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LOHIA CORP LIMITED
CORPORATE IDENTITY NUMBER: U29263UP1981PLC005446

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
D-3/A, Panki Industrial Estate, Kanpur 208 022 Uttar Pradesh, India	Lohia Industrial Complex, Chaubepur, Kanpur 209 203, Uttar Pradesh, India	Shikha Srivastava <i>Company Secretary and Compliance Officer</i>	E-mail: cs@lohiagroup.com Telephone: +91 512-259 3115	https://www.lohiagroup.com/lohia-corp

OUR PROMOTERS: RAJ KUMAR LOHIA, NEELA LOHIA, GAURAV LOHIA, AMIT KUMAR LOHIA AND RITU LOHIA

DETAILS OF THE OFFER			
TYPE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Offer for Sale	Up to 31,695,000 Equity Shares	Up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details of share reservation among QIBs, NIIs and RIBs, see “Offer Structure” on page 431.

OFFER FOR SALE

DETAILS OF OFFER FOR SALE BY OUR PROMOTERS AND OTHER SELLING SHAREHOLDERS AND THEIR RESPECTIVE WEIGHTED
AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME	TYPE	NUMBER OF EQUITY SHARES OFFERED (UP TO)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE ⁽¹⁾	NAME	TYPE	NUMBER OF EQUITY SHARES OFFERED (UP TO)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE ⁽¹⁾
Raj Kumar Lohia	Promoter Selling Shareholder	5,125,000	₹ 0.07	Shradha Lohia	Other Selling Shareholder	3,116,000	₹ 0.08
Neela Lohia	Promoter Selling Shareholder	410,000	₹ 0.02	Gopal Chandra Lohia	Other Selling Shareholder	320,000	₹ 0.09
Gaurav Lohia	Promoter Selling Shareholder	2,000,000	₹ 0.15	Jitendra Kumar Lohia	Other Selling Shareholder	2,925,000	₹ 0.09
Amit Kumar Lohia	Promoter Selling Shareholder	4,247,000	₹ 0.10	Alok Kumar Lohia	Other Selling Shareholder	2,619,000	₹ 0.10
Ritu Lohia	Promoter Selling Shareholder	1,537,000	₹ 0.09	Anurag Lohia	Other Selling Shareholder	3,741,000	₹ 0.15
Ajay Lohia	Other Selling Shareholder	2,700,000	₹ 0.15	Anuja Lohia	Other Selling Shareholder	2,955,000	₹ 0.13

⁽¹⁾ As certified by Anil Pariek & Garg, Chartered Accountants, by way of their certificate dated September 29, 2022.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1 each. The Offer Price or Price Band determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with SEBI ICDR Regulations, and as stated in “Basis for Offer Price” on page 119) should not be considered to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor 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 Offer 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 this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares 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 contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 39.





ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring 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 Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by such Selling Shareholders in this Draft Red Herring Prospectus solely pertaining to them and their portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or its business or any other Selling Shareholders.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 469.

BOOK RUNNING LEAD MANAGERS

Name of Book Running Lead Manager and logo	Contact Person	Telephone and E-mail
 ICICI Securities Limited	Rupesh Khant/Sumit Singh	Tel.: +91 22 6807 7100 E-mail: lohia.ipo@icicisecurities.com
 HSBC Securities and Capital Markets (India) Private Limited	Rishi Tiwari/Vipin Jha	Tel.: +91 22 2268 1289 E-mail: lohiaipo@hsbc.co.in
 IIFL Securities Limited	Pinkesh Soni/ Dhruv Bhagwat	Tel.: +91 22 4646 728 E-mail: lohia.ipo@iiflcap.com
 Motilal Oswal Investment Advisors Limited	Ritu Sharma/Kirti Kanoria	Tel.: +91 22 7193 4380 E-mail: lohia.ipo@motilaloswal.com

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Telephone and E-mail
Link Intime India Private Limited	Shanti Gopalkrishnan	Tel.: +91 22 4918 6200 E-mail: lohia.ipo@linkintime.co.in

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	[●]*	BID/OFFER OPENS ON	[●]	BID/OFFER CLOSES ON	[●]**
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* Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Dates shall be one Working Day prior to the Bid/Offer Opening Date.

**Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.



LOHIA CORP LIMITED

Our Company was incorporated as ‘Lohia Starlinger Private Limited’ in Kanpur as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 5, 1981 issued by the Registrar of Companies, Uttar Pradesh at Kanpur (“**RoC**”). Our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on December 19, 1987. Consequently, the name of our Company was changed to ‘Lohia Starlinger Limited’, and a fresh certificate of incorporation dated December 31, 1987*, was issued to our Company by the RoC. Thereafter, consequent to the settlement of a dispute with the erstwhile collaborator ‘Starlinger & Co. Ges. m.b.H., Austria’, and pursuant to a special resolution passed by our Shareholders on March 2, 2013, the name of our Company was changed to ‘Lohia Corp Limited’ to ensure that the word ‘Starlinger’ ceased to be a part of its name. Consequently, a fresh certificate of incorporation, dated March 7, 2013, was issued to our Company by the RoC. For further details of the change in the name and the registered office address of our Company, see “*History and Certain Corporate Matters*” on page 210.

* The challan for Form 23 filed in relation to the conversion of our Company from private to public cannot be traced in the records of our Company. For details, see “History and Certain Corporate Matters – Brief history of our Company” on page 210.

Corporate Identity Number: U29263UP1981PLC005446; **Registered Office:** D-3/A, Panki Industrial Estate, Kanpur 208 022, Uttar Pradesh, India;

Corporate Office: Lohia Industrial Complex, Chaubepur, Kanpur 209 203, Uttar Pradesh, India

Tel: +91 512-2593115; **Contact Person:** Shikha Srivastava, Company Secretary and Compliance Officer; **Website:** www.lohiagroup.com/lohia-corp; **E-mail:** cs@lohiagroup.com

OUR PROMOTERS: RAJ KUMAR LOHIA, NEELA LOHIA, GAURAV LOHIA, AMIT KUMAR LOHIA AND RITU LOHIA

INITIAL PUBLIC OFFERING OF UP TO 31,695,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (“EQUITY SHARES”) OF LOHIA CORP LIMITED (OUR “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE “OFFER PRICE”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER”). THE OFFER COMPRISES OF AN OFFER FOR SALE OF UP TO 31,695,000 EQUITY SHARES (THE “OFFERED SHARES”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER FOR SALE” OR THE “OFFER”), COMPRISING OF UP TO 5,125,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RAJ KUMAR LOHIA, UP TO 410,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NEELA LOHIA, UP TO 2,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GAURAV LOHIA, UP TO 4,247,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY AMIT KUMAR LOHIA, UP TO 1,537,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RITU LOHIA (COLLECTIVELY, THE “PROMOTER SELLING SHAREHOLDERS”) AND UP TO 2,700,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY AJAY LOHIA, UP TO 3,116,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SHRADHA LOHIA, UP TO 320,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GOPAL CHANDRA LOHIA, UP TO 2,925,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY JITENDRA KUMAR LOHIA, UP TO 2,619,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ALOK KUMAR LOHIA, UP TO 3,741,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ANURAG LOHIA AND UP TO 2,955,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ANUJA LOHIA (COLLECTIVELY, THE “OTHER SELLING SHAREHOLDERS”, THE PROMOTER SELLING SHAREHOLDERS AND THE OTHER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE “SELLING SHAREHOLDERS”). THE OFFER WILL CONSTITUTE [●] %, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (“EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. OUR COMPANY AND THE SELLING SHAREHOLDERS MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFER A DISCOUNT UP TO ₹ [●] OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”). THE OFFER AND THE NET OFFER SHALL CONSTITUTE AT LEAST [●]% AND [●]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 1 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, THE EMPLOYEE DISCOUNT, IF ANY, AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●] AND A HINDI NATIONAL DAILY (HINDI ALSO BEING THE REGIONAL LANGUAGE OF UTTAR PRADESH, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”, WITH BSE AS THE “STOCK EXCHANGES”) FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended by at least three additional Working Days after such revision in the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company and the Selling Shareholders may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“**QIBs**” or the “**QIB Portion**”), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (“**Anchor Investor Portion**”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (“**Anchor Investor Allocation Price**”). Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors (“**Non-Institutional Portion**”) of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with a Bid size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors (“**Retail Portion**”), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allotted on a proportionate basis to Eligible Employees Bidding under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount (“**ASBA**”) process, and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”) or the Sponsor Bank under the UPI Mechanism (defined hereinafter), as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “*Offer Procedure*” beginning on page 435.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offering of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1 each. The Offer Price or Price Band as determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with SEBI ICDR Regulations, and as stated in “*Basis for Offer Price*” on page 119 should not be considered to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor 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 Offer 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 this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares 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 contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” beginning on page 39.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring 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 Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by such Selling Shareholders in this Draft Red Herring Prospectus solely pertaining to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or its business or any other Selling Shareholders.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see “*Material Contracts and Documents for Inspection*” on page 469.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

