following other financial information relating to the Company as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the year ended on ,March 31st , 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (“**Offer Document**”).

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A	
Restated Statement of Long Term And Short Term Borrowings	Annexure-B,	B(A)
	and B(B)	
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C	

Restated Statement of Other Long Term Liabilities	Annexure-D
Restated Statement of Long Term Provisions	Annexure-E
Restated Statement of Trade Payables	Annexure-F
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-G
Restated Statement of Fixed Assets	Annexure-H
Restated Statement of Non Current Investments	Annexure-I
Restated Statement of Long-Term Loans And Advances	Annexure-J
Restated statement of Other Non Current Assets	Annexure-K
Restated Statement of Inventory	Annexure-L
Restated Statement of Trade Receivables	Annexure-M
Restated Statement of Cash & Cash Equivalents	Annexure-N
Restated Statement of Short-Term Loans And Advances	Annexure-O
Restated Statement of Other Current Assets	Annexure-P
Restated Statement of Turnover	Annexure-Q
Restated Statement of Other Income	Annexure-R
Restated Statement of Mandatory Accounting Ratios	Annexure-S
Restated Statement of Related party transaction	Annexure-T
Restated Statement of Capitalization	Annexure-U
Restated Statement of Tax shelter	Annexure-V
Restated Statement of Contingent liabilities	Annexure-X

7. We, **M/s Khandelwal Prakash Murari Bhandari & Co.** Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the “Peer Review Board” of the ICAI.
8. We have carried out Re-audit of the financial statements for the period / Year ended on March 31, 2017 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2017. Further we have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act & ICDR Regulation. The Financial Information referred to above is the responsibility of the management and approved by the board of directors of the Company.
10. In our opinion, the above financial information contained in Annexure I to IV of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure A to X are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note *subject to*
 - iii. *Non compliance of section 185 of the companies act in relation to loan given to directors by the company as the company has granted loan to relatives of directors during the FY.2014-15 and FY.2015-16..*
 - iv. *Non-compliance of The provisions of section 73 of the Companies Act'2013 in relation to acceptance of deposit by a company as the company has accepted deposit from Non Shareholder during the FY.2012-13, FY.2013-14, FY.2014-15, FY.2015-16 and FY.2016-17.*

11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by any other chartered accountant nor should this constructed as a new opinion on any of the financial statements referred to herein.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME-IPO for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

For Khandelwal Prakash Murari Bhandari & Co.
Chartered Accountants
Firm Registration No.102454W

Punit Soni
Partner
M No. 173087

Date: June 7, 2017
Place: Mumbai

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED
ANNEXURE-I
(Rs. in Lacs)

Sr. No.	Particulars	As March 31,				
		2017	2016	2015	2014	2013
1)	Equity & Liabilities					
	Shareholders' funds					
	a. Share capital	1,343.07	997.50	697.50	697.50	697.50
	b. Reserves & surplus	2,041.36	1,147.56	836.27	644.12	588.15
	Sub-total	3,384.43	2,145.06	1,533.77	1,341.62	1,285.65
2)	Non-current liabilities					
	a. Long-term borrowings	5,101.34	3,489.50	1,613.59	1,706.11	1,829.14
	b. Deferred tax liabilities (net)	236.31	217.18	52.17	0.00	0.00
	c. Other Long Term Liabilities	21.83	21.83	2.39	1.71	53.77
	d. Long-term provisions	36.68	25.46	11.88	8.96	6.64
	Sub-total	5,396.16	3,753.97	1,680.03	1,716.78	1,889.55
4)	Current liabilities					
	a. Short-term borrowings	2,214.64	1,377.95	972.45	941.36	1,206.24
	b. Trade payables	4,239.90	1,618.63	1,045.48	1,322.59	1,920.73
	c. Other current liabilities	965.35	777.36	660.03	699.62	625.29
	d. Short term provisions	238.87	125.12	18.78	0.17	44.85
	Sub-total	7,658.76	3,899.06	2,696.75	2,963.74	3,797.11
	T O T A L (1+2+3+4)	16,439.35	9,798.09	5,910.54	6,022.14	6,972.31
5)	Non-current assets					
	a. Fixed assets					
	i. Tangible assets	4,429.54	5,233.25	2,698.66	3,162.47	3,436.30
	ii. Intangible assets	1.58	2.57	2.85	3.75	0.32
	iii. Capital Work-in Progress	3,206.66	-	-	-	88.09
	Sub-total	7,637.78	5,235.82	2,701.51	3,166.22	3,524.71
	b. Non-Current Investments	235.85	0.55	0.15	0.15	0.15
	c. Deferred Tax Assets (Net)	-	-	-	48.22	70.13
	d. Long term loans & advances	58.77	259.86	10.21	0.13	0.13
	e. Other non-current assets	137.42	118.22	102.28	275.24	222.74
	Sub-total	432.04	378.63	112.64	323.74	293.15
6)	Current assets					
	a. Inventories	3,535.02	1,553.53	845.30	652.94	1,918.30
	b. Trade receivables	3,151.81	1,808.12	1,796.28	1,757.63	1,089.34
	c. Cash and bank balances	60.93	63.87	25.11	31.04	54.69
	d. Short term loans & advances	920.85	209.89	187.73	35.00	30.87
	e. Other current assets	700.91	548.21	241.97	55.57	61.23
	Sub-total	8,369.52	4,183.62	3,096.40	2,532.19	3,154.44
	T O T A L (5+6)	16,439.35	9,798.09	5,910.54	6,022.14	6,972.31

STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE II
(Rs. in Lacs)

Sr. No.	Particulars	As March 31				
		2017	2016	2015	2014	2013
1	INCOME					
	Revenue From Operation (Gross)	17,020.66	10,658.43	8,660.25	6,475.51	7,319.47
	Less: Excise Duty	667.17	508.60	620.93	608.66	975.22
	Revenue From Operation (Net)	16,353.49	10,149.84	8,039.33	5,866.85	6,344.24
	Other income	119.62	77.03	50.71	58.49	21.15
	Total revenue (A)	16,473.11	10,226.87	8,090.04	5,925.34	6,365.39
2	EXPENDITURE					
	Cost of Goods Consumed	8,882.74	5,440.34	5,985.35	4,253.73	4,911.93
	Purchase of Traded Goods	4,817.06	2,471.95	56.06	60.41	87.51
	Changes in Inventories of finished goods, work in progress and stock -in-trade	(1,039.11)	(135.15)	(89.54)	214.50	61.18
	Employee Benefit Expenses	711.60	517.60	350.73	192.23	245.81
	Finance costs	535.00	380.37	427.40	397.94	428.98
	Depreciation and amortization expenses	982.90	568.31	604.70	491.79	548.14
	Other expenses	1,157.47	498.22	451.90	260.84	66.48
3	Total expenses (B)	16,047.66	9,741.64	7,786.60	5,871.44	6,350.03
	Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	425.45	485.23	303.44	53.90	15.36
	Exceptional items	0	0	0	0	0
4	Net profit/ (loss) before extraordinary items and tax, as restated	425.45	485.23	303.44	53.90	15.36
	Extraordinary items	357.98	0	0	0	0
5	Net profit/ (loss) before tax, as restated	783.43	485.23	303.44	53.90	15.36
	Tax expense:					
	(i) Current tax	255.48	98.93	60.71	10.78	3.07
	(ii) Deferred tax (asset)/liability	19.14	165.01	100.39	21.91	(140.80)
	(iii) Mat Credit	-	(98.93)	(60.71)	(10.78)	(3.07)
6	Total tax expense	274.61	165.01	100.39	21.91	(140.80)
7	Profit/ (loss) for the year/ period, as restated	508.82	320.20	203.04	31.99	156.17

STATEMENT OF CASH FLOW AS RESTATED
ANNEXURE III
(Rs. in Lacs)

Particulars	As March 31				
	2017	2016	2015	2014	2013
<u>Cash flow from operating activities:</u>					
Net profit before tax as per statement of profit and loss	425.45	485.21	303.43	53.90	15.37
Adjusted for:					
Depreciation	982.90	568.31	604.70	491.79	548.14
Profit on sale of fixed assets	(18.55)	0.00	0.00	0.00	0.00
Interest paid	535.00	380.37	427.40	397.94	428.98
Interest income	(8.97)	(8.88)	(23.80)	(25.42)	(19.07)
Operating cash flow before working capital changes	1,915.83	1,425.01	1,311.73	918.21	973.42
Adjusted for:					
(Increase)/Decrease in Inventories	(2,050.93)	(717.15)	(203.26)	1,289.36	(173.26)
(Increase)/Decrease in Trade Receivables	(1,343.70)	(11.83)	(38.65)	(668.30)	(59.81)
(Increase)/Decrease in Short Term Loans & Advances	(710.96)	(35.71)	(144.49)	(8.54)	28.53
(Increase)/Decrease in other current assets	(326.19)	(207.31)	(125.69)	16.44	43.06
Increase/(Decrease) in Other non current Assets	(19.20)	(15.95)	172.96	(52.50)	(48.13)
Increase/(Decrease) in Trade Payables	2621.27	573.15	(277.11)	(598.14)	(688.00)
Increase/(Decrease) in Other Current Liabilities	187.98	117.33	(39.58)	74.33	120.89
Increase/(Decrease) in Short Term Provisions	139.11	18.07	18.62	(44.69)	44.13
Increase/(Decrease) in other non current liabilities	0.00	19.44	0.68	(52.06)	53.77
Increase/(Decrease) in Long Term Provisions	11.21	13.59	2.92	2.32	6.63
Cash generated from operations	424.42	1178.64	678.12	876.44	301.23
Income taxes paid	107.33	(2.89)	68.95	6.37	11.91
Cash Flow Before Extraordinary Item	317.10	1181.53	609.17	870.07	289.32
Unsecured loan written off	357.98	0.00	0.00	0.00	0.00
Net cash flow from operating activities(A)	675.08	1181.53	609.18	870.07	289.33
<u>Cash flow from investing activities:</u>					
Purchase of Fixed Assets	(3,384.86)	(3,102.63)	(140.00)	(133.28)	(106.33)
proceeds from sale of fixed assets	18.55	0.00	0.00	0.00	0.00
Investment made during the year	(235.30)	(0.40)	0.00	0.00	(0.15)
Increase/(Decrease) in Long Term Loans and Advances	201.09	-249.65	-10.09	0.00	(0.13)
Interest Income	8.97	8.88	23.80	25.42	19.07

Particulars	As March 31				
	2017	2016	2015	2014	2013
Net cash used in investing activities (B)	(3,391.54)	(3,343.81)	(126.29)	(107.86)	(87.53)
Cash flow from financing activities:					
Proceeds from Issue of Share Capital	345.57	300.00	0.00	0.00	0.00
Securities premium received	454.43	0.00	0.00	0.00	0.00
Increase/(Decrease) in Short Term Borrowings	836.69	405.50	31.09	(264.88)	163.79
Increase/(Decrease) in Long Term Borrowings	1611.83	1875.91	(92.52)	(123.03)	42.91
Interest Paid	(535.00)	(380.37)	(427.40)	(397.94)	(428.98)
Net cash flow from/(used in) financing activities (C)	2,713.53	2,201.04	(488.83)	(785.85)	(222.28)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(2.93)	38.75	(5.93)	(23.65)	(20.48)
Cash & cash equivalents as at beginning of the year	63.87	25.11	31.04	54.69	75.17
Cash & cash equivalents as at end of the year	60.93	63.87	25.11	31.04	54.69

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

The Company was originally formed and registered as a partnership firm in the name of “M/S Vitco Vitrified” and then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “Vitco Vitrified Private Limited”. Subsequently the name of company was changed to “Lexus Granito (India) Private Limited”. The Company is engaged in manufacturing and marketing of vitrified ceramic tiles and wall tiles for the domestic and international markets.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Financial Statements of the Company for the years ended March 31 2017, March 31 2016, March 31 2015, March 31 2014 and March 31 2013.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the

Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

A. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

B.CURRENT-NON-CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash

reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

C. INVENTORIES

The inventories are valued at lower of cost or net realizable value. Cost is determined based on FIFO method as permitted by the AS 2 – "Valuation of Inventory".

D. FIXED ASSETS AND DEPRECIATION

Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are shown

as Capital Work-in- Progress. Cost includes cost of purchase, construction of foundation, technical services related to installation, borrowing costs and other overheads relating to projects.

Depreciation

Tangible Fixed Assets

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 "Depreciation", depreciation on tangible fixed assets is computed on considering useful life provided in the Schedule - II of the Act. The Company has followed the method of depreciation i.e. Written Down Value, consistently over the period of time.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the financial years ended 31 March ,2016,2017 and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on 31 March , 2015, 2014 and 2013.

In respect of assets whose useful life had already exhausted as on 1 April 2015, has been adjusted in Reserves & Surplus for the year ended March 31, 2016 in accordance with requirements of Para 7 of Schedule II of the Companies Act, 2013.

Intangible Fixed Assets

Intangibles such as software is amortised over a period of 5 years based on its estimated useful life.

E. REVENUE RECOGNITION

- i. Revenue from sale of goods is recognized when all significant risk and rewards of the ownerships are transferred to the customers and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of the goods and regarding its collection.
- ii. Duty Drawback income in respect of exports made during the year are accounted on accrual basis.
- iii. Insurance claims are recognised on the basis of approval of claim by insurance company.
- iv. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

F. FOREIGN CURRENCY TRANSACTIONS

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss except in case where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

G. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

H. EMPLOYEE BENEFITS

Defined-contribution plans:

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.
- ii. The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each yearend. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
- iii. Compensated absences which accrue to employees and remains Unutilized as at the end of the year is recognized and paid at the end of the year.

I. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

J. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares/Share split, the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest reporting period.

K. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in

India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

L. IMPAIRMENT OF ASSETS

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

M. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

N.CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

O. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies except accounting of Gratuity in the Financial Year 2012-13, 2013-14, 2014-15, 2015-16. which was previously done on cash basis, has now been accounted based on mercantile system as certified by Independent Actuary.

P. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

3. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

Table

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Profit & loss Account:					
Current Service Cost	16.54	9.52	4.78	4.09	4.61
Interest on Defined Benefit Obligation	1.92	0.93	0.73	0.61	0.06
Net Actuarial Losses / (Gains) Recognized in Year	(7.03)	3.39	(2.54)	(2.34)	1.37
Past Service Cost					
Total, Included in "Salaries, Allowances & Welfare"	11.42	13.84	2.97	2.37	6.04
Balance Sheet:					
Defined benefit obligation as at the beginning of the year/period	25.94	12.10	9.13	6.76	0.72
Service cost	16.54	9.52	4.78	4.09	4.61

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Interest cost	1.92	0.93	0.73	0.61	0.06
Actuarial Losses/(Gains)	(7.03)	3.39	(2.54)	(2.34)	1.37
Past Service Cost					
Defined benefit obligation as at the end of the year/period	37.37	25.94	12.10	9.13	6.76
Of which Short Term provision is	0.69	0.48	0.22	0.17	0.12
Benefit type:					
Retirement Age:	60	60	60	60	60
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years
Future Salary Rise:	7.00%	7.00%	7.00%	7.00%	7.00%
Discount rate per annum:	7.40%	7.70%	8.00%	9.00%	8.30%
Attrition Rate:	1%-5%	1%-5%	1%-5%	1%-5%	1%-5%
Mortality Rate:	(2006-08) Ult	(2006-08)Ult	(2006-08) Ult	(2006-08) Ult	(2006-08) Ult

4. Segment reporting

(i) Business Segment

- (a) The business segment has been considered as the primary segment.
- (b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- (c) The Company's primary business comprises of Sale of Tiles and since it is the only reportable segment as envisaged in Accounting Standard 17 'Segment Reporting'. Accordingly, no separate disclosure for Segment reporting is required to be made in the financial statements of the Company.

(ii) Geographical Segment

The Company operates in one Geographical Segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the **Annexure – T** of the enclosed financial statements.

6. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the **Annexure –S** of the enclosed financial statements.

7. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: "Accounting for Taxes on Income" as at the end of the year/period is reported as under:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Net WDV as Per Companies Act	4,431.13	5,235.83	2,701.51	3,166.22	3,436.63
Net Block as per Income Tax	3,679.04	4,473.67	2,217.11	2,443.69	2,658.27
Timing difference- Depreciation	752.09	762.17	484.41	722.52	778.36
Deferred Tax Liability (A)	248.66	252.00	157.17	234.42	252.54
Provision of Gratuity outstanding as on the end of Period	37.37	25.94	12.10	9.13	6.76
Business loss	-	79.38	311.53	862.02	987.77

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Timing Difference Due to Gratuity & business loss	37.37	105.32	323.63	871.15	994.53
Deferred Tax Assets (B)	12.35	34.82	105.00	282.64	322.67
Cumulative Balance of Deferred Tax Liability /(Assets)(Net) (A-B)	236.31	217.18	52.17	(48.22)	(70.13)
Opening Deferred Tax Liability	217.17	52.17	(48.22)	(70.13)	70.67
Debited/(Credit) to Restated Statement of Profit and Loss Account	19.14	165.01	100.39	21.91	(140.80)
Normal Tax Rates	33.06%	33.06%	32.45%	32.45%	32.45%

8. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31,2017 except as mentioned in **Annexure -X**, for any of the years covered by the statements.

9. Material adjustments [as per sebi (icdr) regulations, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01st April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) of the Company is as under.

Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

1. Statement of Profit and Loss after Tax

Table -1

(Amount in Lakhs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	657.46	420.67	320.95	60.10	66.88
(Short)/Excess Provision of Gratuity Expense	22.61	(13.84)	(2.97)	(2.37)	(6.04)
Short (Excess) Deferred tax liability provided	131.24	(158.09)	(162.65)	(50.77)	110.83
(Short)/Excess Depreciation(net) charged in Books	(11.02)	(27.13)	(36.62)	0.88	0.06
(Short)/Excess Provision of exchange gain/loss	(4.48)	0.21	13.76	(8.91)	(0.55)
(Short) Provision of professional tax	-	(0.74)	-	-	-
Excise duty on opening stock of Finished goods	-	-	-	-	(44.73)
(Short)/booking of income	(10.43)	-	-	-	-
Preliminary expenses adjusted against Reserves & Surplus	-	1.64	1.64	25.93	25.93
Prior period income booked in respective years	3.72	-	0.83	(0.83)	(3.72)
(Short)/ Excess Provision for Taxation	(280.28)	97.50	68.11	7.96	7.50

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Net Adjustment in Profit and Loss Account	(148.64)	(100.45)	(117.90)	(28.11)	89.28
Net Profit/(Loss) After Tax as per Restated Accounts:	508.82	320.20	203.04	31.99	156.17

a) Adjustment on account of provision for Gratuity :

The Company did not provide gratuity based on the requirement of AS -15 (Revised), therefore during the restatement, provision for gratuity have been done as per the actuarial valuation and accordingly short/excess provisions in respective year were adjusted to comply with the requirement of AS-15 (Revised).

b) Adjustment on account of Provision of Deferred Tax:

Due to changes in Depreciation and Provision for Gratuity, etc, The Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

c) Adjustment on account of Preliminary Expense

Preliminary expense under the head other current Assets outstanding on 1st April, 2012 have been adjusted against Reserves & Surplus.

d) Adjustment on account of prior period Income

Amount related to the prior period income have been adjusted in the year to which the same is related.

e) Adjustment on account of Excise duty on opening stock of Finished Goods

Excise duty on opening stock of finished goods have not been calculated for the FY.2012-12,hence the effect for the same has been taken in restated financials.

f) Adjustment on account of Exchange gain/loss on debtors

Exchange gain/loss on closing debtors have been calculated and the effect for the same has been taken in restated financials.

g) Accounting of Depreciation (AS -6)

During the process of restatement of Accounts, Company has rectified the Depreciation provision which was wrong on account of arithmetical errors and non-Compliance with the requirement of schedule II of the Companies Act, 2013 w.e.f. 1.4.2014 onwards. The same has been rectified and accordingly effect thereof has been stated in Table 1 (Statement of Profit and Loss after Tax).

h) Adjustment on account of short booking of Professional tax on salary

The company has not provided for professional tax liability on salary paid to some employees, the effect for the same has been taken in restated financials.

i) Adjustment on account of taxation

The income tax has been provided on basis of restated profits and MAT credit entitlement has been recognised in the year in which it occurred.

j) Adjustment on account of non reversal of MEIS income

The company has not reverse the MEIS liscence received during the period of Rs.10.43 Lacs,however the effect for reversal has been taken in restated financials.

10.Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

11. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

12. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 read with notification no. 8/7/2006 – CDN dt 17/05/2007, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However in the view of the management, the impact of interest, if any, that may be payable as per the provisions of this Act is not expected to be material.

1. Statutory Auditors Qualification during the period of Restatement

During the period of Restatement, Statutory Auditor has given following adverse/qualified remarks for which adjustments wherever required has been taken during the restatement of financial statements.

Financial Year	Auditors Qualification	Management Comments
FY 2012-13	The Company has accepted unsecured loan of Rs.66.15 lacs from the person other than member, directors or relatives of directors which is considered as deposits as per the provisions of section 58A of the companies act'1956.	As per Management the company has accepted the deposit to meet short term loan requirement of funds to meet financial obligation as stipulated by the bank.
FY 2013-14	The company does not have formal internal audit system.	According to the management the company is conducting internal audit internally.
FY 2014-15	The company has granted interest free loan of Rs.10 lacs to one party covered in the register maintained under section 189 of the companies act'2013.	According to the management there is no relation of promoters with the said party.
FY 2015-16	The company has granted interest free loan of Rs.248.32 lacs to one party covered in the register maintained under section 189 of the companies act'2013.	According to the management this is not a loan transaction and it is for the advance payment made for purchase of plant & machinery.

1. DETAILS OF SHARE CAPITAL AS RESTATED

Annexure – A

(Rs. in Lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Share capital					
Authorised:					
Equity shares of Rs. 10/- each	1,90,00,000	1,00,00,000	70,00,000	70,00,000	70,00,000
Share Capital	1,900.00	1,000.00	700.00	700.00	700.00
Issued, subscribed & fully paid up:					
Equity shares of Rs. 10/- each	1,34,30,724	99,75,000	69,75,000	69,75,000	69,75,000
Share Capital (in Rs)	1,343.07	997.50	697.50	697.50	697.50
TOTAL	1,343.07	997.50	697.50	697.50	697.50

1. Terms/rights attached to equity shares:

- i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
- ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Company does not have any Revaluation Reserve.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

2. Reconciliation of number of shares outstanding at the beginning and at the end of the period:

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Equity shares outstanding at the beginning of the year	99,75,000	69,75,000	69,75,000	6975000	42,52,008
Add: Shares issued during the year	34,55,724	30,00,000	0	0	27,22,992
Equity shares outstanding at the end of the year	1,34,30,724	99,75,000	69,75,000	69,75,000	69,75,000

3. Details of Shareholders holding more than 5% of the aggregate shares in the Company (In terms of No. of Shares Holding)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Dayabhai M. Serasiya	0	0	0	3,94,000	3,94,000
Kantilal M. Serasiya	0	0	0	3,94,000	3,94,000
Lexus Ceramic Pvt Ltd	19,53,992	19,53,992	19,53,992	19,53,992	19,53,992
Pankajbhai B. Detroja	0	0	0	25,95,250	25,95,250
Ruchitkumar P. Ashar	0	0	4,00,000	4,00,000	4,00,000
Hiteshbhai Babulal Detroja	0	0	4,75,442	0	0
Nileshbhai Babulal Detroja	7,14,511	6,29,511	6,29,511	0	0
Pavan Blackrock Pvt Ltd	90,50,974	55,95,250	25,95,250	0	0

4. Details of Shareholders holding more than 5% of the aggregate shares in the Company (In terms of % Holding)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Dayabhai M. Serasiya	-	-	-	5.65%	5.65%
Kantilal M. Serasiya	-	-	-	5.65%	5.65%
Lexus Ceramic Pvt Ltd	14.55%	19.59%	28.01%	28.01%	28.01%
Pankajbhai B. Detroja	-	-	-	37.21%	37.21%
Ruchitkumar P. Ashar	-	-	5.73%	5.73%	5.73%
Hiteshbhai Babulal Detroja	-	-	6.82%	-	-
Nileshbhai Babulal Detroja	5.32%	6.31%	9.03%	-	-

Pavan Blackrock Pvt Ltd	67.39%	56.09%	37.21%	-	-

DETAILS OF RESERVES & SURPLUS AS RESTATED
Annexure– A
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<u>Surplus in statement of Profit & Loss</u>					
Opening balance	405.06	93.77	(98.38)	(154.35)	(299.39)
Add: Profit for the year/ period	508.82	320.20	203.04	31.99	156.17
Less: Preliminary expenses Adjusted	0.00	0.00	0.00	0.00	55.14
Add: Opening gratuity provision	0.00	0.00	0.00	0.00	0.72
Add: Opening stock of finished goods	(69.45)	(8.91)	(10.90)	23.99	44.73
Net Surplus in the statement of profit and loss account	844.43	405.06	93.77	(98.38)	(154.35)
Securities Premium	742.50	742.50	742.50	742.50	742.50
Add : Received during the year	454.43	0.00	0.00	0.00	0.00
Total Securities Premium	1196.93	742.50	742.50	742.50	742.50
TOTAL	2,041.36	1,147.56	836.27	644.12	588.15

DETAILS OF LONG TERM BORROWING AS RESTATED
ANNEXURE- B
(Rs. in Lacs)

Particular	As at March 31				
	2017	2016	2015	2014	2013
<u>Secured</u>					
From Banks & Financial Institutions	3023.90	1745.53	760.62	1130.13	1116.64
<u>TOTAL A</u>	3023.90	1745.53	760.62	1130.13	1116.64
<u>Unsecured</u>					
Loan from Directors	128.00	216.50	139.50	63.00	73.77
Loan from Shareholders	321.92	622.91	300.91	75.00	100.75
Loan from body corporate & Others	1627.52	904.56	412.56	437.98	537.98
TOTAL B	2077.44	1743.97	852.97	575.98	712.50
TOTAL A+B	5101.34	3489.50	1613.59	1706.11	1829.14

DETAILS OF SHORT TERM BORROWINGS AS RESTATED
ANNEXURE B
(Rs. in Lacs)

Particular	As at March 31				
	2017	2016	2015	2014	2013
<u>Secured</u>					
From Banks	2214.64	1377.95	972.45	941.36	1206.24
TOTAL	2214.64	1377.95	972.45	941.36	1206.24

A) STATEMENT OF PRINCIPAL TERMS OF LONG TERM SECURED LOANS AND ASSETS CHARGED AS SECURITY

ANNEXURE B(A)

(Rs. in Lacs)

Name of lender	Guarantors	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
State Bank of India (Term Loan 1)	*Note:1	Aquisition Of Plant & Machinery	2275.00	*Note:3	*Note:2	Started on Oct'11 of Rs.22 Lakhs per Installment(12 Installment) , Started on Oct'12 of Rs.28Lakhs per Installment(12 Installment) , Started on Oct'13 of Rs.35Lakhs per Installment(47 Installment) , Started on Sep'17 of Rs.30Lakhs per Installment (1 Installment)		-
State Bank of India (Term Loan 2)	*Note:1	Aquisition Of Plant & Machinery	315.00	*Note:3	*Note:2	Started on Apr'12 of Rs.4.375 Lakhs per Installment (72 Installment)		-
State Bank of India (Term Loan 3)	*Note:1	Aquisition Of Plant & Machinery	1500.00	*Note:3	*Note:2	Started on Apr'16 of Rs.8Lakhs per Installment (18 Installment), Started on Oct'17 of Rs.28Lakhs per Installment (6 Installment), Started on Apr'18 of Rs.31Lakhs per Installment (12 Installment), Started on Apr'19 of Rs.32Lakhs per		1187.80

Name of lender	Guarantors	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
						Installment (12 Installment), Started on Apr'20 of Rs.26Lakhs per Installment (12 Installment),		
State Bank of India (Term Loan 4)	*Note:1	Aquisition Of Plant & Machinary	2100.00	*Note:3	*Note:2	Started on Apr'17 of Rs.15Lakhs per Installment (12 Installment), Started on Apr'18 of Rs.30Lakhs per Installment (24 Installment), Started on Apr'20 of Rs.35Lakhs per Installment (12 Installment), Started on Apr'21 of Rs.65Lakhs per Installment (12 Installment),		1827.48
HDFC Bank	Hiteshkumar Babulal Detroja	Car Loan	25.00		Motor Vehicle	36 equated monthly Installments of Rs.79800/-		3.89
HDFC Bank	Anilbhai Babulal Detroja	Car Loan	75.00		Motor Vehicle	36 equated monthly Installments of Rs.239520/-		4.73
Total								3023.90

***Note:1**

Shri Anilbhai B Detroja , Shri Bublal M Detroja , Shri Hitesh B Detroja , Shri Nilesh B Detroja ,

Third Party Gurantee: Smt.Manjulaben B Detroja , Smt.Prabhaben B Detroja , Smt. Muktaben B Detroja , Shri Amrutla Karshanbhai Charola , Shri Shankarbhai Gandubhai jethloja , Shri Bhagwanjibhai G Jethloja ,

Corporate Guarntee: M/s Lexus Ceramic Pvt.Ltd

***Note:2**

Hypothecation of entire plant and machinery and all other fixed assets of the company. (Present & Future)

➤ **Collateral Security:**

- a. Equitable Mortgage of Factory Land admeasuring 40873 sq.mtr. & Buildings thereon situated at Revenue Survey No.800/p1, 800/p2, 800/p3, Lakhdhirpur Road, Off. 8-A National Highway, Vill: Ghuntu, Tal: Morbi, District Morbi standing in the name of the company
- b. Equitable Mortgage of Industrial Premises, in the name of Babubhai M. Detroja, land admeasuring 8195 sq.mtr. & buildings thereon at Sr.No. 793/p/2, Lakhdhirpur Rd, Nr. Lexus Ceramic, Off., NH-8A, Vill: Ghutu, Tal:Morbi.
- c. Equitable Mortgage of resi. Plot adm. 193.37 sq. mtr. of Muktaben Babubhai Detroja at S. No. 1003/p1 of Vajepar, Plot No. 16, Yadunandanpark - 27, Ravapar Rd, Tal: Morbi.
- d. Equitable Mortgage of Resi. Plot adm. 193.37 sq. mtr. of Dimpleben Anilbhai Detroja at S. No. 1003/p1 of Vajepar, Plot No. 15, Yadunandanpark- 27, Ravapar Road Morbi.
- e. Equitable Mortgage of Resi. Plot adm. 54.20 sq. mtr. Of Prabhaben Bharatkumar Detroja at S. No. 1261/1 of Madhapar, Plot No.19/p, Chitrakutghat, B/H GIDC, Sanala Road, Tal: Morbi.
- f. Equitable Mortgage of Resi. Plot adm. 33.42 sq. mtr. Of Prabhaben Bharatkumar Detroja at S. No. 1261/1 of Madhapar, Plot No. 18/p, Chitrakutghat, B/H GIDC, Sanala Road, Tal: Morbi.
- g. Equitable Mortgage of Resi. Plot adm. 148.40 sq. mtr. Of Manjulaben Bhagawanjibhai Jethloia at S. No. 1415/p of Vajepar, Plot No. 18, Sardarnagar Soc., Sanala Rd, Nr. Bhaktinagar Circle, Morbi.
- h. Equitable Mortgage of Residential Open Plot Situated in Vajepar R.S. No. 1003p1, Plot No. 11, Shree Yadunandan Park- 27, B/h. Yogeshwar Nagar Ravapar Road, Morbi, Tal. & Dist. Morbi. Land admeasuring 212.96 Sq. Mtr
- i. Equitable Mortgage of Shop No. 1 to 18, Plot No. 3, Survey No. 145/p5 of Pipli, Maruti Park, Opp. Tirupati, Morbi Jetpar Road, Taluka: Morbi, plinth area admeasuring 540.00 Sq. Mtr.
- j. Equitable mortgage of Residential open plot no. 50 & 51, R S No. 11, "Sanidhiya Residency" opp. Pipali Village, Near Swastik School, Village: Pipali, Tal & Dist. Morbi. Land admeasuring 278.58 Sq. Mtrs
- k. Equitable mortgage of Residential open plot no.53, R S No. 304/18p, New Pipali, Village: Pipali, Tal & Dist. Morbi. Land admeasuring 142.50 Sq. Mtrs.
- l. Equitable mortgage of G.F. Commercial Shop situated in Mahendranagr, Tal & Dist. Morbi. Area of Shop 16.85 Sq. Mtrs.

Equitable Mortgage over: (existing)

- m. Equitable Mortgage of Factory Land admeasuring 12839 sq. mtr. & Buildings thereon situated at Revenue Survey No.793p1, Lakhdirpur Road, off.8-A National Highway , Vill: Ghuntu, Tal: Morbi, District Morbi standing in the name of M/s Lexus Ceramic Pvt. Ltd.
- n. Lien on Fixed deporsit of Rs. 2.00 crore in the name of M/s Lexus Granito (India) Pvt. Ltd.

***Note:3**

Interest at 2.25% above Marginal Cost of Funds Based Lending Rates (MCLR) (MCLR for one year 9.10% w.e.f. 01.08.2016) with a minimum of -% p.a, rising or falling therewith, on daily products with monthly rests. Present effective rate: 11.35% p.a. Wherever expedient, interest rate is directly linked to the Credit Risk Assessment of the borrower.

B) DETAILS OF LONG TERM UNSECURED LOANS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM DIRECTORS
ANNEXURE B(A)
(Rs. in Lacs)

Name of lender	Purpose	Rate of interest	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
Anilbhai Babubhai Detroja	Business Loan	-	On Demand		31.10
Babulal Mahadevbhai Detroja	Business Loan	-	On Demand		54.50
Hiteshbhai Babulal Detroja	Business Loan	-	On Demand		27.60
Nileshbhai Babulal Detroja	Business Loan	-	On Demand		14.80
Total					128.00

C) DETAILS OF LONG TERM UNSECURED LOANS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM SHAREHOLDERS

ANNEXURE B(A)
(Rs. in Lacs)

Name of lender	Purpose	Rate of interest	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
Pavan Blackrock Pvt Ltd	Business Loan	-	On Demand		262.84
Muktaben Babulal Detroja	Business Loan	-	On Demand		29.08

Pankaj Bharatbhai Detroja	Business Loan	-	On Demand		30.00
Total					321.92

D) DETAILS OF LONG TERM UNSECURED LOANS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM BODY CORPORATE & OTHERS

ANNEXURE B(A)

(Rs. in Lacs)

Name of lender	Purpose	Rate of interest	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
S. B. Enterprise	Business Loan	-	On Demand		0.00
Vardhman Vitriified Private Limited	Business Loan	-	On Demand		44.58
Vinayak Polyplast Pvt Ltd	Business Loan	-	On Demand		10.00
A And J Microns Pvt Ltd	Business Loan	-	On Demand		100.00
B R Steel Products Pvt Ltd	Business Loan	-	On Demand		50.00
Jain Sons Finlease Limited	Business Loan	18%	24 months without any initial principal moratorium period		290.94
HDFC Bank Ltd.	Business Loan	-	36 Equated Installment of Rs 1,74,554/- each		50.00
Kartik Industries	Business Loan	-	On Demand		740.00
Vidres India Ceramic Pvt. Ltd.	Business Loan	-	On Demand		342.00
Total					1627.52

F) STATEMENT OF PRINCIPAL TERMS OF SHORT TERM SECURED LOANS AND ASSETS CHARGED AS SECURITY

ANNEXURE B(A)

(Rs. in Lacs)

Name of lender	Guarantor	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
State Bank of India(Cash Credit Limit:Morbi)	*Note:1	Working Capital	2200.00	*Note:2	*Note:3	On Demand		199.87
State Bank of India(Cash Credit Limit:Rajkot)						On Demand		1280.61
EPC - State Bank of India , Rajkot						On Demand		734.16

Name of lender	Guarantor	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
Total								2214.64

***Note:1**

Shri Anilbhai B Detroja , Shri Bublal M Detroja , Shri Hitesh B Detroja , Shri Nilesh B Detroja ,

Third Party Gurantee: Smt.Manjulaben B Detroja , Smt.Prabhaben B Detroja , Smt. Muktaben B Detroja , Shri Amrutla Karshanbhai Charola , Shri Shankarbhai Gandubhai jethloja , Shri Bhagwanjibhai G Jethloja ,

Corporate Guarntee: M/s Lexus Ceramic Pvt.Ltd

***Note:2**

Interest at 2.25% above Marginal Cost of Funds Based Lending Rates (MCLR) (MCLR for one year 9.10% w.e.f. 01.08.2016) with a minimum of _% p.a, rising of falling therewith, on daily products with monthly rests. Present effective rate: 11.35% p.a wherever expedient, interest rate is directly linked to the Credit Risk Assessment of the borrower.

