

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 21, 137 and 193 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹10/- each and the Issue Price is 19.3 times of the face value at the lower end of the Price Band and 20.3 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

1. *Integrated and Scalable Manufacturing Capabilities*
2. *Experienced Promoter and Management team*
3. *In house design development with focus towards quality and innovation.*
4. *Diversified product portfolio*
5. *Extensive Distribution Network and Multi-Channel Presence*
6. *Track record of healthy financial performance*

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 137 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 193 of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. **Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements: -

Sr. No	F.Y./Period	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2026 (Consolidated)	17.84	3
2.	Financial Year ending March 31, 2025 (Consolidated)	13.70	2
3.	Financial Year ending March 31, 2024	9.20	1
	Weighted Average	15.02	

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.*
- The face value of each Equity Share is ₹10.00.*
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.*
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period*
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.*

2. **Price Earning (P/E) Ratio in relation to the Price Band of ₹193 to ₹203 per Equity Share of Face Value of ₹10/- each fully paid up**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for the period ending March 31, 2026	10.82	11.38
P/E ratio based on the Weighted Average EPS, as restated.	12.85	13.52

There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company.

Note:

- i) The P/E ratio has been computed by dividing Market Price with EPS.

3. Return on Net worth (RoNW)

Sr. No	Period	RoNW (%)	Weights
1	Financial Year ending March 31, 2026 (Consolidated)	16.27%	3
2	Financial Year ending March 31, 2025 (Consolidated)	14.93%	2
3	Financial Year ending March 31, 2024	11.54%	1
	Weighted Average	15.04%	

*not annualized

Note:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period.
iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share	Outstanding at the end of the year (Amt. in Rs.)
1	As at March 31, 2024	79.73
2	As at March 31, 2025 (Consolidated)	91.81
3	As at March 31, 2026 (Consolidated)	109.64
4	NAV per Equity Share after the Issue	
	(i) At Floor Price	131.62
	(ii) At Cap Price	134.26
5	Issue Price	[●]

*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year/period.

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
ii. NAV per share = Restated Net worth at the end of the year/period divided by weighted average number of equity shares outstanding at the end of the year/period
iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers:

There are no listed companies in India that are engaged in the business line similar to that of our company, thus it is not possible to provide an industry comparison in relation to our company.

(Rs. In Lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RoNW (%)	Book Value (₹)	Revenue from Operations
			Basic	Diluted				
Clay Craft India Limited	[●]	10	17.84	17.84	[●]	16.27%	109.64	17,988.67

Notes:

- (i) The EPS, NAV, RoNW and total Income of our Company are taken as per Consolidated Restated Financial Statement for the Year March 31, 2026.
(ii) NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2026.
(iii) RoNW has been computed as net profit after tax divided by closing net worth.
(iv) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
(v) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 05, 2026 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years' period prior to the date of filing of the Red Herring Prospectus. Further, the KPIs herein have been certified by Kuldeep Kumar Gupta & Co., Chartered Accountants, by their certificate dated June 05, 2026.

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 137 and 259, respectively. We have described and defined the KPIs as applicable in **“Definitions and Abbreviations”** on page 1 of the Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2025-26 (Consolidated)	FY 2024-25 (Consolidated)	FY 2023-24 (Standalone)
Revenue from operations ⁽¹⁾	17988.67	15194.22	14542.55
EBITDA ⁽²⁾	4195.94	3539.06	2864.95
EBITDA Margin ⁽³⁾	23.33 %	23.29 %	19.70 %
PAT ⁽⁴⁾	2701.49	2075.74	1350.20
PAT Margin ⁽⁵⁾	15.02 %	13.66 %	9.28 %
RoE(% ⁽⁶⁾)	17.71 %	16.21 %	12.24 %
RoCE (% ⁽⁷⁾)	18.26 %	16.69 %	14.42 %

Notes:

(1) Revenue from operation means revenue from sales and other operating revenues

(2) EBITDA is calculated as Profit after tax (incl. Share of Profit/(Loss) in Associate) + Tax + Depreciation + Interest Expenses - Other Income

(3) ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

(4) PAT is calculated as Profit after tax (incl. Share of Profit/(Loss) in Associate)

(5) ‘PAT Margin’ is calculated as PAT for the year divided by revenue from operations.