ICICI SECURITIES LIMITED ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel.: +91 22 6807 7100 E-mail: lohia.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Rupesh Khant/ Sumit Singh SEBI Registration No.: INM000011179	IIFL SECURITIES LIMITED 10 th Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel-West Mumbai – 400013, Maharashtra, India Tel: +91 22 4646 4728 E-mail: lohia.ipo@iiflcap.com Investor Grievance E-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pinkesh Soni/ Dhruv Bhagwat SEBI Registration No.: INM000010940	HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001, Maharashtra, India Tel: +91 22 2268 1289 E-mail: lohiaipo@hsbc.co.in Investor Grievance E-mail: investorgrievance@hsbc.co.in Website: www.business.hsbc.co.in/engb/in/g eneric/ipo-open-offer-and-buyback Contact Person: Rishi Tiwari/ Vipin Jha SEBI Registration No.: INM000010353	MOTILAL OSWAL INVESTMENT ADVISORS LIMITED Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: +91 22 7193 4380 E-mail: lohia.ipo@motilaloswal.com Investor Grievance E-mail: moiaplnredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact person: Ritu Sharma/ Kirti Kanoria SEBI Registration No.: INM000011005	LINK INTIME INDIA PRIVATE LIMITED C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083, Maharashtra, India Tel: + 91 22 4918 6200 E-mail: lohia.ipo@linkintime.co.in Investor Grievance E-mail: lohia.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/ OFFER OPENS ON: * [●]

BID/ OFFER CLOSES ON: ** [●]

* Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.

**Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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TABLE OF CONTENTS

SECTION I – GENERAL	5
DEFINITIONS AND ABBREVIATIONS	5
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION	19
FORWARD-LOOKING STATEMENTS.....	26
SUMMARY OF THE OFFER DOCUMENT	28
SECTION II – RISK FACTORS	39
SECTION III – INTRODUCTION.....	78
THE OFFER.....	78
SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION	80
GENERAL INFORMATION	85
CAPITAL STRUCTURE.....	95
OBJECTS OF THE OFFER.....	117
BASIS FOR OFFER PRICE	119
STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS	122
SECTION IV – ABOUT OUR COMPANY	131
INDUSTRY OVERVIEW	131
OUR BUSINESS	177
KEY REGULATIONS AND POLICIES.....	203
HISTORY AND CERTAIN CORPORATE MATTERS	210
OUR MANAGEMENT.....	235
OUR PROMOTER AND PROMOTER GROUP	260
OUR GROUP COMPANIES	266
DIVIDEND POLICY	270
SECTION V – FINANCIAL INFORMATION	271
RESTATED CONSOLIDATED FINANCIAL INFORMATION.....	271
OTHER FINANCIAL INFORMATION	359
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	361
CAPITALISATION STATEMENT	394
FINANCIAL INDEBTEDNESS.....	395
SECTION VI – LEGAL AND OTHER INFORMATION	398
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	398
GOVERNMENT AND OTHER APPROVALS.....	407
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	410
SECTION VII – OFFER INFORMATION	425
TERMS OF THE OFFER	425
OFFER STRUCTURE	431
OFFER PROCEDURE.....	435
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	456
SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	457
SECTION IX – OTHER INFORMATION.....	469
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	469
DECLARATION	472