***Note:3**

- Primarily secured by way of Hypothecation charge over Stocks, book debts and all other current assets of the unit. (Present & Future)
- **Collateral Security:**
 - o. Equitable Mortgage of Factory Land admeasuring 40873 sq.mtr. & Buildings thereon situated at Revenue Survey No.800/p1, 800/p2, 800/p3, Lakhdhirpur Road, Off. 8-A National Highway, Vill: Ghuntu, Tal: Morbi, District Morbi standing in the name of the company
 - p. Equitable Mortgage of Industrial Premises, in the name of Babubhai M. Detroja, land admeasuring 8195 sq.mtr. & buildings thereon at Sr.No. 793/p/2, Lakhdhirpur Rd, Nr. Lexus Ceramic, Off., NH-8A, Vill: Ghutu, Tal:Morbi.
 - q. Equitable Mortgage of resi. Plot adm. 193.37 sq. mtr. of Muktaben Babubhai Detroja at S. No. 1003/p1 of Vajepar, Plot No. 16, Yadunandanpark - 27, Ravapar Rd, Tal: Morbi.
 - r. Equitable Mortgage of Resi. Plot adm. 193.37 sq. mtr. of Dimpleben Anilbhai Detroja at S. No. 1003/p1 of Vajepar, Plot No. 15, Yadunandanpark- 27, Ravapar Road Morbi.
 - s. Equitable Mortgage of Resi. Plot adm. 54.20 sq. mtr. Of Prabhaben Bharkumar Detroja at S. No. 1261/1 of Madhapar, Plot No.19/p, Chitrakutghat, B/H GIDC, Sanala Road, Tal: Morbi.
 - t. Equitable Mortgage of Resi. Plot adm. 33.42 sq. mtr. Of Prabhaben Bharkumar Detroja at S. No. 1261/1 of Madhapar, Plot No. 18/p, Chitrakutghat, B/H GIDC, Sanala Road, Tal: Morbi.

- u. Equitable Mortgage of Resi. Plot adm. 148.40 sq. mtr. Of Manjulaben Bhagawanjibhai Jethloia at S. No. 1415/p of Vajepar, Plot No. 18, Sardarnagar Soc., Sanala Rd, Nr. Bhaktinagar Circle, Morbi.
- v. Equitable Mortgage of Residential Open Plot Situated in Vajepar R.S. No. 1003p1, Plot No. 11, Shree Yadunandan Park- 27, B/h. Yogeshwar Nagar Ravapar Road, Morbi, Tal. & Dist. Morbi. Land admeasuring 212.96 Sq. Mtr
- w. Equitable Mortgage of Shop No. 1 to 18, Plot No. 3, Survey No. 145/p5 of Pipli, Maruti Park, Opp. Tirupati, Morbi Jetpar Road, Taluka: Morbi, plinth area admeasuring 540.00 Sq. Mtr.
- x. Equitable mortgage of Residential open plot no. 50 & 51, R S No. 11, "Sanidhiya Residency" opp. Pipali Village, Near Swastik School, Village: Pipali, Tal & Dist. Morbi. Land admeasuring 278.58 Sq. Mtrs
- y. Equitable mortgage of Residential open plot no.53, R S No. 304/18p, New Pipali, Village: Pipali, Tal & Dist. Morbi. Land admeasuring 142.50 Sq. Mtrs.
- z. Equitable mortgage of G.F. Commercial Shop situated in Mahendranagr, Tal & Dist. Morbi. Area of Shop 16.85 Sq. Mtrs.

Equitable Mortgage over: (existing)

- aa. Equitable Mortgage of Factory Land admeasuring 12839 sq. mtr. & Buildings thereon situated at Revenue Survey No.793p1, Lakhdirpur Road, off.8-A National Highway , Vill: Ghuntu, Tal: Morbi, District Morbi standing in the name of M/s Lexus Ceramic Pvt. Ltd.
 - bb. Lien on Fixed deporsit of Rs. 2.00 crore in the name of M/s Lexus Granito (India) Pvt. Ltd.
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
 3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' and Related Parties has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
 4. The terms and conditions and other information in respect of Secured Loans as on 31.03.2017 are given in Annexure -B (A)
 5. The terms and conditions and other information in respect of Unsecured Loans as on 31.03.2017 are given in Annexure - B (B)

DETAILS OF DEFERRED TAX (ASSETS)/ LIABILITIES (NET) AS RESTATED

ANNEXURE C

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Timing Difference Due to Depreciation	752.09	762.17	484.41	722.52	778.36
Deferred Tax Liability(A)	248.66	252.00	157.17	234.42	252.54
Provision of Gratuity outstanding as on the end of Period	37.37	25.94	12.10	9.13	6.76
Business loss	0.00	79.38	311.53	862.02	987.77
Timing Difference Due to Gratuity and business loss	37.37	105.32	323.63	871.15	994.53
Deferred Tax Assets (B)	12.35	34.82	105.00	282.64	322.67
Cumulative Balance of Deferred Tax Liability /(Assets) (Net) (A-B)	236.31	217.18	52.17	(48.22)	(70.13)

Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF LONG TERM LIABILITIES AS RESTATED

ANNEXURE- D

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Advance received from customers	21.83	21.83	2.39	1.71	53.77
TOTAL	21.83	21.83	2.39	1.71	53.77

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

DETAILS OF LONG TERM PROVISIONS AS RESTATED
ANNEXURE– E
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Provision for employee benefits					
Gratuity Payable	36.68	25.46	11.88	8.96	6.64
TOTAL	36.68	25.46	11.88	8.96	6.64

Notes: 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF TRADE PAYABLES AS RESTATED
ANNEXURE- F
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
For Goods & Services, expenses	4239.90	1618.63	1045.48	1322.59	1920.73
TOTAL	4239.90	1618.63	1045.48	1322.59	1920.73

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
ANNEXURE– G
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Advance from customers	142.30	88.63	79.64	155.32	94.26
Current maturities of long term debt	762.36	600.73	475.97	437.06	442.64
Trade Deposit	0.00	0.00	0.00	0.00	10.00
Interest accrued and due on borrowings	19.49	0.00	0.00	0.00	0.00
Statutory dues	36.45	13.09	40.67	17.27	41.60
Other payables	4.75	74.91	63.75	89.97	36.79
TOTAL	965.35	777.36	660.03	699.62	625.29

DETAILS OF SHORT TERM PROVISIONS AS RESTATED
ANNEXURE- G
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Provision for Income Tax	62.91	88.27	0.00	0.00	0.00
Provision for excise duty on closing stock	175.27	36.37	18.56	0.00	44.73
Provision for Gratuity	0.69	0.48	0.22	0.17	0.12
TOTAL	238.87	125.12	18.78	0.17	44.86

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF FIXED ASSETS AS RESTATED
ANNEXUR- H
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Tangible Assets					
Factory Building	342.18	296.49	209.19	231.35	257.05
Plant and Machinery	3943.24	4751.07	2417.40	2862.66	3094.28
Factory land	5.92	5.92	5.92	5.92	5.92
Vehicle	80.17	116.29	19.34	28.86	38.94
Electrification	21.80	29.88	12.51	17.84	21.78
Furniture and Fittings	29.12	29.77	31.43	12.57	15.08
Computers	7.11	3.83	2.87	3.27	3.25
Total	4429.54	5233.25	2698.66	3162.47	3436.30
Intangible Assets					
Software	1.58	2.57	2.85	3.75	0.32
Total	1.58	2.57	2.85	3.75	0.32
Capital Work In Progress	3206.66	0	0	0	88.09
TOTAL	7637.78	5235.82	2701.51	3166.22	3524.71

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF NON-CURRENT INVESTMENTS
ANNEXURE– I
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2014	2014	2013
Investment in shares of Gita Power & Infrastructure Pvt. Ltd	0.40	0.40	-	-	-
Investment in NSC	0.15	0.15	0.15	0.15	0.15
Investment in SBI Mutual fund	235.30	-	-	-	-
TOTAL	235.85	0.55	0.15	0.15	0.15

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED
ANNEXURE– J
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2014	2014	2013
Unsecured, Considered Good unless otherwise stated					
Security Deposit	6.49	0.13	0.13	0.13	0.13
Loan given to body corporate	10.00	10.00	10.00	-	-
Advance to vendors	42.28	249.73	0.08	-	-
TOTAL	58.77	259.86	10.21	0.13	0.13

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED
ANNEXURE – K
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Fixed deposits (Lien against bank guarantee)	111.61	92.41	96.91	275.24	222.74
Trade Receivable (Outstanding for more than one year)	25.81	25.81	5.37	0.00	0.00
TOTAL	137.42	118.22	102.28	275.24	222.74

Note:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF INVENTORIES AS RESTATED

ANNEXURE – L

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Raw Materials	1411.50	779.41	372.40	305.61	1241.52
Packing Materials	344.82	125.03	54.81	5.94	35.25
Fuel	54.70	12.37	4.68	0.38	24.96
Stores & Spares	168.92	120.75	32.58	49.73	110.79
Stock - In – Process	157.20	120.60	58.83	76.40	110.54
Finished Goods [Trading Goods]	0.00	0.00	0.00	6.35	6.35
Finished Goods [Incl Broken Tiles]	1397.88	395.37	322.00	208.53	388.89
TOTAL	3535.02	1553.53	845.30	652.94	1918.30

Note:- Inventory has been physically verified by the management of the Company at the end of respective years/period

DETAILS OF TRADE RECEIVABLES AS RESTATED

ANNEXURE- M

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Outstanding for a period exceeding six months					
Unsecured, considered good	621.35	209.21	398.09	280.54	0
Outstanding for a period not exceeding six months					
Unsecured and considered Good	2530.46	1598.91	1398.19	1477.09	1089.34
TOTAL	3151.81	1808.12	1796.28	1757.63	1089.34

Note:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' and Related Parties has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

DETAILS OF CASH AND BANK BALANCES AS RESTATED

ANNEXURE- N

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Cash in hand	21.53	63.24	11.67	25.76	4.29
Balances with banks in current accounts	39.41	0.62	13.43	5.29	50.41
Total	60.93	63.87	25.11	31.04	54.70

Note:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED ANNEXURE – O
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Unsecured, Considered Good unless otherwise stated					
Advance to suppliers	920.85	209.89	174.18	29.68	21.14
Advance income tax (net of provision for Tax)	0	0	13.56	5.32	9.73
TOTAL	920.85	209.89	187.73	35.00	30.87

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' and Related Parties has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

DETAILS OF OTHER CURRENT ASSETS AS RESTATED ANNEXURE - P
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Excise Duty & Service tax receivables	58.98	57.91	43.72	(16.65)	31.22
Excise Duty Drawback Receivables	32.01	24.83	27.25	0.00	0.00
MAT Credit receivables	0.00	173.50	74.57	13.86	3.07
MEIS Incentives receivables	136.75	87.71	0.00	0.00	0.00
VAT Receivable	452.80	184.73	75.97	8.36	0.00
Prepaid Expenses	5.62	9.20	4.93	2.62	2.40
Accrued interest on FD	14.75	10.34	15.54	47.37	24.53
TOTAL	700.91	548.21	241.97	55.57	61.23

Note:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

STATEMENT OF TURNOVER AS RESTATED

ANNEXURE –Q
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Turnover of Goods comprises of:					
Sale of tiles manufactured	10343.66	7098.87	7957.54	5843.41	6242.89
Sale of Tiles Traded	5750.01	2825.97	-	-	96.35
Total (A)	16093.67	9924.84	7957.54	5843.41	6339.24
Other Operating Income (B)	259.82	225.00	81.79	23.44	5.00
Total	16353.49	10149.84	8039.33	5866.85	6344.24

Note:

1. The figures disclosed above are based on the restated summary statement of Profit & Loss Account of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Turnover of goods includes turnover of manufactured as well as marketed goods

DETAILS OF OTHER INCOME AS RESTATED

ANNEXURE –R
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
A. Related & Recurring Income					
Interest Income on Fixed Deposits	8.72	8.50	23.80	25.42	19.07
Rate Difference	65.36	64.08	24.90	25.65	0.00
Insurance income on sales	8.01	4.07	0.00	6.90	0.00
Miscellaneous Income	13.75	0.00	0.01	0.52	2.08
Subtotal	95.84	76.65	48.71	58.49	21.15
B. Related & Non Recurring Income					
Credit Balance Written Off					
Profit on Sale of Fixed Assets	18.55	0.00	0.00	0.00	0.00
Membership Fees Refund	0.00	0.00	2.00	0.00	0.00
Insurance Claim received	4.98	0.00	0.00	0.00	0.00
Interest on IT Refund	0.25	0.38	0.00	0.00	0.00
Subtotal	23.78	0.38	2.00	0.00	0.00
Total	119.62	77.03	50.71	58.49	21.15

Note:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of Profit & Loss Account of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

SUMMARY OF ACCOUNTING RATIOS

Annexure– S
(Rs. in Lacs)

Ratio	As at March 31				
	2017	2016	2015	2014	2013
Net worth (A)	3,384.43	2,145.06	1,533.77	1,341.62	1,285.65
Restated Net Profit After Tax (B)	508.82	320.20	203.04	31.99	156.17
Number of Equity Share outstanding as on the End of period /Year (C)	13430724	9975000	6975000	6975000	6975000
Weighted average number of equity shares at the end of the period /year (D)	11603451	8556967	6975000	6975000	6975000
Current Assets (E)	8,369.52	4,183.62	3,096.40	2,532.19	3,154.44
Current Liabilities (F)	7,658.76	3,899.06	2,696.75	2,963.74	3,797.12
Face value per share	10	10	10	10	10
Restated Basic and Diluted Earning Per Share (Rs.) (B/D)	4.39	3.74	2.91	0.46	2.24
Restated Basic and Diluted Earning Per Share (Rs.) after excluding extraordinary items	2.32	3.74	2.91	0.46	2.24
Return on net worth (%) (B/A)	15.03%	14.93%	13.24%	2.38%	12.15%
Return on net worth (%) after excluding extraordinary items	8.56%	14.93%	13.24%	2.38%	12.15%
Net asset value per share (Rs.) (A/C)	25.20	21.50	21.99	19.23	18.43
Current Ratio (Rs.) (E/F)	1.09	1.07	1.15	0.85	0.83

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS

Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS

Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) - : Net profit after tax (as restated)

Net worth at the end of the period or year

(d) Net assets value per share - : Net Worth at the end of the period or year

Total number of equity shares outstanding at the end of the period or year

(e) Net assets value per share (after effect of bonus issue of equity shares) - :

Net Worth at the end of the period or year

Total number of equity shares outstanding at the end of the period or year (after bonus issue)

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the standalone restated summary statements.

5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III."

STATEMENT OF RELATED PARTY TRANSACTION

Annexure– T

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Directors	Babulal Mahadevbhai Detroja
	Nilesh Babubhai Detroja
	Hitesh Babulal Detroja
	Anilkumar Babulal Detroja
Relatives of Directors	Muktaben B. Detroja
	Bharat Mahadevbhai Detroja
	Rajnikant bharatbhai Detroja
	Dimpleben Detroja
Companies/firm/entities in which Director is significantly influenced	Lexus Cearmic Private Limited
	Pavan Blackrock Pvt Ltd
	Pavan Corporation
	Kartik Industries
	Maulik electricals
	Sadguru International

(Rs. in Lacs)

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
1 A.	Lexus Ceramic Private Limited					
	Opening Balance	0.00	0.00	0.00	30.75	10.75
	Loan Taken	0.00	0.00	53.53	0.00	23.00
	Loan repaid (Including Interest)	0.00	0.00	53.53	30.75	3.00
	Closing Balance	0.00	0.00	0.00	0.00	30.75
B.	Pavan Blackrock Pvt Ltd					
	Opening Balance	563.84	241.84	(3.44)	117.44	190.34
	Loan Taken	1000.00	899.00	62.00	140.00	48.10
	Loan repaid	1301.00	577.00	491.00	700.00	211.00
	Goods Purchase	0.00	0.00	674.28	439.12	90.00
	Closing Balance	262.84	563.84	241.84	(3.44)	117.44
C.	Pavan Black Rock Pvt Ltd. (Share)					
	Opening Balance	0.00	0.00	0.00	0.00	0.00
	Money received	800.00	300.00	0.00	0.00	0.00
	Issue of Shares	345.57	300.00	0.00	0.00	0.00
	Share Premium	454.43	0.00	0.00	0.00	0.00
	Closing Balance	0.00	0.00	0.00	0.00	0.00
D.	Pavan Corporation					
	Opening Balance	30.00	30.00	45.00	45.00	0.00
	Loan Taken	0.00	0.00	0.00	0.00	45.00
	Loan repaid(Including Interest)	0.00	0.00	15.00	0.00	0.00
	Closing Balance	30.00	30.00	30.00	45.00	45.00
E.	Nilesh Bhai Babulal Detroja					
	Opening Balance	47.00	30.00	11.00	0.00	0.00