(6) Return on Equity is ratio of Profit after Tax (incl. Share of Profit/(Loss) in Associate) and Average Shareholder Equity

(7) Return on Capital Employed is calculated as EBIT (incl. Share of Profit/(Loss) in Associate) divided by capital employed, which is which is defined as shareholders’ equity plus total borrowings {current & non-current} plus deferred tax liabilities less Deferred Tax assets

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with our Company.

8. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new Issue of shares (equity/ convertible securities)

Except as disclosed below, there has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on June 26, 2025 during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of equity Shares allotted	Face value per Equity share (₹)	Issue price per Equity share (₹)	Adjusted Price Per equity share (Post Bonus)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
June 06, 2025	180666	100/-	100/-	3.33	Allotment pursuant to scheme of amalgamation approved by NCLT	Cash	180.67

b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there is eligible transaction reported under (a) above, the price per equity share of our Company based on last five primary and secondary transactions (secondary transactions where promoters, promoter group or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, has not been computed.

Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [193])	Cap price* (i.e. ₹ [203])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	3.33	57.96	60.96
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^	NA^	NA^
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	NA	NA	NA

Note:

^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) covered under para 8 (b) above in last 18 months from the date of the Red Herring Prospectus.

* To be updated at Prospectus stage.

Detailed explanation for Issue Price/ Cap Price being 60.96 times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2026, 2025 and 2024:

- The Company's operational and financial performance is reflected in the growth in revenue from operations from ₹14,542.55 lakhs in Fiscal 2024 to ₹17988.67 Lakhs in Fiscal 2026, along with improvement in EBITDA from ₹2,864.95 Lakhs in Fiscal 2024 to ₹4195.94 Lakhs in Fiscal 2026. Further, EBITDA margin improved from 19.70% in Fiscal 2024 to 23.33% in Fiscal 2026, demonstrating enhanced operational efficiencies and scalability of the business.
- The Company reported PAT of ₹2701.49 Lakhs in Fiscal 2026 and achieved RoE and RoCE of 17.71% and 18.26%, respectively, in Fiscal 2026, reflecting efficient capital utilisation and sustained business growth. The Company's financial performance for the year ended March 31, 2026 further indicates continued growth momentum.
- The Company also benefits from the extensive experience and established track record of its Promoters and management team, who have over decades of experience in the industry. The Promoters' longstanding industry expertise, execution capabilities, customer relationships and strategic guidance have contributed significantly to the Company's growth, operational stability and market positioning.

Explanation for the Issue Price/Cap Price, being 60.96 times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Issue.

1. The Issue Price/Cap Price has been determined after considering the Company's established market position in the ceramic tableware industry, its diversified product portfolio and long-standing relationships with institutional and hospitality customers. The Indian ceramics and tableware industry is witnessing increasing demand from hospitality, exports and organized retail segments, supported by rising disposable income and urbanization trends. Further, the industry is benefiting from a shift towards branded and quality-certified ceramic products, which has strengthened the growth prospects of organized players such as the Company.
2. *"The Indian ceramic tableware market has shown a consistent upward growth trend from INR 35.6 billion in CY 2019 to a projected INR 58.5 billion in CY 2025 at a CAGR of 8.6%. This steady expansion underscores the growing importance of ceramic tableware within the overall ceramic industry, as well as shifting consumer preferences driven by both functional and lifestyle factors."* (Source – **Ceramic Tableware Report**). Further, recognizing the increasing market opportunities both domestically and internationally, we have in the past invested and will continue to invest in capacity expansion to scale production volumes. This will allow us to respond quickly and effectively to rising market demand and continue growing our business.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Jaipur edition of Regional newspaper Nafa Nuksan where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with **"Our Business"**, **"Risk Factors"** and **"Restated Financial Statements"** on pages 137, 21 and 193, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in **"Risk Factors"** or any other factors that may arise in the future and you may lose all or part of your investments.