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policies, circulars, notifications, directions or clarifications shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms in the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, the terms used in “Industry Overview”, “Statement of Possible Special Tax Benefits”, “Restated Consolidated Financial Information”, “Basis for Offer Price”, “Key Regulations and Policies”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provision of the Articles of Association” on pages 131, 122, 271, 119, 203, 398, 435 and 457 respectively, shall have the meaning ascribed to such terms in the relevant sections.

General Terms

Term	Description
“the Company”, “our Company”, or “the Issuer”	Lohia Corp Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at D-3/A, Panki Industrial Estate, Kanpur 208 022 Uttar Pradesh, India and corporate office at Lohia Industrial Complex, Chaubepur, Kanpur 209 203, Uttar Pradesh, India.
“we”, “our” or “us”	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries and Joint Venture as applicable, as at and during the relevant period / Fiscal/ Financial Year.

Company and Selling Shareholders Related Terms

Term	Description
ACPL	Anjali Capfin Private Limited.
AHPL	Anshita Holdings Private Limited.
AVPL	Anther Vinimay Private Limited.
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, as described in “Our Management” on page 245.
“Auditors” or “Joint Statutory Auditors”	The joint statutory auditors of our Company, namely, Walker Chandiok & Co LLP, Chartered Accounts and V. Awasthi & Arvind Shrish, Chartered Accountants.
“Board” or “Board of Directors”	The board of directors of our Company, as constitute from time to time.
CSA	Carmenta Sociedad Anonima, Paraguay.
Chairman	Chairman of our Company, as described in “Our Management” on page 235.
Chartered Engineer	M/s Srajan Consultants, acting as independent chartered engineers to the Company.
Chief Financial Officer/CFO	Krishan Gopal Gupta, the chief financial officer of our Company, as described in “Our Management” on page 257.
Company Secretary and Compliance Officer	Shikha Srivastava, the company secretary and compliance officer of our Company, as described in “Our Management” on page 258.
“Corporate Social Responsibility Committee” or “CSR Committee”	The corporate social responsibility committee of our Board, as described in “Our Management” on page 250.
Corporate Office	The corporate office of our Company, located at Lohia Industrial Complex, Chaubepur, Kanpur 209 203, Uttar Pradesh, India.