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
	Loan Taken	19.76	17.00	19.00	11.00	0.00
	Loan repaid(Including Interest)	51.96	0.00	0.00	0.00	0.00
	Closing Balance	14.80	47.00	30.00	11.00	0.00
F.	Hitesh Babulal Detroja					
	Opening Balance	56.00	36.00	14.00	0.00	0.00
	Loan Taken	2.50	20.00	22.00	14.00	0.00
	Loan repaid(Including Interest)	30.90	0.00	0.00	0.00	0.00
	Closing Balance	27.60	56.00	36.00	14.00	0.00
G.	Anil Bhai Babulal Detroja					
	Opening Balance	49.00	29.00	15.00	0.00	0.00
	Loan Taken	8.00	20.00	14.00	15.00	0.00
	Loan repaid(Including Interest)	25.90	0.00	0.00	0.00	0.00
	Closing Balance	31.10	49.00	29.00	15.00	0.00
H.	Babulal M Detroja					
	Opening Balance	64.50	44.50	23.00	0.00	0.00
	Loan Taken	0.00	20.00	21.50	23.00	0.00
	Loan repaid(Including Interest)	10.00	0.00	0.00	0.00	0.00
	Closing Balance	54.50	64.50	44.50	23.00	0.00
I.	Muktaben B. Detroja					
	Opening Balance	29.07	29.07	30.00	3.00	3.00
	Loan Taken	0.00	0.00	0.00	27.00	0.00
	Loan repaid(Including Interest)	0.00	0.00	0.93	0.00	0.00
	Closing Balance	29.07	29.07	29.07	30.00	3.00
J.	Lexus Cearmic (PL)					
	Opening Balance	(248.33)	1.67	0.00	30.95	0.35
	Plant and machinert purchase	224.75	0.00	0.00	0.00	0.00
	Tiles Purchase	0.00	1.00	52.25	0.00	123.44
	Payment	17.39	251.00	50.58	30.95	92.84
	Closing Balance	(40.97)	(248.33)	1.67	0.00	30.95
K.	Kartik Industries					
	Opening Balance	(197.50)	0.00	0.00	0.00	0.00
	Loan Taken	2860.00	681.72	0.00	0.00	0.00
	Loan repaid(Including Interest)	2898.50	1673.48	0.00	0.00	0.00
	Goods Purchase	484.20	794.25	0.00	0.00	0.00
	Closing Balance	248.20	(197.50)	0.00	0.00	0.00
L.	Bharat Mahadevbhai Detroja					
	Opening Balance	0.00	0.00	0.00	(2.00)	2.00
	Loan Taken	0.00	0.00	0.00	2.00	0.00
	Loan repaid(Including Interest)	0.00	0.00	0.00	0.00	4.00
	Closing Balance	0.00	0.00	0.00	0.00	(2.00)

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
M.	Rajnikant Bharatbhai Detroja					
	Opening Balance	0.00	0.00	0.00	0.50	2.50
	Loan Taken	0.00	0.00	0.00	0.00	0.00
	Loan repaid(Including Interest)	0.00	0.00	0.00	0.50	2.00
	Closing Balance	0.00	0.00	0.00	0.00	0.50
N.	Dimpleben detroja					
	Opening Balance	(0.46)	(0.46)	0.00	0.00	0.00
	Loan Taken	0.46	0.00	0.00	0.00	0.00
	Loan repaid(Including Interest)	0.00	0.00	0.46	0.00	0.00
	Closing Balance	0.00	(0.46)	(0.46)	0.00	0.00
O.	Maulik electricals					
	Opening Balance	17.85	0.19	0.00	0.00	7.87
	stores and spares purchased	1.06	33.00	1.69	0.30	3.70
	Payment	8.98	15.34	1.50	0.30	11.57
	Closing Balance	9.93	17.85	0.19	0.00	0.00
P.	Sadguru International					
	Opening Balance	0.10	0.00	0.00	0.00	0.00
	stores and spares purchases	6.32	0.74	0.00	0.00	0.00
	Payment	1.26	0.64	0.00	0.00	0.00
	Closing Balance	5.16	0.10	0.00	0.00	0.00
2	Salary payable					
A.	Nileshbhai Babulal Detroja					
	Opening Balance	0.43	0.00	0.63	(0.90)	(3.00)
	Director Remuneration	36.00	36.00	36.00	13.00	8.00
	advance paid agaisnt remuneration/remuneration paid	34.01	35.57	36.63	11.47	5.90
	Closing Balance	2.42	0.43	0.00	0.63	(0.90)
B.	Hiteshbhai Babulal Detroja					
	Opening Balance	0.97	0.00	0.64	(1.39)	(3.00)
	Director Remuneration	36.00	36.00	36.00	13.00	8.00
	advance paid agaisnt remuneration/remuneration paid	36.25	35.03	36.64	10.97	6.39
	Closing Balance	0.72	0.97	0.00	0.64	(1.39)
C.	Anilbhai Babulal Detroja					
	Opening Balance	0.97	0.00	0.18	22.27	2.00
	Director Remuneration	36.00	36.00	36.00	24.50	34.00
	advance paid against remuneration/remuneration paid	40.28	35.03	36.18	46.59	13.73
	Closing Balance	(3.31)	0.97	0.00	0.18	22.27
D.	Babulal Mahadevbhai Detroja					
	Opening Balance	0.60	0.00	0.21	(4.99)	0.00
	Director Remuneration	36.00	36.00	36.00	20.50	0.00
	advance paid agaisnt remuneration/remuneration paid	34.00	35.40	36.21	15.30	4.99
	Closing balance	2.60	0.60	0.00	0.21	(4.99)

CAPITALISATION STATEMENT AS AT MARCH 31, 2017

ANNEXURE– U

(Rs. in Lacs)

Particulars	Pre Issue	Post Issue
Borrowings:		
Short-term Debt	2214.64	2214.64
Long-term Debt (A)	5863.70	5863.70
Total debts (B)	8078.34	8078.34
Shareholders' Funds (Equity)		
Share Capital	1343.07	1919.07
Reserve and Surplus	2,041.36	4057.36
Less: Miscellaneous Expenses not w/off	0.00	0.00
Total Shareholders' Funds (C)	3,384.43	5976.43
Long term debt / shareholders' funds (A/C)	1.73	0.98
Total debt / shareholders' funds (B/C)	2.39	1.35

Notes:

1. Short term Debts represent which are expected to be paid/ payable within 12 months and excludes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalments of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2017

STATEMENT OF TAX SHELTERS
ANNEXURE – V
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Profit before tax, as restated (before extraordinary items) (A)	425.45	485.21	303.43	53.90	15.37
Tax Rate (%) (B)	33.063%	33.063%	32.445%	32.445%	32.445%
Adjustments :					
Permanent differences					
Preliminary Expenses Related to Incorporation of Company					
Donation	1.47	5.96	0.72	1.32	3.65
Interest on TDS	1.71	3.07	2.49	2.62	1.77
Expenses disallowed (not related to business)	1.25	0	0	0	0
Interest on income tax	20.37	0	0.08	0.35	0
Penalty	3.78	2.73	0	0	6.17
Total permanent differences (D)	28.59	11.76	3.29	4.29	11.59
Timing differences					
Difference between tax depreciation and book depreciation	28.63	(277.76)	238.12	92.49	96.91
Expenses Disallowed Under Section 40a	0	0	0	0	1.06
Disallowances Under Section 43 B	0	0.74	4.32	0	1.36
Expense allowed under section 35D	0	(1.64)	(1.64)	(25.93)	(25.93)
Gratuity Expenses Disallowed under Section 40A(7)	11.42	13.84	2.97	2.37	6.04
Amount Disallowed u/s 43 B in preceding Previous Year, Now Allowed as per Section 43B	0	0	0	(1.36)	0
Total timing differences (E)	40.05	(264.82)	243.77	67.57	79.44
NTI before carry	494.09	232.15	550.50	125.75	106.39

Particulars	As at March 31				
	2017	2016	2015	2014	2013
forward losses					
Brought Forward Losses	(79.38)	(311.53)	(862.02)	(987.77)	(1094.16)
Losses Carry Forward to subsequent year	0	(79.37)	(311.53)	(862.02)	(987.77)
Net taxable income after adjustment of losses	414.71	0	0	0	0
Tax Expenses	137.12	0	0	0	0
Tax Expenses on extraordinary items	118.36	0	0	0	0
MAT Credit Utilized	173.50	0	0	0	0
Tax Liability, After Considering the effect of MAT Credit	81.98	0	0	0	0
Book Profit as per MAT *(I)	803.81	485.21	303.44	53.90	15.37
MAT Rate (J)	20.38885%	20.38885%	20.00775%	20.00775%	20.00775%
Tax liability as per MAT K=(I*J)	159.73	98.93	60.71	10.78	3.07
Current Tax being Higher of H or K (L)	255.48	98.93	60.71	10.78	3.07
MAT Credit Entitlement (M)	0	173.50	74.57	13.86	3.07
Total Tax expenses (L)	255.48	98.93	60.71	10.78	3.07
Total Tax as per Return of Income (Before Interest under Section 234A,B and C of Income Tax Act, 1961)	Yet to be filled	107.80	41.66	7.11	8.46
Tax paid as per “normal” or “MAT”	NA	MAT	MAT	MAT	MAT

Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns of respective years stated above. The changes in the tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc has been adjusted in the tax liability of the year to which the liability pertains.

2. The figures for the year ended March 31st 2017 ,are based on the provisional computation of Total Income prepared by the Company
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

RESTATEMENT SUMMARY OF CONTINGENT LIABILITIES:

ANNEXURE – X

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Contingent liability in respect of					
Bank Guarantee	523.92	448.92	165.00	165.00	165.00
Outstanding TDS default	9.18	8.98	6.84	4.23	3.31
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2014-15	1.84	1.84	1.84	1.84	0.00
Guarantee against EPCG Liscence	1199.54	600.42	0.00	0.00	0.00
Total	1734.48	1060.16	173.68	171.07	168.31

Note:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above contingent liabilities has been prepared by the company and examined by us through information to the extent made available by the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial years ended March 31, 2017, 2016, and 2015 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on page 203 of this Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" beginning on pages 23 and 22, of this Prospectus beginning respectively.

Our Company was incorporated on May 08, 2008 and has completed around nine years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial years ended March 31, 2017, 2016 and 2015.

OVERVIEW

Our Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of "M/s Vitco Vitrified" pursuant to a Deed of Partnership/Co-partnership dated May 05, 2008. "M/s Vitco Vitrified" was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of "Vitco Vitrified Private Limited" vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing Corporate Identification Number U26914GJ2008PTC053838. Subsequently the name of company was changed to "Lexus Granito (India) Private Limited" and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on June 26, 2010. Subsequently, our Company was converted into Public Company pursuant to shareholders resolution passed at the Extraordinary General Meeting held on April 13, 2017 and name of company was changed to "Lexus Granito (India) Limited" pursuant to issuance of fresh Certificate of Incorporation dated April 28, 2017 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company is U26914GJ2008PLC053838. The registered office of the Company is situated at Survey No. 800, Opp. Lakhdhipur Village, Lakhdhipur Road, N. H. 8A, Tal. Morbi Lakhdhipur Rajkot, Gujarat-363642, India.

Our Company is engaged in manufacturing, trading and marketing of vitrified ceramic tiles and wall tiles for the domestic and international markets. Till date we were outsourcing manufacturing of wall tiles to third party manufacturers, however recently we have set up our own wall tiles manufacturing unit at our existing facility thereby integrating our operations and strengthening our routes in the industry. Our manufacturing facility is situated at Morbi, Gujarat and is spread over more than 4 hectares. Our manufacturing facility is well equipped with requisite plant and machineries and other facilities. We also have an in-house laboratory, enabling the company to develop new colours, besides

facilitating conducting of tests and analysis of various products. Our quality system with respect to manufacture of our products has been ISO 9001:2008 certified. Further we have also been issued Certificate of Compliance by UK Certification & Inspection Ltd for our quality systems covering the design, manufacture and final inspection of the products. We manufacture and market our products under the brandname “Lexus”.

Our Company is promoted and managed by Anilkumar Detroja, Hitesh Detroja, Nilesh Detroja and Pavan Blackrock Private Limited. Our individual promoters manage and control the major affairs of our business operations. With their dedication and commitment, our Company has grown over a short span of time which is evidenced by the growth in our total revenue from Rs. 6,365.40 lakhs in FY 2012-13 to Rs. 16,473.11 lakhs in F.Y. 2016-17 and profit after tax from Rs.156.17 lakhs from F.Y. 2012-13 to Rs.508.82 lakhs in F.Y. 2016-17. It is the vision of our promoters which has been instrumental in defining the business strategy of our Company.

Our Company has been catering to both domestic and international markets. Our revenue from domestic and export operations contributed 35.51% and 64.49% respectively of our total revenue from operations for the year ended March 31, 2017. During FY 2017, we exported our products to various countries such as Saudi Arabia, Mexico, Kuwait, Oman, etc. We have been recently been recognized as Two Star Export House by the Directorate General of Foreign Trade vide certificate dated February 08, 2017. Our Company has also been awarded by Rising Stars at Power Brands Global London International Forum for Equality. We intend to continue to mark a presence in global markets in our industry by supplying innovative products at competitive prices.

For marketing of our products, we have a dedicated marketing team who continuously interacts with customers and evaluate the market dynamics. We have also set up a corporate office at Morbi and two marketing offices at Jaipur and Delhi respectively for marketing our products. Our customers are mostly importers, distributors, dealers and project fabricators. We also cater to retail users as per their requirement.

Our Company’s location and manufacturing facilities are as below:

Registered Office and Manufacturing Unit: Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot – 363642, Gujarat, India

Corporate Office: S.No. 42-BP, At. Lalapar, Tal. Morbi, Gujarat, India

Marketing Office:

Delhi- Plot No. 20 & 21, Mansarover Garden, New Delhi-110015, India

Jaipur- Shop No. 234, Muktanandnagar, Gopalpura, Jaipur, India

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. The shareholders approved and passed a special resolution on May 05, 2017 to authorize the Board of Directors to raise funds by making an initial public offering.
2. Borrowing Powers of Board of Directors was increased to empower Board to borrow amount up to Rs. 500 Crores vide a Special Resolution passed in the Extra Ordinary General Meeting of the Company held on May 05, 2017

3. The authorized capital of Rs. 19,00,00,000 consisting of 1,90,00,000 Equity shares of Rs. 10 each was increased to Rs. 22,00,00,000 consisting of 2,20,00,000 Equity shares of Rs. 10 each on April 13, 2017
4. Issue of redeemable non-convertible debenture of Rs. 6,40,00,000 each on a private placement basis on April 07, 2017

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 23 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of materials
- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Technological changes
- Rate of interest policies
- Economic and Demographic conditions
- Changes in laws and regulations that apply to ceramic industry
- Brand Image

DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the financial years ended March 31, 2017, 2016 and 2015.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Income from operations:

Our principle component of income is from sales of vitrified ceramic tiles and wall tiles.

Other Income:

Our other income mainly includes interest income, kasar, rate difference, insurance on sales, etc.

Particulars	Amount (Rs. In Lakhs)		
	Till March 31,		
	2017	2015	2016
Income			
Revenue from Operations	16353.49	10149.84	8039.33
As a % of Total Revenue	99.27%	99.25%	99.37%
Other Income	119.63	77.03	50.70
As a % of Total Revenue	0.73%	0.75%	0.63%
Total Revenue	16,473.11	10,226.87	8,090.03

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of goods consumed, purchase of traded goods and changes in inventories of finished goods, WIP and stock in trade, employee benefit expenses, finance cost, depreciation and other expenses.

Direct Expenditure

Our direct expenditure includes cost of goods consumed, purchase of traded goods and changes in inventories of finished goods, WIP, and stock in trade. Cost of goods consumed includes purchase of raw materials such as feldspar, frit, talc powder, colour & pigment, etc..

Employee benefits expense

Our employee benefits expense primarily comprise of basic salary, contribution to recognized provident funds, contribution to any other fund/ ESI, gratuity expenses and staff welfare expenses.

Finance Costs

Our finance costs mainly include interest on cash credit, bank commission & charges, bank term loan interest, interest on delayed payment of taxes, interest on unsecured loan and deposits.

Depreciation

Depreciation includes depreciation on tangible assets like building, plant & machinery, furniture & fittings, vehicles and amortisation of intangible assets.

Other Expenses

Other expenses mainly include expenses such as payment to auditors, advertising expenses, clearing & forwarding, freight outward charges, legal & professional charges, marketing staff salary, office rent expenses, postage and courier charges, printing & stationery charges, sales commission, travelling expenses, vehicle repair expenses, insurance, etc.

Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Particulars	Amount (Rs. In Lakhs)		
	For the year ended March 31,		
	2017	2016	2015
Income			
Revenue from Operations	16,353.49	10,149.84	8,039.33
As a % of Total Income	99.27%	99.25%	99.37%
Other Income	119.63	77.03	50.70
As a % of Total Income	0.73%	0.75%	0.63%
Total Income (A)	16,473.11	10,226.87	8,090.03

Particulars	For the year ended March 31,		
	2017	2016	2015
Variance/growth	61.08%	26.41%	36.53%
<u>EXPENDITURE</u>			
Cost of goods Consumed	8,882.74	5,440.34	5,985.35
As a % of Total Income	53.92%	53.20%	73.98%
Purchase of Traded goods	4,817.06	2,471.95	56.06
As % of Total Income	29.24%	24.17%	0.69%
(Increase)/ Decreases in Inventories of Finished Goods, Work in Progress and Traded Goods	(1039.11)	(135.15)	(89.54)
As % of Total Income	(6.31)%	(1.32)%	(1.11)%
Employee benefit expenses	711.60	517.60	350.73
As a % of Total Income	4.32%	5.06%	4.34%
Finance costs	535.00	380.37	427.40
As a % of Total Income	3.25%	3.72%	5.28%
Depreciation and amortisation expense	982.90	568.31	604.70
As a % of Total Income	5.97%	5.56%	7.47%
Other Expenses	1,157.47	498.22	451.90
As a % of Total Income	7.03%	4.87%	5.59%
Total Expenses (B)	16,047.66	9,741.66	7,786.60
As a % of Total Income	97.42%	95.26%	96.25%
Profit before extraordinary items and tax	425.45	485.21	303.43
Prior period items (Net)	-	-	-
As a % of Total Income	2.58%	4.74%	3.75%
Profit before exceptional, extraordinary items and tax (A-B)	425.45	485.21	303.43
Less - Exceptional items	-	-	-
Profit before extraordinary items and tax	425.45	485.21	303.43
Extraordinary items	357.98	-	-
Profit before tax	783.43	485.21	303.43
As a % of Total Income	4.76%	4.74%	3.75%
Tax expense :			
(i) Current tax	255.48	98.93	60.71
(ii) Income tax of earlier year	-	-	-
(iii) Deferred tax	19.14	165.01	100.39
(iv) MAT Credit	-	(98.93)	(60.71)
Total Tax Expense	274.61	165.01	100.39
Profit for the year	508.82	320.20	203.04
PAT Margin	3.09%	3.13%	2.51%

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

INCOME

Income from Operations

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Operating Income	16,353.49	10,149.84	61.12

The operating income of the Company for the year ending March 31, 2017 is Rs. 16,353.49 lakhs as compared to Rs. 10,149.84 lakhs for the year ending March 31, 2016, showing an increase of 61.12%. The increase was mainly due to increase in our business operations.

Other Income

Our other income increased by 55.30% to Rs. 119.63 lakhs in FY 2016-17 from Rs. 77.03 lakhs in FY 2015-16. The increase was mainly due to receipt of kasar income, insurance claim, profit on sale of fixed assets.

EXPENDITURE

Direct Expenditure

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Cost of goods consumed	8,882.74	5,440.34	63.28%
Purchase of traded goods	4,817.06	2,471.95	94.87%
Changes in Inventories of finished goods, WIP and stock in Trade	(1039.11)	(135.15)	668.88%
Total	12,660.68	7,777.15	62.79%

Our direct expenditure has increased from Rs. 7,777.15 lakhs in Financial Year 2015-16 to Rs. 12,660.68 lakhs in Financial Year 2016-2017 showing an increase of 62.79% over the previous year. The increase was in line with the increase in our business operations.

Administrative and Employee Costs

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Employee Benefit Expenses	711.60	517.60	37.48%
Other Expenses	1,157.47	498.22	132.32%

Employee benefit expenses increased from Rs. 517.60 lakhs in financial year 2015-16 to Rs. 711.60 Lakhs in financial year 2016-17 due to increase in number of employees and rise in wages levels.

Our other expenses increased by 132.32% from Rs. 498.22 lakhs in financial year 2015-16 to Rs. 1,157.47 lakhs in financial year 2016-17. The increase was mainly due to increase in advertising expenses, clearing & forwarding, electric connection charges, freight outward charges, marketing staff expenses, office rent expenses, printing & stationary charges, travelling expenses, etc.

Finance Costs

Our finance costs have increased from Rs. 380.37 lakhs in financial year 2015-16 to Rs. 535.00 lakhs in financial year 2016-17. This shows an increase of 40.65% as compared to last financial year. The increased finance cost was on account of higher borrowings by the Company leading to increased interest.

Depreciation

Depreciation expenses for the Financial Year 2016-2017 have increased to Rs. 982.90 lakhs as compared to Rs. 568.31 lakhs for the Financial Year 2015-2016 showing an increase of 72.95%.

Profit before Tax

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Profit Before Tax	783.43	485.21	61.46%

Profit before tax increased from Rs. 485.21 lakhs in financial year 2015-16 to Rs. 783.43 lakhs in financial year 2016-17. The increase was due to some unsecured loans written back.

Provision for Tax and Net Profit

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Taxation Expenses	274.61	165.01	66.42%
Profit after Tax	508.82	320.20	58.91%

Our profit after tax increased from Rs. 320.20 lakhs in Financial Year 2015-16 to Rs. 508.82 lakhs in Financial Year 2016-17 showing an increase of 58.91%.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

INCOME

Revenue from Operations

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Operating Income	10,149.84	8,039.33	26.25%

The operating income of the Company for the financial year 2015-2016 was Rs. 10,149.84 lakhs as compared to Rs. 8,039.33 lakhs for the financial year 2014-2015 showing an increase of 26.25%. This increase was mainly due to increase in our business operations.

Other Income

Our other income of the Company increased in the financial year 2015-2016 to Rs. 77.03 lakhs as compared to Rs. 50.70 lakhs during the financial year 2014-15. The increase was mainly due to increase in rate difference income.

EXPENDITURE

Direct Expenditure

Cost of materials consumed

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Cost of goods consumed	5,440.34	5,985.35	(9.11)
Purchase of traded goods	2,471.95	56.06	4309.40%
Increase / decrease in Inventories of finished goods, WIP and stock in Trade	(135.15)	(89.54)	50.93%
Total	7,777.14	5,951.87	30.67%

The direct expenditure increased from Rs. 5,951.87 lakhs in financial year 2014-15 to Rs. 7,777.14 lakhs in financial year 2015-16 showing an increase of 30.67% over the previous year. The increase was due to increase in our business operations.

Administrative and Employee Costs

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Employee Benefit Expenses	517.60	350.73	47.58%
Other expenses	498.22	451.90	10.25%

Employee benefit expenses increased from Rs. 350.73 lakhs in financial year 2014-15 to Rs. 517.60 lakhs in financial year 2015-16 due to increase in number of workers, salary and staff welfare expenses.

Our other expenses increased by 10.25% from Rs. 451.90 lakhs in financial year 2014-15 to Rs. 498.22 lakhs in financial year 2015-16. The increase was mainly due to increase in clearing & forwarding,, freight outward charges office rent expenses repairs & maintenance-others offset by decline in advertisement and sales commission expenses.

Finance Costs

The finance costs for the Financial Year 2015-2016 decreased to Rs. 380.37 lakhs as compared to Rs. 427.40 lakhs in the financial year 2014-15. The decrease was due to decrease in term loan interest expenses.

Depreciation

Depreciation for the year financial year 2015-16 has decreased to Rs. 568.31 lakhs as compared to Rs. 604.70 lakhs for the financial year 2014-15.

Profit Before Tax

Our profit before tax increased from Rs. 303.43 lakhs in Financial Year 2014-15 to Rs. 485.21 lakhs in Financial Year 2015-16. The increase was due to increase in our business operations.

Provision for Tax and Net Profit

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Taxation Expenses	165.01	100.39	64.37%
Profit after Tax	320.20	203.04	57.70%

Profit after tax increased to Rs. 320.20 lakhs in the financial year 2015-16 as compared to Rs. 203.04 lakhs in the financial year 2014-15.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Other than as described in the section titled “Risk Factors” beginning on page 23 of this Prospectus to our knowledge there are no significant economic changes that materially affected or are likely to affect income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as disclosed in the section titled “Risk Factors” beginning on page 23 of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, global market situation and prices of our material.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in tiles industry. Relevant industry data, as available, has been included in the chapter titled “Our Industry” beginning on page 121 of this Prospectus.

7. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Prospectus. For details of our products please refer to the chapter titled “Our Business” beginning on page 146 of this Prospectus.

8. The extent to which the business is seasonal

Our Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The % of contribution of our Company's customer and supplier vis a vis the total revenue from operations and raw materials cost respectively as March 31, 2017 is as follows:

Particulars	Customers	Suppliers
Top 5 (%)	40.68%	20.97%
Top 10 (%)	47.80%	25.45%

10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 146 of this Prospectus.

CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

There is no change in accounting policy in the last 3 years except for provision of gratuity on actuarial basis. For further details, please refer to chapter titled "Financial Statement as Restated" beginning on page 203 of this Prospectus.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. Loan of Rs. 6,827.00 Lakhs from State Bank of India as per Sanction letter dated September 20, 2016.

(Rs. in Lakhs)

Particulars					
Nature of facility	Sanctioned Amount	Rate Of Interest	Repayment	Primary Security	Outstanding as on March 31,2017
A) Fund based limits :					
FBWC (Cash credit limit)	2,200.00	Present effective rate is 11.35% p.a.	12 months	Hypothecation charge over Stock, book debt and all other current assets of the unit. (Present & Future)	5,229.92
FBWC (EPC/FBD)	(1,500.00)				
Term Loan – I (Outstanding)	520.00	Present effective rate is 11.35% p.a.	September, 2017	Hypothecation of entire plant and machinery and all other fixed assets of the company. (Present & Future)	
Term Loan – II(Outstanding)	83.00		March, 2018		
Term Loan – III (Outstanding)	1,454.00		March, 2021		
Term Loan – IV(New term loan for Plant & Machinery)	2,100.00		March, 2022	Hypothecation of plant and machinery to be purchased out of bank finance.	
Sub Total	6,357.00				
B) Non Fund based limits :					
NFBWC (BG)	470.00	-	-	-	
Derivative / FC / CEL (within FBWC)	(119.00)	-	-	-	
Sub Total	470.00				
TOTAL	6,827.00				

Collateral Security	
Equitable Mortgage over : (existing)	
a) Equitable Mortgage of Factory Land admeasuring 40873 sq. mtr. & Buildings thereon situated at Revenue Survey No. 800/p1, 800/p2, 800/p3, Lakhdhirpur Road, Off. 8-A National Highway, Vill: Ghuntu, Tal: Morbi, District Morbi standing in the name of the company.	
b) Equitable Mortgage of Industrial Premises, in the name of Babubhai M Detroja, land admeasuring 8195 sq. mtr. & buildings thereon at Sr No. 793/p/2, Lakhdhirpur Rd, Nr. Lexus Ceramic, Off., NH-8A, Vill: Ghuntu, Tal: Morbi.	
c) Equitable Mortgage of resi. plot adm. 193. 37 sq. mtr. of Muktaben Babubhai Detroja at S. No. 1003/p1 of Vajepar , Plot No. 16 Yadunandanpark - 27, Ravapar Rd, Tal: Morbi.	
d) Equitable Mortgage of Resi. Plot adm. 193.37 sq. mtr. of Dimpleben Anilbhai Detroja at S. No. 1003/p 1 of Vajepar, Plot No. 15, Yadunandanpark - 27, Ravapar Road Morbi.	
e) Equitable Mortgage of Resi. Plot adm. 54.20 sq. mtr. of Prabhaben Bharatkumar Detroja at S. No. 1261/1 of Madhapar, Plot No. 19/p, Chitrakutghat, B/H GIDC, Sanala Road , Tal: Morbi.	
f) Equitable Mortgage of Resl. Plot adm. 33.42 sq. mtr. of Prabhaben Bharatkumar Detroja at S. No. 1261/1 of Madhapar, Plot No. 18/p, Chitrakutghat B/H GIDC Sanala Road Tal: Morbi.	
g) Equitable Mortgage of Resi. Plot adm 148.40 sq. mtr. of Manjulaben Bhagawanjibhai Jethloja at S. No.1415/p of Vajepar, Plot No 18, Sardarnagar Soc., Sanala Rd, Nr, Bhaktinagar Circle, Morbi	
h) Equitable Mortgage of residential open plot situated in vajepar R.S. No. 1003 p1, plot no. 11, Shree yadunandan park-27,B/h yogeshwar nagar Ravapar road, Morbi, Tal & Dist. Morbi, land admeasuring 212.96 sq. mtr.	
i) Equitable Mortgage of Shop No. 1 to 18, Plot No 3, Survey No. 145/p5 of Pipli, Maruti Park , Opp. Tirupati, Morbi Jetpar Road , Taluka: Morbi, plinth area admeasuring 540.00 Sq. Mtr.	
j) Equitable mortgage of Residential open plot no. 50 & 51, R S No. 11, "Sanidhiya Residency", Opp. Pipali Village, Near Swastik School, Village:Pipali, Tal & Dist. Morbi.. Land admeasuring 278.58 Sq. Mtrs.	
k) Equitable mortgage of Residential open plot no. 53, R S No. 304/18p, New Pipali, Village: Pipali, Tal & Dist. Morbi. Land admeasuring 142.50 Sq Mtrs.	
l) Equitable mortgage of G.F. Commercial Shop situated in Mahendranagar, Plot No. 1, R S No. 100p, Shop No . 10, Morbi Kandla 8-A National Highway, Opp. Sanura Ceramic, Near Kalindari River, Village Mahendranagar, Tal & Dist Morbi. Area of Shop 16.85 Sq. Mtrs.	
Equitable Mortgage over : (proposed)	
m) Equitable mortgage of factory land admeasuring 12839 sq. mtrs. & buildings thereon situated at revenue survey No. 793p1, Lakhdhirpur Road, off. 8-A National highway, Vill: Ghuntu, Tal: Morbi, District Morbi standing in the name of M/s Lexus Ceramic Pvt. Ltd.	
n) Lien on Fixed deposit of Rs. 2.00 Crore in the name of M/s Lexus Granito (India) Pvt. Ltd.	
Guarantee	Shri Anilbhai B Detroja Shri Babulal M Detroja Shri Hitesh B Detroja Shri Nilesh B Detroja

	Third Praty Guarantee Smt. Manjulaben B Detroja Smt. Prabhaben B Detroja Smt. Muktaben B Detroja Smt. Dimpleben A Detroja Smt Dayaben Amrutlal Charola Shri Rajeshbhai Amrutlal Charola Shri Vijaybhai Amrutlal Charola Shri Shankarbhai Gandubhai iethloja Shri Bhagwanjibhai G Jethloja Corporate Guarantee: M/s Lexus Ceramic Pvt. Ltd.

Specific Conditions:-

1. Rs. 17.22 Crore to be brought in upfront from long term sources before disbursement of Term Loan.
2. Additional equity of Rs. 8.00 Crore to be infused.

Key Restrictive Covenants:

During the currency of the Bank's credit facilities, the Unit/ Guarantors will not, without the Bank's prior permission in writing:

- 1) Effect any change in the Unit's capital structure.
- 2) Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.
- 3) Formulate any scheme of amalgamation or reconstruction.
- 4) Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary/ group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
- 5) Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
- 6) Undertake guarantee obligations on behalf of any other company, firm or person.
- 7) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
- 8) Effect any drastic change in their management setup.
- 9) Effect any change in the remuneration payable to the Directors / Partners, etc. either in the form of sitting fees or otherwise.
- 10) Pay guarantee commission to the guarantors whose guarantees have been stipulated /furnished for the credit limits sanctioned by the Bank.
- 11) Create any further charge, lien or encumbrance over the assets and properties of the Unit/ Guarantors to be charged / charged to the Bank in favour of any other bank, Financial Institution, firm or person.
- 12) Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.
- 13) Undertake any trading activity other than the sale of produce arising out of its own manufacturing/ trading operations.

14) Open any account with any other bank. If already opened, the details thereof is to be given immediately and a confirmation to this effect given to the Bank.

2. Loan of Rs. 25.00 Lakhs from HDFC Bank Limited

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 25.00 Lakhs
Rate of Interest	9.26%
EMI Amount	Rs.79,800
Security	Secured by hypothecation of Vehicle under Hire Purchase
Tenor	36 Months from September, 2015
Amount Outstanding as on March 31, 2017	21.34 Lakhs

3. Loan of Rs. 75.00 Lakhs from HDFC Bank Limited

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 75.00 Lakhs
Rate of Interest	9.29%
EMI Amount	Rs.2,39,520
Security	Secured by hypothecation of Vehicle under Hire Purchase
Tenor	36 Months from June, 2015
Amount Outstanding as on March 31, 2017	58.38 Lakhs

NON CONVERTIBLE DEBENTURES (UNLISTED)

4. Our Company has issued redeemable non-convertible debenture of Rs. 6,40,00,000 each on a private placement basis

Sr. No.	Name of the Allottee	Tenor	Coupon	Amount	Date of Allotment	Latest Credit Rating
1.	AAV Sarl	38 months	13.05% p.a.	6,40,00,000	April 07, 2017	[ICRA]BB (Stable)

UNSECURED BORROWING FROM NBFC/ FINANCIAL INSTITUTIONS

5. Loan of Rs. 50.00 Lakhs from HDFC Bank Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 50.00 Lakhs
Rate of Interest	15.50%
EMI Amount	Rs.1,74,554
Tenor	36 Months from May, 2017
Amount Outstanding as on March 31, 2017	Rs.50.00 Lakhs*

*Since the repayment of the loan shall start from May 2017, the loan stands fully outstanding as at March 31, 2017

6. Loan of Rs. 300.00 Lakhs from Jain Sons Finlease Limited

Nature of Facility	Term Loan
Loan Amount	Rs. 300.00 Lakhs

Rate of Interest	18.00%
Tenor	24 Months
Amount Outstanding as on March 31, 2017	290.94 Lakhs

UNSECURED BORROWING FROM OTHERS

7. The details of unsecured loan are as follows:

Sr.No.	Name of Lender	Loan Amount (Rs. in Lakhs)
1.	Anilkumar Detroja	31.10
2.	Babulal Detroja	54.50
3.	Hitesh Detroja	27.60
4.	Nilesh Detroja	14.80
5.	Pavan Blackrock Pvt Ltd	262.84
6.	Muktaben Detroja	29.08
7.	Pankaj Detroja	30.00
8.	Vardhman Vittrified Private Limited	44.58
9.	Vinayak Polyplast Pvt Ltd	10.00
10.	A And J Microns Pvt Ltd	100.00
11.	B R Steel Products Pvt Ltd	50.00
12.	Kartik Industries	740.00
13.	Vidres India Ceramic Pvt. Ltd.	342.00

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on May 04, 2017 determined that outstanding dues to creditors in excess of 5% of total trade payables as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds Rs. 5.00 lakhs as determined by our Board, in its meeting held on May 04, 2017.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Prospectus.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

INCOME TAX PROCEEDINGS

1. FOR AY 2015-16

The Assistant Commissioner of Income Tax, Morbi Circle, Morbi (hereinafter referred to as the “**Assessing Authority**”) has issued a notice dated October 25, 2016 under Section 142(1) of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”) to Lexus Granito (India) Private Limited (hereinafter referred to as the “**Assessee Company**”) for furnishing of information or details w.r.t. Assessment Proceedings for Assessment Year 2015-16. Assessee Company has replied to the said notice through a letter dated March 09, 2017. The Assessment Proceedings in this matter is yet to be commenced.