Term	Description
Director(s)	The director(s) on our Board, as appointed from time to time.
“Einbecker” or “EK”	Einbecker Kennzeichnungssysteme GmbH, Germany.
Equity Shares	The equity shares of our Company of face value of ₹ 1 each.
ESOP Scheme	The employee stock option scheme of our Company titled “LCL Employee Stock Option Scheme 2022”.
Executive Director(s)	Executive director(s) on our Board.
F&S or Frost & Sullivan	Frost & Sullivan (India) Private Limited
F&S Report	Industry report prepared by F&S titled “Assessment of Machines Market for Technical Textile with Focus on Plastic Woven Fabric/Sacks” dated September 26, 2022, exclusively prepared and issued by F&S for the purpose of the Offer and commissioned and paid for by our Company. F&S was appointed on April 23, 2022 pursuant to an engagement letter entered into with our Company. The F&S Report is available on the website of our Company at https://www.lohiagroup.com/INVESTOR-RELATIONS , in accordance with applicable law.
Group Companies	The company(ies) identified as ‘group companies’ of our Company in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations, as disclosed in “Our Group Companies” on page 266.
HSBC	HSBC Securities and Capital Markets (India) Private Limited
Independent Director(s)	Independent director(s) on our Board.
IPL	Injectoplast Private Limited.
IIFL	IIFL Securities Limited
“Initial Public Offer Committee” or “IPO Committee”	The committee constituted by our Board for the Offer, as described in “Our Management” on page 252.
I-Sec	ICICI Securities Limited
IYTIPL	Industrial Yarns & Threads (India) Private Limited.
Joint Venture	The joint-venture of our Company, namely, Einbecker Kennzeichnungssysteme GmbH.
Key Managerial Personnel/KMP(s)	Key management/ managerial personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in “Our Management – Key Managerial Personnel” on page 257.
LASPL	Lohia Aerospace Systems Private Limited.
LDB	LDB Importacao E Exportacao LTDA.
LEDSP	Lohia Engineering and Design Services Private Limited.
LGHPL	Lohia Group Housing Private Limited.
L&S or LLSL	L&S Light and Strong Limited, Israel.
LMML	Lohia Machinery Manufacturers Limited.
LMPL	Lohia Mechatronik Private Limited.
L R Moulds	LR Moulds Private Limited.
LMML Merger	Merger of Lohia Machinery Manufacturers Limited and our Company under the Scheme of Amalgamation of Lohia Machinery Manufacturers Limited with Company with its appointed date as March 1, 1993.
Managing Director	Raj Kumar Lohia, the Managing Director of our Company, as described in “Our Management” on page 236.
Materiality Policy	The materiality policy of our Company adopted pursuant to a resolution of our Board dated August 27, 2022 for the identification of (a) material outstanding litigation proceedings involving our Company, its Subsidiaries, Group Companies, Promoters and Directors (excluding criminal proceedings, statutory/regulatory actions and taxation matters); (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus.
Mecroplast	Mecroplast S.A.
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended from time to time.
MoFS	The Memorandum of Family Settlement dated September 21, 2022 entered into between our Promoters, namely Raj Kumar Lohia, Neela Lohia, Gaurav Lohia, Amit Kumar Lohia and Ritu Lohia, and other descendants of Lala Shrinivas Lohia. Lala Shrinivas Lohia was the (a) grandfather of our Promoters, Raj Kumar Lohia, Amit Kumar Lohia; (b) grandfather-in-law of our Promoters, Neela Lohia and Ritu Lohia; and (c) great grandfather of Gaurav Lohia.
MOIAL	Motilal Oswal Investment Advisors Limited