2. FOR AY 2014-15

Income Tax Officer, Ward – 5, Morbi (hereinafter referred to as the “**Assessing Authority**”) has passed an Assessment Order (hereinafter referred to as the “**Impugned Order**”) dated December 22, 2016 under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”) against Lexus Granito (India) Private Limited (hereinafter referred to as the “**Assessee Company**”) thereby determining total income of the Assessee Company for the Assessment Year 2014-15 by adding Rs. 10,00,000 to the total Income disclosed in the e-filed return of Income dated November 01, 2014. A notice of demand dated December 22, 2016 under Section 156 of the Act has been issued to Assessee Company for an outstanding demand amounting to Rs. 2,17,020/-. The Assessee Company has filed an appeal dated January 05, 2017 against the said Impugned Order with the Commissioner of Income Tax (Appeals) and has deposited Rs. 32,553/- as 15% of the total demand raised vide a challan dated March 03, 2017. Assessee through application dated March 03, 2017 has applied for stay on demand of Rs. 1,84,467/-. Assessing Officer vide Ref. No. ITO/WD-5/MVI/Stay of Demand/L.G (India).Pvt Ltd/2016-17/863 dated March 21, 2017 allowed application for stay till decision of First Appeal of CIT (A) or September 31, 2017 whichever is earlier. The matter is currently pending.

TDS PROCEEDINGS AGAINST OUR COMPANY

1. FOR FY 2016-17

The Assessee Company has made a total default of **Rs. 20,400/-** including payment of Interest under Section 201 of the Income Tax Act, 1961. The amount is currently outstanding.

2. FOR FY 2015-16

The Assessee Company has made a total default of **Rs. 2,14,122/-** including payment of Interest under Section 201(1)A and 220 (2) of the Income Tax Act, 1961 and late filing fee under Section 234 E of the Act. The amount is currently outstanding.

3. FOR FY 2014-15

The Assessee Company has made a total default of **Rs. 2,61,158/-** including payment of Interest under Section 201 of the Income Tax Act, 1961 and late filing fee under Section 234 E of the Act. The amount is currently outstanding.

4. The Commissioner of Income Tax (TDS), Ahmedabad (hereinafter referred to as the “Assessing Authority**”) has issued a show cause notice dated March 31, 2017 for launching of prosecution for technical offence committed under Section 276B of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”) to Lexus Granito (India) Private Limited (hereinafter referred to as the “**Assessee Company**”) for Assessment Year 2015-16 regarding retention of amount of Rs 47,34,459/-. The Assessee Company was required to be present before the Assessing Authority for personal hearing dated April 13, 2017. The matter is currently pending.**

5. FOR FY 2013-14

The Assessee Company has made a total default of **Rs. 91,623/-** including payment of Interest under Section 201 and 220(2) of the Income Tax Act, 1961 for the Financial Year 2013-14. The amount is currently outstanding.

6. The Commissioner of Income Tax (TDS), Ahmedabad (hereinafter referred to as the “**Assessing Authority**”) has issued a Show Cause Notice dated March 31, 2017 for launching of prosecution for technical offence committed under Section 276B of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”) to Lexus Granito (India) Private Limited (hereinafter referred to as the “**Assessee Company**”) for Assessment Year 2014-15 for retention of amount of Rs 18,84,474. The Assessee Company was required to be present before the Assessing Authority for personal hearing dated April 13, 2017. The matter is currently pending.

7. FOR YEARS PRIOR TO 2013-14

Lexus Granito (India) Limited (hereinafter referred to as the “**Assessee Company**”) has made a total default of **Rs. 3,30,911/-** including payment of Interest under Section 201 of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”), late filing fee under Section 234E of the Act and Interest under Section 220(2) of the Act for the years prior to 2013-14. The amount is currently outstanding.

CENTRAL SALES TAX PROCEEDING

1. FOR YEAR 2014-15

Assistant Commissioner of Commercial Tax (2), Morbi (hereinafter referred to as the “**Assessing Authority**”) issued a notice dated March 15, 2017 under Rule 9A of the Central Sales Tax (Bombay) Rules, 1957 to Lexus Granito India Private Limited (hereinafter referred to as the “**Assessee Company**”) requesting Assessee Company to be present before Assessing Authority on May 19, 2017 and furnish certain information and documents. Further, Assessing Authority issued a notice for audit assessment under Section 34(2) of the Gujarat Value Added Tax Act, 2003 dated March 15, 2017. The matter is currently pending.

2. FOR YEAR 2012-13

Deputy Commissioner of Commercial Tax, Range 23, Rajkot (hereinafter referred to as the “**Assessing Authority**”) has passed an Assessment Order (hereinafter referred to as the “**Impugned Order**”) dated March 30, 2017 under Section 32/34/35 of Gujarat Value Added Tax Act, 2003 against Lexus Granito India Private Limited (hereinafter referred to as the “**Assessee Company**”) determining a total outstanding demand of Rs. 89,24,818 for the period of Assessment 2012-13. The total demand includes Central Sales Tax of Rs. 41,24,867 Interest amount of Rs. 39,11,909 and Penalty of Rs. 8,88,042. A final notice of Assessment dated March 30, 2017 under the Central Sales Tax Act, 1956 read with Rule 9a of the Central Sales Tax (Gujarat) Rules, 1970 has been issued to Assessee Company for an outstanding demand of Rs. 89,24,818. The Assessee Company has made payment of Rs. 3,87,727/- vide a Challan dated January 12, 2013, Rs. 9,97,506/- vide a Challan dated January 29, 2013 and Rs. 95,91,29 vide a Challan dated January 03, 2013 towards payment of Central Sales Tax for the year 2012-13. The Assessee Company has filed an appeal against said Impugned Order with Joint Commissioner of Commercial Tax, Section 10-Rajkot (hereinafter referred to as the “**Appellate Authority**”) along with an application for Stay against Recovery Proceedings. The said appeal proceedings are pending.

3. FOR YEAR 2011-12

Deputy Commissioner of Commercial Tax, Range 23, Rajkot (hereinafter referred to as the “**Assessing Authority**”) has passed an Assessment Order (hereinafter referred to as the “**Impugned Order**”) dated March 31, 2016 under Section 32/34/35 of Gujarat Value Added Tax Act, 2003 against Lexus Granito India Private Limited (hereinafter referred to as the “**Assessee Company**”) determining a total outstanding demand of Rs. 1,94,87,982 for the period of Assessment 2011-12. The total demand includes Central Sales Tax of Rs. 98,44,767, Interest amount of Rs. 76,74,261 and Penalty of Rs. 19,68,954. The Assessee Company has made payment of Rs. 15,25,000/- vide a Challan dated January 03, 2017 towards payment of Central Sales Tax

for the year 2011-12. The Assessee Company has filed an appeal against said Impugned Order with Joint Commissioner of Commercial Tax, Section 10- Rajkot (hereinafter referred to as the (“Appellate Authority”) along with an application for Stay against Recovery Proceedings. The Appellate Authority has granted stay on recovery proceedings till April 30, 2017 vide an order dated January 24, 2017. The Assessee Company has made an application dated April 30, 2017 for extension of period of stay against recovery proceedings. The said appeal proceedings are pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

The Superintendent, Kendriya Utpada Shulk, Kendriya Utpad Nirdharan Chetra, Morbi (hereinafter referred to as the “Excise Department”) has issued a Show Cause Notice bearing reference No. F. No. AR/MRV/DEFAULT/LEXUS GRANITO P. LTD/2017-18/1038 under Section 11AA of Central Excise Act, 1944 and Rule 8(3A) of Central Excise Rules, 2002 dated January 24, 2017 imposing duty/penalty/Interest as Rs. 24,74,721/- for the month of November, 2016 on Lexus Granito (India) Private Limited. Lexus Granito (India) Private Limited paid the said amount via challan no. 00243 dated January 27, 2017.

Pending Notices against our Company

Nil

Past Notices to our Company

The Joint Commissioner of Income Tax, Range-5, and Rajkot (hereinafter referred to as the “Assessing Authority”) has issued a notice dated March 05, 2013 requesting to furnish information such as trial balance as on November 01, 2012. Information was required to be submitted on or before March 12, 2013.

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY

LITIGATIONS AGAINST OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

CORPORATE PROMOTER - PAVAN BLACK ROCK PRIVATE LIMITED

INCOME TAX PROCEEDINGS

FOR AY 2015-16

The Assistant Commissioner of Income Tax, Morbi Circle, Morbi (hereinafter referred to as the “Assessing Authority”) has issued a notice dated August 18, 2016 under Section 143(2) of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) to Pavan Black Rock Private Limited (hereinafter referred to as the “Assessee Promoter Company”) thereby selecting the Assessee Promoter Company for Scrutiny for Assessment Year 2015-16. The Assessing Authority has issued a notice dated October 25, 2016 under Section 142(1) of the Act to Assessee Promoter Company for furnishing of information or details w.r.t. Assessment Proceedings for Assessment Year 2015-16. Assessee Company has replied to the said notice. The matter is currently pending.

FOR AY 2014-15

The Assistant Commissioner of Income Tax, Morbi Circle, Morbi (hereinafter referred to as the “Assessing Authority”) has issued a notice dated June 27, 2016 under Section 142(1) of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) to Pavan Black Rock Private Limited (hereinafter referred to as the “Assessee Promoter Company”) for furnishing of information or details w.r.t. Assessment Proceedings for Assessment Year 2014-15. The matter is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years



Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANIES

LITIGATIONS AGAINST OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

LEXUS CERAMIC PRIVATE LIMITED

INCOME TAX PROCEEDINGS

FOR AY 2015-16

The Commissioner of Income Tax (TDS), Ahmedabad (hereinafter referred to as the “**Assessing Authority**”) has issued a Show Cause Notice dated March 31, 2017 for launching of prosecution for technical offence committed under Section 276B of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”) to Lexus Ceramic Private Limited (hereinafter referred to as the “**Assessee Group Company**”) for Assessment Year 2015-16 regarding retention of amount of TDS of Rs. 19,04,377/-. The Assessee Company was required to be present before the Assessing Authority for personal hearing dated April 13, 2017. The matter is currently pending.

FOR AY 2013-14

Deputy Commissioner of Income Tax, Morbi, Morbi Circle (hereinafter referred to as “**Assessing Authority**”) has passed an Assessment Order (hereinafter referred to as the “**Impugned order**”) dated February 12, 2016 under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as “**Act**”) along with a notice of demand dated February 13, 2016 under Section 245 read with Section 143(3) of the Act against Lexus Ceramic Private Limited (hereinafter referred to as the “**Assessee Group Company**”) for an outstanding demand amounting to Rs. 33,25,980/-. Assessee Group Company has filed an appeal dated March 08, 2016 against the said Impugned order with Commissioner of Income Tax (Appeals), Morbi. Assessee Group Company has made payment of **Rs. 16,071/-** through challan dated March 31, 2013, Rs. 9,00,000 through challan dated March 13, 2013 and **Rs.1,00,000/-** through challan dated March 15, 2013. The matter is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Group Companies

Nil

Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

As on date of this Prospectus, Our Company does not have any subsidiary Company.

OTHER MATTERS**DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 245 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of March 31, 2017, our Company had 483 creditors, to whom a total amount of Rs. 4239.90 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated May 04, 2017, considered creditors to whom the amount due exceeds 5% of total trade payables as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Creditors	Amount (Rs. in Lakhs)
Lemstone Ceramic LLP	474.17
Sunpark Granito Pvt Ltd	228.06

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company www.lexustile.com

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website www.lexustile.com, would be doing so at their own risk.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing of ceramic tiles, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 159 of this Prospectus.

The Company has its business located at:

Registered Office and Manufacturing Unit: Survey Number 800, Opposite Lakhdhipur Village, Lakhdhipur Road, N.H. 8A, Taluka Morbi, Lakhdhipur, Rajkot, Gujarat- 363642, India.

Corporate Office: S.No. 42-BP, At. Lalapar, Tal. Morbi, Gujarat, India

Marketing Offices:

Delhi Office: Plot No. 20 & 21, Mansarover Garden, New Delhi-110015, India.

Jaipur Office: Shop No. 234, Muktanandnagar, Gopalpura, Jaipur, India.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on May 04, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1) (c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on May 05, 2017 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated July 17, 2017 bearing reference no. NSE/LIST/13053.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated May 26, 2017 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated June 02, 2017 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE500X01013.

INCORPORATION AND OTHER DETAILS

1. The Company was originally formed and registered as a partnership firm at Morbi, Gujarat under the Indian Partnership Act, 1932 in the name of “M/S VITCO VITRIFIED” pursuant to a Deed of Partnership/Co-parcenery dated May 05, 2008.
2. “M/S Vitco Vitrified” was then converted into a Joint Stock Company under part IX of the Companies Act, 1956 under the name of “VITCO VITRIFIED PRIVATE LIMITED” vide Certificate of Incorporation dated May 08, 2008 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli bearing Corporate Identification Number U26914GJ2008PTC053838.
3. Subsequently the name of company was changed to “LEXUS GRANITO (INDIA) PRIVATE LIMITED” and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli on June 26, 2010.
4. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on April 28, 2017 by the Registrar of Companies, Ahmedabad in the name of “LEXUS GRANITO (INDIA) LIMITED”.
5. The Corporate Identification Number (CIN) of the Company is U26914GJ2008PLC053838

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Office of Joint director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.	IEC Number:2408002648	Original Issue Date: July 9, 2008	In case of name change or address change, the IEC holder shall cease to be eligible to import or export after expiry of 60 days from the date such a change happens unless changes notifies to licensing authority.
2	Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium	General Manager, District Industries Centre, Rajkot	Entrepreneurs Memorandum Number - 24-009-13-00843	June 19, 2008	Perpetual

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	Enterprises Unit				
3	Acknowledgment for receipt of memorandum of manufacturing the following: VITRIFIED TILES	Public Relation & Complaint Section, Secretariat for Industrial Assistance, Ministry of Commerce & Industry, Government of India	871/SIA/IMO/2012	April 16, 2012	NA
4	License to work a factory (under Factories Act, 1948 and Rules made thereunder)	Deputy Director, Industrial Safety and Health, Morbi (Directorate Industrial Safety & Health Gujarat State)	Registration No: 2004/26933/2011 License No:13345	August 10, 2016	December 31, 2018
5	Certificate of Recognition-Export House Two Star Export House (under Foreign Trade Policy 2015-2020)	Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India	B/2359 File No. 2421/058/80096/ AM17/26.01.2017	Dated: February 08, 2017 Valid from: January 26, 2017	January 25, 2022
6	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade,	Zero Duty EPCG Scheme Authorisation Number: 2430003022	June 24, 2015	NA

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	and Regulations) Act, 1992	Ministry of Commerce and Industry, Government of India			
7	Import / Export License for availing benefits under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	License No. 2430003022/3/12/00	June 24, 2015	6 years
8	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Zero Duty EPCG Scheme Authorisation Number: 2430003121	August 13, 2015	NA
9	Import / Export License for availing benefits under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of	License No. 2430003121/3/12/00	August 13, 2015	6 years

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
		India			
10	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Zero Duty EPCG Scheme Authorisation Number: 2430003242	November 09, 2015	NA
11	Import / Export License for availing benefits under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	License No. 2430003242/3/12/00	November 09, 2015	6 years
12	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Zero Duty EPCG Scheme Authorisation Number: 2430003645	June 24, 2016	NA
13	Import / Export License for availing benefits	Foreign Trade Development Officer, Office	License No. 2430003645/3/12/00	June 24, 2016	6 years

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	of Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India			
14	Authorisation forwarding letter under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Zero Duty EPCG Scheme Authorisation Number: 2430003978	November 11, 2016	NA
15	Import / Export License for availing benefits under Zero Duty EPCG Scheme under Foreign Trade (Development and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	License No. 2430003978/3/12/00	November 11, 2016	6 years

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCV7197E	May 08, 2008	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department; Government of India	RKTV01305D	July 14 , 2010 (issue date after correction)	Perpetual
3	Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2006)	Commercial Tax Department, Government of Gujarat.	24092006828	Issued on: September 28, 2010 Date of Effect : July 17, 2010	NA
4	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of finance, Department of Revenue	AACCV7197ESD001	Date of Issue of Original ST-2: August 04 , 2010	NA
5	Certificate of Registration Central Sales Tax (Under Rule 5(1) of Central Sales Tax (Registration and Turnover)	Commercial Tax officer , Gujarat Commercial Tax	24592006828	Dated September 28, 2010 Valid from:	NA

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Rules, 1957)			July 17, 2010	
6	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)	The Assistant Commissioner of Central Excise, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AACCV7197EEM001	July 16, 2010	Certificate valid till the Registrant carries out the activity for which it has been issued or surrenders it or till its revoked or suspended.
7	GSTIN	Government of Gujarat, Government of India	24AACCV7197E1Z5	June 25, 2017	Certificate is provisional Registration issued.

LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Assistant Provident fund Commissioner Sub Regional Office, Employees Provident Fund Organisation, Ministry of Labour, Government of India	No : GJ/PFC/RJT/76783 ENF/962 Code No. GJ/RJT/76783	November 25 , 2011
2	Registration for Employees State Insurance (under Employees State Insurance Act,	Regional Office, Ahmedabad, Employees State Insurance Corporation	Establishment Code: 37001050340000499	October 15 , 2014

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
	1948)			

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Provisional Consent Order issued by State Pollution Control Board Under Section 25 of the Water (Prevention &Control of Pollution) Act, 1974 & Under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008	Member Secretary, Gujarat Pollution Control Board	Consent Number: AWH-79984 Renewal No. 108000	Issued on : June 29, 2016	Valid upto: March 31, 2021

OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Registration – cum- Membership Certificate	CAPEXIL, Formerly chemicals and allied products Export Promotion Council, Western Region, Mumbai.	IEC Number: 2408002648	May 27, 2015	March 31, 2018
2	Certificate of Registration: ISO 9001:2008 Manufacturing , Export, Import and Trading of Sanitary ware, Bath accessories, Sanitary products, Ceramic products, Ceramic tiles and Building Material	DRS Management System Private Limited (ISO Certification Body), Faridabad	Certificate Number: QMS/DRS16/N1500	Issue date/Initial Registration Date: April 14, 2016	April 13, 2019

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INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

TRADEMARKS

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/Renewal	Registration status
1.	Lexus 	DEVICE	35	Lexus Granito (India) Private Limited	3247138	April 29, 2016	-	Objected
2.	Lexus 	DEVICE	19	Lexus Granito (India) Private Limited	3247131	April 29, 2016	-	Objected

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

PENDING APPROVALS: Nil

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. The abovementioned approvals are in the name of “Lexus Granito (India) Private Limited” and company is yet to apply for these approvals post change of name of Company to “Lexus Granito (India) Limited”
2. Registration under Contract Labour Registration (Under Section 7 of the Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder)
3. Renewal of Certificate of Compliance for complying with the Requirement of Construction Products (CPD/CPR) Council Directive 89/106/EEC (CPD)/Regulation (EU) No. 305/2011 (CPR) earlier certification number Certificate no: CE -2533 dated April 14, 2016.
4. Renewal of Consent to Establish the Unit for a product at a particular production capacity issued by State Pollution Control Board earlier No. CTE-43744.
5. Registration for Professional Tax Enrollment Certificate (PTEC) and Professional Tax Registration Certificate (PTRC).

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on May 04, 2017 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1) (c) of the Companies Act, 2013 passed at the Extra-Ordinary General Meeting of our Company held on May 05, 2017 at the Registered Office of the Company.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Company, our Directors, our Promoters, relatives of Promoters, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM will underwrite at least 15 per cent of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 72 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity

Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 72 of this Prospectus.

5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net-worth of the company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website: www.lexustile.com

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE

OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992

“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)**
- 16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.” COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- (4) WE CONFIRM THAT AGREEMENTS SHALL BE ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.**
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES**

AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Note:

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in this Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, Gujarat in terms of Section 26 and 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.lexustile.com, would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated May 22, 2017, the Underwriting Agreement dated May 22, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated May 22, 2017 entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer “Annexure A” to this Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.com

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with National Stock Exchange of India for its observations and they shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/13053 dated July 13, 2017 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by National Stock Exchange of India should not in any way be deemed or construed that the offer document has been cleared or approved by National Stock Exchange of India; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”.

FILING

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus shall be filed with SEBI Regional Office, Western Regional Office, Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station opposite Nehru Bridge Ashram Road, Ahmedabad- 380 009, Gujarat, India. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Companies, Gujarat, Ahmedabad, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat, India

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from EMERGE Platform of National Stock Exchange of India Limited. However application will be made to the EMERGE Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. NSE/LIST/13053 dated July 17, 2017.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be

liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of the National Stock Exchange of India Limited mentioned above are taken within six working days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

Except as stated below, Our Company has not obtained any expert opinions:

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Financial Statements

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “Objects of the Issue” beginning on page 109 of this Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated May 22, 2017 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since Incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of our Group Companies are listed on any recognised stock exchange. None of the above Companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

Our Company has issued unlisted debentures as per the details as mentioned in the chapter titled “Financial Indebtedness”. Apart from that, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on May 18, 2017. For further details, please refer to the chapter titled “*Our Management*” beginning on page 174 of this Prospectus.

Our Company has appointed Payal Jain as Company Secretary and Compliance Officer and she may be contacted at the following address:

Payal Jain

Lexus Granito (India) Limited

Survey No. 800, Opp. Lakhdhipur Village,
Lakhdhipur Road, N. H. 8A, Tal. Morbi,
Lakhdhipur, Rajkot – 363642, Gujarat, India

Tel: +91 7567500110

Fax: Not Available

Email: cs@lexustile.com

Website: www.lexustile.com

Corporate Identification Number: U26914GJ2008PLC053838

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Except as stated below, there have been no changes in Auditors of our Company during the last three years preceding the date of this Prospectus.

M/s S.K. Mehta & Associates, Chartered Accountants resigned as the statutory auditors of our Company, vide their resignation letter dated April 09, 2017. Subsequently, B.B. Kalaria & Co. Chartered Accountants were appointed as the Statutory Auditors of our Company by our shareholders at the EGM held on May 01, 2017.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Except as disclosed in this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

Except as stated elsewhere in this Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 360 of this Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 202 of this Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. 41.00 per Equity Share and at the higher end of the Price Band is Rs. 45.00 per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in all edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard and the Gujarati newspaper Phulchhab, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 360 of this Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated June 02, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 26, 2017 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 3,000 Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

NOMINATION FACILITY TO BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a

period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Event	Indicative Date
Bid/Issue Opened on	Wednesday, August 09, 2017
Bid/Issue Closed on	Friday, August 11, 2017
Finalization of Basis of Allotment with the Designated Stock Exchange	Friday, August 18, 2017
Initiation of Refunds	Monday, August 21, 2017
Credit of Equity Shares to Demat Accounts of Allottees	Tuesday, August 22, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	Wednesday, August 23, 2017

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares issued and transferred through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 72 of this Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on EMERGE Platform of National Stock Exchange of India Limited.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 85 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 360 of this Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead

Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital is more than ten crore rupees and upto twenty five crores. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform on National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 292 and 304 of this Prospectus.

Following is the issue structure:

Initial Public Issue of 57,60,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 45.00 (including a premium of Rs. 35.00) aggregating to Rs. 2592.00. The Issue comprises a Net Issue to the public of 54,60,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 30.00% and 28.45% of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of 3,00,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	16,38,000 Equity Shares	3,00,000 Equity Shares	19,11,000 Equity shares	19,11,000 Equity shares
Percentage of Issue Size available for allocation	30% of Net Issue shall be allocated to QIBs. However, 84,000 Equity shares consisting of 5.12% the QIB Portion shall be available for allocation proportionately to Mutual fund	5.21 % of Issue Size	35% of the Net Issue shall be available for allocation	35% of the Net Issue shall be available for allocation
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 3,000 equity shares and further allotment in multiples of 3,000 equity shares each as follows:- a) 84,000 Equity Shares, consisting 5.12% of the QIB portion, shall be	Firm allotment	Proportionate	Proportionate

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non-Institutional Bidders	Retail Individual Bidders
	available for allocation on proportionate basis to Mutual Funds; b) 15,54,000 Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above For further details please refer to the section titled “Issue Procedure” beginning on page 304 of the Prospectus			
Mode of Bid cum Application	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)
Minimum Bid Size	Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application size exceeds Rs 2,00,000	3,00,000 Equity Shares of Face Value of Rs. 10.00 each	Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application size exceeds Rs 2,00,000	Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application size does not exceeds Rs 2,00,000
Maximum Bid Size	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	3,00,000 Equity Shares of Face Value of Rs 10 each	Not exceeding the size of the Issue	Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application size does not exceeds Rs 2,00,000

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non-Institutional Bidders	Retail Individual Bidders
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	3,000 Equity Shares	3,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	3,000 Equity Shares	3,000 Equity Shares
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form			

- 1) * In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;
- 2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
- 3) Such number of Equity Shares representing 5.12% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 84,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

BID/ ISSUE OPENING DATE

Event	Indicative Date
Bid/Issue Opened on	Wednesday, August 09, 2017
Bid/Issue Closed on	Friday, August 11, 2017
Finalization of Basis of Allotment with the Designated Stock Exchange	Friday, August 18, 2017
Initiation of Refunds	Monday, August 21, 2017
Credit of Equity Shares to Demat Accounts of Allottees	Tuesday, August 22, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	Wednesday, August 23, 2017

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on www.nseindia.com For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned National Stock Exchange of India Limited website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.

BOOK BUILDING PROCEDURE

The Issue is being made through the Book Building Process wherein 30% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the QIB Portion 5.12% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price.

Further, 35% of the Issue would be available for allocation to Non-Institutional Bidders and 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis	Blue

**excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

WHO CAN BID?

In addition to the category of Bidders set forth under "**General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue**", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Bidders:

The Bid must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of 3,000 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. 45.00 per Equity Share. The Floor Price of Equity Shares is Rs. 41.00 per Equity Share and the Cap Price is Rs. 45.00 per Equity Share and the minimum bid lot is of 3,000 Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.
- e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

PARTICIPATION BY ASSOCIATED/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATIONS BY ELIGIBLE NRI'S

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

BIDS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning

any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture

capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, (the "IRDA Investment Regulations") are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits

or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a) (v) (c) (i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

TERMS OF PAYMENT

Terms of Payment

The entire Issue Price of Rs. 45.00 per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated May 22, 2017
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and section 26 of the Companies Act, 2013.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic

Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);

10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue

related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

IMPERSONATION

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447.”

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated June 02, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated May 26, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE500X01013.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON EMERGE Platform of NATIONAL STOCK EXCHANGE OF INDIA LIMITED (SME PLATFORM)

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be

positive

- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than 1000 Lakhs but does not exceed Rs. 2500 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the red herring prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working

Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

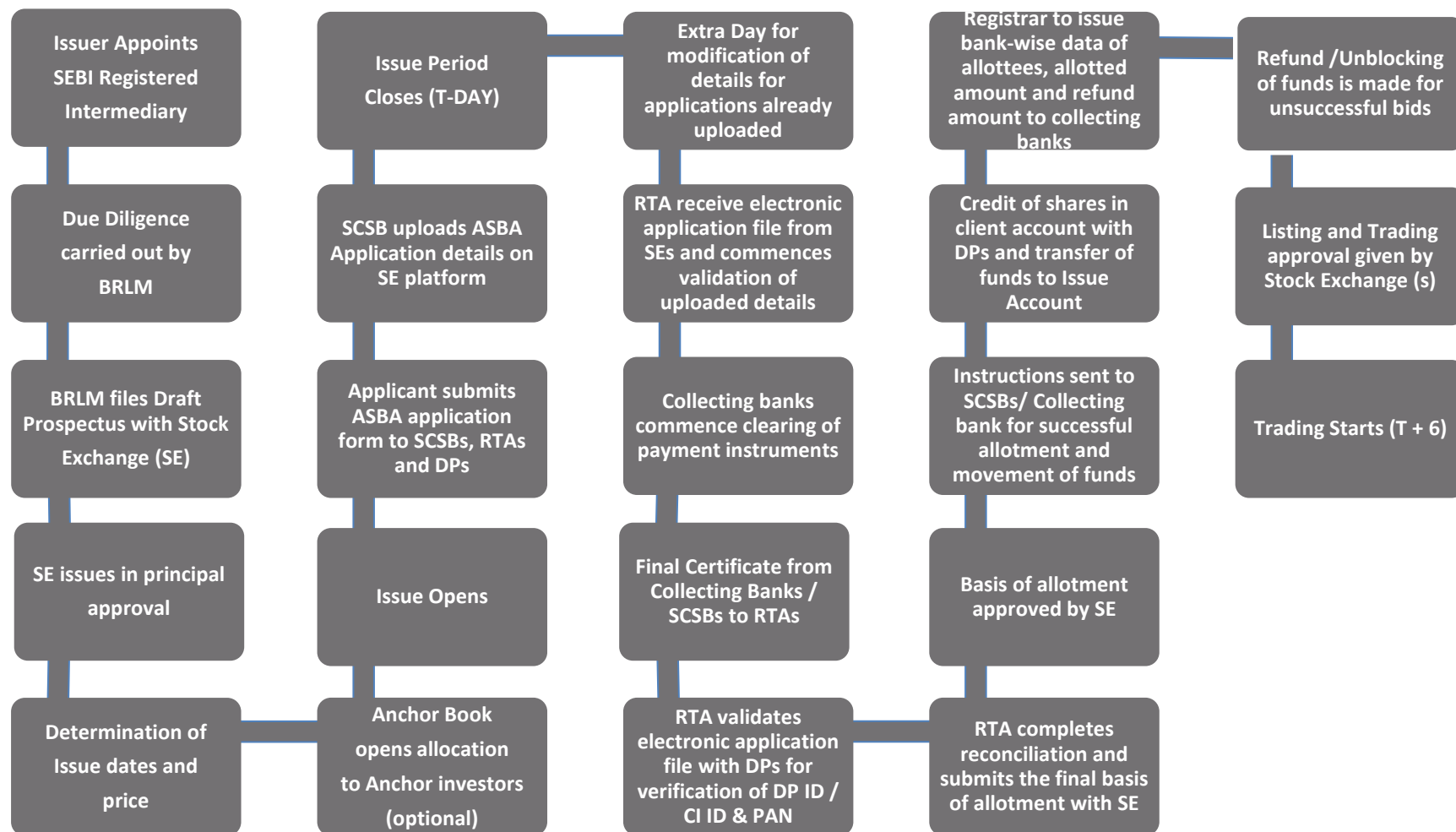
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the book running lead manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

R Bid cum Application Form

COMMON BID CUM APPLICATION FORM	LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: Survey No. 800, Opp. Lakhdirpur Village, Lakhdirpur Road, N. H. 8A, Tal. Morbi, Lakhdirpur, Rajkot - 363642, Gujarat, India. CIN: U26914GJ2008PTC053838 Tel.: +91 2822 302330-33; Fax No.: +91 2822 302334; E-mail: info@lexustile.com; Website: www.lexustile.com	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																																																																
lexus The Board of Directors LEXUS GRANITO (INDIA) LIMITED	BOOK BUILT ISSUE ISIN - INE500X01013	Bid Cum Application Form No. _____																																																																
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCBS / CDP / RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																																																																
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCBS BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER _____																																																																
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7. PAYMENT DETAILS Amount Blocked (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____		6. INVESTOR STATUS ☐ Individual(s) - IND ☐ Hinds Undivided Family* - HUF ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - FI ☐ Mutual Funds - MF ☐ National Investment Funds - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VCF ☐ Alternate Investment Funds - AIF ☐ Others (Please Specify) - OTH *HUF Should apply only through Karta (Application by HUF would be treated on par with individual)																																																																
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8A. SIGNATURE OF SOLE / FIRST BIDDER Date: _____, 2017	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCBS to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCBS / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)																																																																

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lexus The Board of Directors LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R	LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R Acknowledgement Slip for Syndicate Member Broker/SCBS/CDP/RTA	Bid Cum Application Form No. _____
DPID / CLID _____	PAN of Sole / First Bidder _____	Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____ Bank & Branch _____ Received from Mr./Ms./M/s. _____ Telephone / Mobile _____ Email _____
Stamp & Signature of SCBS Branch		

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LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> ASBA Bank A/c No.: _____ Bank & Branch: _____		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Blocked (₹)				Stamp & Signature of Syndicate Member Registered Broker / SCBS / CDP / RTA Name of Sole / First Bidder _____ Acknowledgment Slip for Bidder Bid Cum Application Form No. _____
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Amount Blocked (₹)																		

LEXUS GRANITO (INDIA) LIMITED 1

NR Bid cum Application ASBA Form

COMMON BID CUM APPLICATION FORM	LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot - 363642, Gujarat, India. CIN: U26914GJ2008PTC053838 Tel.: +91 2822 302330-33; Fax No.: +91 2822 302334; E-mail: info@lexustile.com; Website: www.lexustile.com	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS																																										
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4.1.1 : NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:
Any person who:
 - makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
 - makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
 - otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,
Shall be liable for action under section 447 of the said Act.
- (d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State

Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim (“PAN Exempted Bidders”). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the **Bid cum Application Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the offer.
- d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk.

4.1.4 : BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at

the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

- d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the

amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

- h) A Bid cannot be submitted for more than the issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the

purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP.

4.1.6 INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 PAYMENT DETAILS

- i. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- iv. All Bidders can participate in the Offer only through the ASBA mechanism.
- v. Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1. Payment instructions for Bidders

- a) Bidders may submit the Bid cum Application Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.

- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.8. Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.8.1. Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).
Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.8.2. Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9. SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the Offer should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
 - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
 - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
 - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries -
 - i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Revision Form – R

COMMON BID REVISION FORM	LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Registered Office: Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N.H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot - 363642, Gujarat, India. CIN: U26914GJ2008PTC053838 Tel.: +91 2822 302330-33; Fax No.: +91 2822 302334; E-mail: info@lexustile.com; Website: www.lexustile.com	

 To, The Board of Directors LEXUS GRANITO (INDIA) LIMITED	BOOK BUILT ISSUE ISIN - INE500X01013	Bid Cum Application Form No.											
	<table border="1"> <tr> <th>SYNDICATE MEMBER'S STAMP & CODE</th> <th>BROKER'S / SCSE / DP / RTA STAMP & CODE</th> </tr> <tr> <td></td> <td></td> </tr> <tr> <th>SUB-BROKER'S/SUB-AGENT'S STAMP & CODE</th> <th>ESCROW BANK / SCSE BRANCH STAMP & CODE</th> </tr> <tr> <td></td> <td></td> </tr> <tr> <th>BANK BRANCH SERIAL NO.</th> <th>SCSE SERIAL NO.</th> </tr> <tr> <td></td> <td></td> </tr> </table>		SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSE / DP / RTA STAMP & CODE			SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSE BRANCH STAMP & CODE			BANK BRANCH SERIAL NO.	SCSE SERIAL NO.	
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SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSE BRANCH STAMP & CODE												
BANK BRANCH SERIAL NO.	SCSE SERIAL NO.												

PLEASE CHANGE MY BID									
4. FROM (AS PER LAST BID OR REVISION)									
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of 1 equity shares)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									

5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")									
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of 1 equity shares)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									

6. PAYMENT DETAILS									
Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ _____ _____									

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKINGS" AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF

7A. SIGNATURE OF SOLE / FIRST BIDDER Date: 2017	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSE to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSE / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

 LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Syndicate Member Broker/SCSE/CDP/RTA	Bid Cum Application Form No.