Term	Description
Nomination, Remuneration and Compensation Committee	The Nomination, Remuneration and Compensation Committee of our Board, as described in “ <i>Our Management</i> ” on page 247.
Non-Executive Director(s)	Non-executive director(s) of our Company, as described in “ <i>Our Management</i> ” on page 236.
Other Selling Shareholders	Collectively, Ajay Lohia, Shradha Lohia, Gopal Chandra Lohia, Jitendra Kumar Lohia, Alok Kumar Lohia, Anurag Lohia and Anuja Lohia.
Promoters	The promoters of our Company, namely, Raj Kumar Lohia, Neela Lohia, Gaurav Lohia, Amit Kumar Lohia and Ritu Lohia.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 260.
Promoter Selling Shareholders	Collectively, Raj Kumar Lohia, Neela Lohia, Gaurav Lohia, Amit Kumar Lohia and Ritu Lohia.
RFPL	Rachit Finsec Private Limited.
Registered Office	The registered office of our Company is located at D-3/A, Panki Industrial Estate, Kanpur 208 022 Uttar Pradesh, India.
“Registrar of Companies” or “RoC”	The Registrar of Companies, Uttar Pradesh, located at Kanpur.
“Restated Financial Statements” or “Restated Consolidated Financial Information”	The restated consolidated financial information of our Company, along with our Subsidiaries and Joint Venture, comprising of the restated consolidated summary statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated summary statements of profits and losses (including other comprehensive income), and the consolidated statement of cash flow and consolidated statement of change in equity for financial years ended March 31, 2022, and March 31, 2021 and the period ended March 31, 2020 and together with its notes, annexures and schedules as derived from our audited consolidated financial information as at and for financial years ended March 31, 2022, March 31, 2021 and the period ended March 31, 2020 and prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act 2013, as amended, the SEBI ICDR Regulations, as amended and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended.
Risk Management Committee	The risk management committee of our Company, described in “ <i>Our Management</i> ” on page 251.
SCPL	Sarjna Capfin Private Limited.
SBI or SBI Mech	SBI Mechatronik GmbH, Austria.
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Other Selling Shareholders.
Shareholders	The holders of the equity shares of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
Shipra Finsec	Shipra Finsec Private Limited.
Shruti Finsec	Shruti Finsec Private Limited.
SIPL	Sundarlam Industries Private Limited.
SREPL	Saumya Real Estates Private Limited.
Sundarlam	M/s Sundarlam Industries.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board as described in “ <i>Our Management</i> ” on page 249.
Subsidiaries	<p>The subsidiaries of our Company as set forth below:</p> <p><u>Subsidiaries incorporated in India:</u></p> <ol style="list-style-type: none"> 1. Lohia Filament Machines Limited 2. Lohia Sales & Services Limited (under voluntary liquidation) 3. Lohia Group Electricity Consumers Association 4. BNPR-B Realities Private Limited (formerly Indo Kenshu Services Private Limited) 5. KPR-A Realities Limited (formerly Lohia Packaging Machines Limited) 6. Sarjna Capfin Private Limited 7. Nupur Real Estates Private Limited 8. Lohia Global Solutions Private Limited 9. Lohia Injectoplast Private Limited 10. Focal Infra Developers Private Limited (formerly known as Lohia Infra Developers Private Limited)

Term	Description
	11. BNPR-A Realities Private Limited (formerly Aditya Punj Traders Private Limited) 12. LCL Aviation Private Limited 13. Nalini Buildcon Private Limited 14. Sundarlam Industries Private Limited 15. KPR-C Realities Private Limited (formerly Project Zero Private Limited) <u>Subsidiaries incorporated outside India:</u> 16. Leesona Corporation 17. Galuner S.A., Uruguay 18. Lohia Global Solutions FZE 19. Ldb Importacao E Exportacao LTDA 20. Lohia Global Solutions S.A. 21. Esteler S.A, Paraguay (formerly Tejidos Plasticos S.A.)
TTRC	Technical Training and Research Centre.
UTNIPL	United Trade.Net (India) Private Limited.
VEIPL	Vivsun Engineering Industries Private Limited.
Whole-time Director(s)	Ujjal De, Paritosh Kumar Mukherjee and Rajendra Kumar Arya, the Whole-time director(s) of our Company, as described in “Our Management” on page 235.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form.
‘Allot’ or ‘Allotment’ or ‘Allotted’	Transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Advice or intimation of Allotment sent to the Bidders who have bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	<p>The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price.</p> <p>The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs.</p>
Anchor Investor Portion	<p>Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.</p> <p>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 Anchor Investor Allocation Price.</p>
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
‘ASBA’ or ‘Application Supported by Blocked Amount’	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by UPI