DPID / CLID _____ Additional Amount Blocked (₹ in figures) _____ Bank & Branch _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	PAN of Sole / First Bidder _____ ASBA A/c No. _____ Stamp & Signature of SCSE Branch _____ _____ _____

TEAR HERE

LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - R BID REVISION FORM	Option 1 No. of Equity Shares _____ Bid Price _____ Additional Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	Option 2 No. of Equity Shares _____ Bid Price _____ Additional Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	Option 3 No. of Equity Shares _____ Bid Price _____ Additional Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	Stamp & Signature of Syndicate Member / Registered Broker / SCSE / CDP / RTA _____ _____ _____	Name of Sole / First Bidder _____ _____ _____ Acknowledgment Slip for Bidder Bid Cum Application Form No. _____

10 LEXUS GRANITO (INDIA) LIMITED

Revision Form – NR

COMMON BID REVISION FORM	LEXUS GRANITO (INDIA) LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot - 363642, Gujarat, India. CIN: U26914GJ2008PTC053838 Tel.: +91 2822 302330-33; Fax No.: +91 2822 302334; E-mail: info@lexustile.com; Website: www.lexustile.com	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs/FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS																											
	To, The Board of Directors LEXUS GRANITO (INDIA) LIMITED	BOOK BUILT ISSUE ISIN - INE500X01013																											
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / DP / RTA STAMP & CODE	Bid Cum Application Form No.																											
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSB BRANCH STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																											
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER _____																											
PLEASE CHANGE MY BID		3. BIDDERS DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL For NSDL, enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL, enter 16 Digit Client ID.																											
4. FROM (AS PER LAST BID OR REVISION) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [*] equity shares)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (In Figures)</th> <th rowspan="2">"Cut-off" (Please ✓ tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount, if any</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>3 2 1</td> <td>4 3 2 1</td> <td>☐</td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> </tbody> </table>			Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [*] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)			"Cut-off" (Please ✓ tick)	Bid Price	Retail Discount, if any	Net Price	Option 1	8 7 6 5 4 3 2 1	4 3 2 1	3 2 1	4 3 2 1	☐	(OR) Option 2					☐	(OR) Option 3					☐
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TEAR HERE

	LEXUS GRANITO (INDIA) LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA
DPID / CLID	PAN of Sole / First Bidder	Bid Cum Application Form No.
Additional Amount Blocked (₹ in figures) _____	ASBA A/c No. _____	Stamp & Signature of SCSB Branch
Bank & Branch _____	Received from Mr./Ms. _____	Telephone / Mobile _____ Email _____

TEAR HERE

LEXUS GRANITO (INDIA) LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Blocked (₹)				Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA Name of Sole / First Bidder _____ Acknowledgment Slip for Bidder Bid Cum Application Form No.
	Option 1	Option 2	Option 3															
No. of Equity Shares																		
Bid Price																		
Additional Amount Blocked (₹)																		
ASBA Bank A/c No.: _____ Bank & Branch: _____																		

4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3. PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under

the Non-Institutional Category in terms of the RHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

6.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line

data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

6.3 BUILD UP OF THE BOOK

- a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- b. Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

6.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - 1) the Bids accepted by the Designated Intermediaries,
 - 2) the Bids uploaded by the Designated Intermediaries, and
 - 3) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUND OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;

- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application Form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below

shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 19,11,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 19,11,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 19,11,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 19,11,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. For QIBs

Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5.12% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5.12% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5.12% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5.12% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter for 94.88% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, along with other QIB Bidders.

- Under-subscription below 5.12% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than 16,38,000 Equity Shares.

Allotment will be made in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted 3,000 equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of 3,000 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 3,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the

Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the RHP.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of

Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity shares of our Company pursuant to the Issue of the Equity Shares to successful bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 304 of this Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Prospectus and Bid cum Application Form

Term	Description
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Prospectus and the Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in All edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Rajkot edition of the Gujarati newspaper Phulchhab, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLM	The book running lead managers to the Offer namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Bid cum Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers,

Term	Description
Intermediary(ies)	CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 13, 2017 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Issue	The initial public Issue of 57,60,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. 45.00 each, aggregating up to Rs. 2,592.00
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in

Term	Description
	consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Prospectus
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5.12% of the QIB Portion i.e. 84,000 Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
NEFT	National Electronic Fund Transfer
Net Offer	The Offer less reservation portion
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs. 41.00 per Equity Share (Floor Price) and the maximum price of Rs. 45.00 per Equity Share (Cap Price)

Term	Description
	including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and Rajkot edition of the Gujarati newspaper Phulchhab, each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited and IndusInd Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
QIB Portion	The portion of the Issue being 30% of the Net Issue, consisting of 16,38,000 Equity Shares, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on

Term	Description
	http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Offer, in this case being Bigshare Services Private Limited having registered office 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, India
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bid cum Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
RTGS	Real Time Gross Settlement
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate Agreement	Agreement dated May 22, 2017 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members

Term	Description
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated May 22, 2017 entered into between the Underwriter and our Company
Working Day	2. Till Application / Issue closing date: All days other than a Sunday or a public holiday, on which commercial banks in Mumbai are open for business; 3. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Foreign Investment Promotion Board (“**FIPB**”) and the Reserve Bank of India (“**RBI**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2016, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FIIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an

Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

iii. Investment by NRI on repatriation and non-repatriation basis under PIS:

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on non-repatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
 - the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
 - the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures
 - the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures;
- However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

iv. Investment by NRI on Non-repatriation basis

As per current FDI Policy 2016, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	Table F Applicable.
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	Act
	(b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	Articles
	(c) “Auditors” means and includes those persons appointed as such for the time being of the Company.	Auditors
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
	(e) *“The Company” shall mean Lexus Granito (India) Limited	Company
	(f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	Executor or Administrator
	(g) "Legal Representative" means a person who in law	Legal Representative

Sr. No	Particulars	
	represents the estate of a deceased Member.	
(h)	Words importing the masculine gender also include the feminine gender.	Gender
(i)	"In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	In Writing and Written
(j)	The marginal notes hereto shall not affect the construction thereof.	Marginal notes
(k)	"Meeting" or "General Meeting" means a meeting of members.	Meeting or General Meeting
(l)	"Month" means a calendar month.	Month
(m)	"Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual General Meeting
(n)	"Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
(o)	"National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
(p)	"Non-retiring Directors" means a director not subject to retirement by rotation.	Non-retiring Directors
(q)	"Office" means the registered Office for the time being of the Company.	Office
(r)	"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
(s)	"Person" shall be deemed to include corporations and firms as well as individuals.	Person
(t)	"Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
(u)	"The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	Register of Members
(v)	"Seal" means the common seal for the time being of the Company.	Seal
(w)	"Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	Special Resolution
(x)	Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
(y)	"The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
(z)	"These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents

Sr. No	Particulars	
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	Expressions in the Act to bear the same meaning in Articles
	CAPITAL	
3.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	Authorized Capital.
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Non Voting Shares
7.	Subject to the provisions of the Act and these Articles,	Redeemable Preference

Sr. No	Particulars	
	the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	Provisions to apply on issue of Redeemable Preference Shares
10.	The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or	Reduction of capital

Sr. No	Particulars	
	(c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Debentures
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	Issue of Sweat Equity Shares
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	ESOP
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division And Cancellation
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have	Issue of Depository Receipts

Sr. No	Particulars	
	power to issue depository receipts in any foreign country.	
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities
	MODIFICATION OF CLASS RIGHTS	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	Modification of rights
19.	The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	New Issue of Shares not to affect rights attached to existing shares of that class.
20.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and	Shares at the disposal of the Directors.

Sr. No	Particulars	
	if so issued, shall be deemed to be fully paid shares.	
21.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	Power to issue shares on preferential basis.
22.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
23.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
24.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up
25.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc.to be a debt payable immediately.
26.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
27.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.

Sr. No	Particulars	
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
28.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
29.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the	Share Certificates.

Sr. No	Particulars	
	date of issue. (b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act. (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	
30.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	Issue of new certificates in place of those defaced, lost or destroyed.
31.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of	The first named joint holder deemed Sole holder.

Sr. No	Particulars	
	the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	Maximum number of joint holders.
32.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognise any interest in share other than that of registered holders.
33.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	Installment on shares to be duly paid.
UNDERWRITING AND BROKERAGE		
34.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
35.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
CALLS		
36.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.	Directors may make calls

Sr. No	Particulars	
	(2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	
37.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
38.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
39.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
40.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	Sums deemed to be calls.
43.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to	Proof on trial of suit for money due on shares.

Sr. No	Particulars	
	prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
44.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	Judgment, decree, partial payment motto proceed for forfeiture.
45.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	Payments in Anticipation of calls may carry interest

Sr. No	Particulars	
	LIEN	
46.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	Company to have Lien on shares.
47.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	As to enforcing lien by sale.
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	Application of proceeds of sale.
	FORFEITURE AND SURRENDER OF SHARES	
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the	If call or installment not paid, notice may be given.

Sr. No	Particulars	
	Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	
50.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	Terms of notice.
51.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	On default of payment, shares to be forfeited.
52.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	Notice of forfeiture to a Member
53.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be property of the Company and may be sold etc.
54.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall	Members still liable to pay money owing at time of

Sr. No	Particulars	
	forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	forfeiture and interest.
55.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture.
56.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	Evidence of Forfeiture.
57.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
58.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares.
59.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	Forfeiture may be remitted.

Sr. No	Particulars	
60.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
61.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
TRANSFER AND TRANSMISSION OF SHARES		
62.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of the instrument of shares.
63.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	Transfer Form.
64.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to	Transfer not to be registered except on production of instrument of transfer.

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	indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	
65.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	Directors may refuse to register transfer.
66.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	Notice of refusal to be given to transferor and transferee.
67.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	No fee on transfer.
68.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debentureholder or other security holders.
69.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
70.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer	Application for transfer of partly paid shares.

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	within two weeks from the receipt of the notice.	
71.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Notice to transferee.
72.	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Recognition of legal representative.
73.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However,	Titles of Shares of deceased Member

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	provisions of this Article are subject to Sections 72 of the Companies Act.	
74.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	Notice of application when to be given
75.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	Registration of persons entitled to share otherwise than by transfer. (transmission clause).
76.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register nominee.
77.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
78.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred	Company not liable for disregard of a notice prohibiting registration of transfer.

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	thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	
79.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	Form of transfer Outside India.
80.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
	NOMINATION	
81.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	Nomination
82.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (i) to be registered himself as holder of the security, as the case may be; or (ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made; (iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death	Transmission of Securities by nominee

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	certificate of the deceased security holder as the case may be; (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
	DEMATERIALIZATION OF SHARES	
83.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities
	JOINT HOLDER	
84.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
85.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	Joint and several liabilities for all payments in respect of shares.
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors.
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such	Delivery of certificate and giving of notices to first named holders.

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	document served on or sent to such person shall deemed to be service on all the holders.	
SHARE WARRANTS		
86.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	Power to issue share warrants
87.	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	Deposit of share warrants
88.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	Privileges and disabilities of the holders of share warrant
89.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	Issue of new share warrant coupons
CONVERSION OF SHARES INTO STOCK		
90.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	Conversion of shares into stock or reconversion.

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91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock.
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose. but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	Regulations.
BORROWING POWERS		
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	Power to borrow.
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that	Issue of discount etc. or with special privileges.

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	debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
96.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
97.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.
98.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
99.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
	MEETINGS OF MEMBERS	
100.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
101.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith	Extra-Ordinary General Meeting by Board and by requisition

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	proceed to convene Extra-Ordinary General Meeting of the members	
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
102.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
103.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	Chairman of General Meeting
104.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant.
105.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Chairman with consent may adjourn meeting.
106.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting,	Chairman's casting vote.

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	have casting vote in addition to the vote or votes to which he may be entitled as a Member.	
107.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
108.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business.
VOTES OF MEMBERS		
109.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	Members in arrears not to vote.
110.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
111.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
112.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	Vote of member of unsound mind and of minor
113.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such	Postal Ballot

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	authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	
114.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	E-Voting
115.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Votes of joint members.
116.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	Votes may be given by proxy or by representative
117.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
118.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.

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119.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
120.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands.
121.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Appointment of a Proxy.
122.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.
123.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member.
124.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	Time for objections to votes.
125.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of	Chairperson of the Meeting to be the judge of validity of

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	the meeting, whose decision shall be final and conclusive.	any vote.
	DIRECTORS	
126.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
127.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
128.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	Nominee Directors.
129.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the	Appointment of alternate Director.

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	term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	Additional Director
131.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	Directors power to fill casual vacancies.
132.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	Sitting Fees.
133.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses Incurred by Director on Company's business.
	PROCEEDING OF THE BOARD OF DIRECTORS	
134.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	Meetings of Directors.
135.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as	Chairperson

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	well as the Managing Director or Chief Executive Officer at the same time.	
136.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided.
137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	Continuing directors may act notwithstanding any vacancy in the Board
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee.
139.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
140.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee Meetings
141.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Meetings of the Committee
142.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding	Acts of Board or Committee shall be valid notwithstanding defect in appointment.

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	that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	
	RETIREMENT AND ROTATION OF DIRECTORS	
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	Power to fill casual vacancy
	POWERS OF THE BOARD	
144.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	To acquire any property , rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be	To take on Lease.

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	reasonably satisfy.	
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct.
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company.
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any	To accept surrender of shares.

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	part thereof, on such terms and conditions as shall be agreed upon.	
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company.
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge.
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company.
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity.
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.

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	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think	Transfer to Reserve Funds.

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	proper.	
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	To appoint and remove officers and other employees.
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	To appoint Attorneys.
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of	To enter into contracts.

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	the Company as they may consider expedient.	
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other	

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	associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and	

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	upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. (37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. (38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.	
	MANAGING AND WHOLE-TIME DIRECTORS	
146.	a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	Powers to appoint Managing/ Wholetime Directors.
147.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Wholetime Director.
148.	(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to	Powers and duties of Managing Director or Whole-time Director.

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	distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles. (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
149.	a) Subject to the provisions of the Act,— i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer

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	ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.	
	THE SEAL	
150.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	The seal, its custody and use.
151.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	Deeds how executed.
	Dividend and Reserves	
152.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it	Division of profits.

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	shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
153.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
154.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Transfer to reserves
155.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend.
156.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted.
157.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
158.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles .
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or	No Member to receive dividend whilst indebted to

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	shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	the company and the Company's right of reimbursement thereof.
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
163.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Dividends how remitted.
164.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	Notice of dividend.
165.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
CAPITALIZATION		
166.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company	Capitalization.

Sr. No	Particulars	
	to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	
167.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares. (3) Any agreement made under such authority shall be effective and binding on all such members. (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	Fractional Certificates.
168.	(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may	Inspection of Minutes Books of General Meetings.

Sr. No	Particulars	
	consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges. (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.	
169.	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.	Inspection of Accounts
	FOREIGN REGISTER	
170.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
	DOCUMENTS AND SERVICE OF NOTICES	
171.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given.
172.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	Authentication of documents and proceedings.
	WINDING UP	
173.	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set	

Sr. No	Particulars	
	such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
	INDEMNITY	
174.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	Directors' and others right to indemnity.
175.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	Not responsible for acts of others

Sr. No	Particulars	
	SECRECY	
176.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	Access to property information etc.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Survey No. 800, Opp. Lakhdhirpur Village, Lakhdhirpur Road, N. H. 8A, Tal. Morbi, Lakhdhirpur, Rajkot – 363642, Gujarat, India from date of filing this Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated May 22, 2017 between our Company and the BRLM.
2. Registrar Agreement dated May 22, 2017 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated May 22, 2017 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated May 22, 2017 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated May 22, 2017 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated June 02, 2017
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 26, 2017
8. Syndicate Agreement dated May 22, 2017 between our Company, the BRLM and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated May 04, 2017 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Extra-ordinary General meeting dated May 05, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated June 07, 2017 issued by our Peer Reviewed Auditor, Khandelwal Prakash Murari Bhandari & Co., Chartered Accountants.
5. Report of the Peer Reviewed Auditor, Khandelwal Prakash Murari Bhandari & Co., Chartered Accountants, dated June 07, 2017 on the Restated Financial Statements for the financial years ended as on March 31, 2017, 2016, 2015, 2014 & 2013 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker to the Offer and Syndicate Member to the Issue to act in their respective



capacities.

7. Copy of approval from National Stock Exchange of India vide letter dated July 17, 2017, to use its name in this Issue document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India.

None of the contracts or documents mentioned in this Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
Babulal Detroja Chairman and Whole Time Director	Sd/-
Nilesh Detroja Whole Time Director	Sd/-
Hitesh Detroja Whole Time Director	Sd/-
Parulben Detroja Whole Time Director	Sd/-
Anilkumar Detroja Managing Director	Sd/-
Jitendra Gadara Additional Director	Sd/-
Yagneshkumar Adroja Additional Director	Sd/-
Girish Vadaviya Additional Director	Sd/-

Signed by Chief Financial Officer and Company Secretary & Compliance officer of the Company.

Sd/-

Dilipbhai Fultariya
Chief Financial Officer

Sd/-

Payal Jain
Company Secretary and
Compliance Officer

Place: Morbi

Date: August 14, 2017

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Oceanic Foods Limited	6.50	65	March 31, 2017	65.00	50.77% (1.02%)	64.62% (4.10%)	Not Applicable
2.	Euro India Fresh Foods Limited	51.26	78	March 31, 2017	82.40	15.19% (1.53%)	34.49% (3.46%)	Not Applicable
3.	Bohra Industries Limited	25.15	55	April 05, 2017	56.20	-0.82% (1.02%)	-6.36% (3.78%)	Not Applicable
4.	Creative Peripherals and Distribution Limited	13.50	75	April 12, 2017	83.25	72.67% (2.62%)	78.13% (6.42%)	Not Applicable
5.	Panache Digilife Limited	14.58	81	April 25, 2017	84.00	14.20% (0.58%)	26.79% (7.09%)	Not Applicable
6.	Zota Health Care Limited	58.50	125	May 10, 2017	140.40	6.64% (2.25%)	5.84% (6.91%)	Not Applicable
7.	Gautam Exim Limited	3.32	40	July 11, 2017	40.00	5.00% (-0.68%)	Not Applicable	Not Applicable
8.	Bansal Multiflex Limited	6.2	31	July 12, 2017	34.00	50.00% (0.04%)	Not Applicable	Not Applicable
9.	Shrenik Limited	21.6	40	July 18, 2017	41.90	Not Applicable	Not Applicable	Not Applicable
10.	Jigar Cables Limited	5.59	30	July 28, 2017	33.15	Not Applicable	Not Applicable	Not Applicable

Note: - Vaishali Pharma Limited is in the process of Listing.

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 th Calendar day from listing date			Nos of IPOs trading at premium on 30 th Calendar day from listing date			Nos of IPOs trading at discount on 180 th Calendar day from listing date			Nos of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	****9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	*****24##\$	204.56	-	-	5	6	3	9	-	1	5	8	1	5
17-18	*****8\$\$	148.43	-	-	1	1	-	3	-	-	-	-	-	-

***The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

****The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

##The Scripts of Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited have not completed 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

*****The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited and Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited and Jigar Cables Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017, July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017 respectively.

\$\$ The scripts of Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited and Jigar Cables Limited have not completed, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days and 30 Days respectively from the date of listing.