Term	Description
	Bidders using the UPI Mechanism.
ASBA Account	Account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form and includes the account of the RII Bidder blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any Bidder (other than an Anchor Investor) in the Offer who intends to submit a Bid.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in “Offer Procedure” on page 435.
Bid(s)	An indication by a Bidder (other than an Anchor Investor) to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form (less employee discount as applicable) and, in the case of RIBs Bidding at the 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 Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. Eligible Employees applying in the Employee Reservation Portion can also Bid at the Cut-off Price and the Bid amount shall be Cap Price (net of employee discount, if any), multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of employee discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of employee discount, if any) in value. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees in the Employee Reservation Portion who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any) in value.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
‘Bidder’ or ‘Applicant’	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, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of the English national daily newspaper [●], and all editions of [●] (a widely circulated Hindi national daily newspaper) (Hindi also being the regional language of Uttar Pradesh, where our Registered Office is located) 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 Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date

Term	Description
	in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national daily newspaper [●], and all editions of [●] (a widely circulated Hindi national daily newspaper) (Hindi also being the regional language of Uttar Pradesh, where our Registered Office is located), 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 Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI(ICDR) Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three working days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for the QIB Category, one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only.</p>
Book Building Process	The book building process provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
‘Book Running Lead Managers’ or ‘BRLMs’	The book running lead managers to the Offer, being ICICI Securities Limited, HSBC Securities and Capital Markets (India) Private Limited, IIFL Securities Limited and Motilal Oswal Investment Advisors Limited.
Broker Centres	<p>Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker.</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.</p>
‘CAN’ or ‘Confirmation of Allocation Note’	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Cash Escrow and Sponsor Bank Agreement	The agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank, and the Refund Bank(s) for among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
‘CDP’ or ‘Collecting Depository Participant’	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.
Compliance Officer for the Offer	Compliance officer for the Offer in terms of the SEBI ICDR Regulations.
Cut-Off Price	<p>The Offer Price, which shall be any price within the Price Band, finalised by our Company and the Selling Shareholders in consultation with the BRLMs.</p> <p>Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.</p>
Demographic Details	Details of the Bidders including the Bidders’ address, name of the Bidders’ father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at

Term	Description
	such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfers funds from the Escrow Account, and funds blocked by the SCSBs and Sponsor Bank are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Red Herring Prospectus following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 29, 2022 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, including any addenda or corrigenda thereto.
Eligible Employee	All or any of the following: (a) a permanent employee of our Company or any of the Subsidiaries working in India or outside India, as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or any Subsidiaries, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of employee discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of employee, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any).
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares.
Employee Discount	Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹ [●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5%

Term	Description
	of the post-Offer Equity Share capital of the Company.
Escrow Collection Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Escrow Account(s) will be opened, in this case being [●].
First or sole Bidder	The 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 Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
General Information Document or GID	<p>The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI.</p> <p>The General Information Document shall be made available on the websites of the Stock Exchanges and the BRLMs.</p>
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
Mutual Fund Portion	[●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Offer	The Offer less the Employee Reservation Portion.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount more than ₹ 200,000.
Non-Institutional Portion	<p>The portion of this Offer being not less than 15% of the Offer, being [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, subject to the following and in accordance with the SEBI ICDR Regulations:</p> <p>(i) one-third of the Non-Institutional Portion shall be reserved for Bidders with a Bid size of more than ₹ 0.2 million and up to ₹ 1.0 million; and</p> <p>(ii) two-third of the Non-Institutional Portion shall be reserved for Bidders with Bid size of more than ₹ 1.0 million.</p> <p>Provided that the unsubscribed portion in either of the sub-categories specified in (i) and (ii) above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.</p>
‘Non-Resident’ or ‘NR’	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
Offer / Offer for Sale	The offer for sale of up to 31,695,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.
Offer Agreement	The agreement dated September 29, 2022 among our Company, the Selling Shareholders, the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Price	<p>₹ [●] per Equity Share, being the final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price.</p> <p>A discount of up to [●] % on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs.</p>
Offered Shares	The cumulative number of Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 31,695,000 Equity Shares aggregating up to ₹ [●] million.
Offer Proceeds	The proceeds of the Offer for Sale which shall be available to the Selling Shareholders.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹

Term	Description
	[●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company and the Selling Shareholders, in consultation with the BRLMs will be advertised in all editions of the English national daily newspaper [●], and all editions of [●] (a widely circulated Hindi national daily newspaper) (Hindi also being the regional language of Uttar Pradesh, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, the Selling Shareholders in consultation with the BRLMs, finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The 'no-lien' and 'non-interest bearing' bank account(s) to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened, in this case being [●].
'QIBs' or 'Qualified Institutional Buyers'	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, being not more than [●] Equity Shares aggregating to ₹ [●] million, which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
QIB Bid/ Offer Closing Date	In the event our Company and the Selling Shareholders, in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
'Red Herring Prospectus' or 'RHP'	The Red Herring Prospectus dated [●] 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 filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	The agreement dated September 29, 2022, entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
'Registrar to the Offer' or 'Registrar'	Link Intime India Private Limited
'RTAs' or 'Registrar and Share Transfer Agents'	The registrar and share transfer agents registered with SEBI and eligible to procure Bids 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)' or 'Retail Individual Investor(s)' or 'RII(s)' or 'RIB(s)'	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	The portion of the Offer, being not less than 35% of the Offer, or not less than [●] Equity Shares aggregating to ₹ [●] million, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion.

Term	Description
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). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
‘Self-certified Syndicate Bank(s)’ or ‘SCSB(s)’	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Bids through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website.
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	The agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sponsor Bank(s)	Bank(s) registered with SEBI which are appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the UPI Bidders into the UPI, the Sponsor Bank(s) in this case being [●] and [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] between our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, [●].
‘Syndicate’ or ‘Members of the Syndicate’	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] between the Underwriters, our Company and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion, (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and (iii) Eligible Employees Bidding in the Employee Reservation Portion, in each case Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 are required to use the UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	Collectively, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November

Term	Description
	1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
‘Wilful Defaulter’ or a ‘Fraudulent Borrower’	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression “Working Day” shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression ‘Working Day’ shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI, including the SEBI UPI Circulars.

Technical/ Industry Related Terms/ Abbreviations

Term	Description
APAC	Asia-Pacific
ASEAN	Association of Southeast Asian Nations, with member states being Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
ATUFS	Amended Technology Upgradation Fund Scheme
CIPET	Erstwhile Central Institute of Plastics Engineering and Technology (now, the Central Institute of Petrochemicals Engineering and Technology)
CAGR	Compound Annual Growth Rate
CIS	Commonwealth of Independent States, with member states being Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine
CMM	Coordinate measuring machine
CNC	Computer numerical control
CPCB	Central Pollution Control Board
CPI	Consumer Price Index
EEPC	Engineering Export Promotion Council of India
EPCG	Export Promotion Capital Goods scheme of the Indian government
FIBC	Flexible intermediate bulk container
FTA	Free trade agreement
GCC	Gulf Cooperation Council
GDP	Gross domestic product
GoI	Government of India
GVA	Gross value added
HDPE	High density polyethylene
IIoT	Industrial Internet of Things
IIP	Index of industrial production
IMF	International Monetary Fund
JPMA	Jute Packaging Materials Act
KT	Metric Kilo Tonnes

Term	Description
LATAM	Latin America
LGS	Lohia Global Solution
MEIS	Merchandise Exports from India Scheme
MENA	Middle East, North Africa
MMF	Manmade Fibre
MoSPI	Ministry of Statistics and Programme Implementation
MSME	Micro, small and medium enterprises
MT	Metric Tonnes
MTTC	Manufacturing Technology Training Centre
OPEC	Organization of Petroleum Exporting Countries
PCB	Printed Circuit Boards
PCT	Patent Cooperation Treaty
PP	Polypropylene
SAARC	South Asian Association for Regional Cooperation, with member states being Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka
SF	Safety Factor
SWL	Safe Working Load
TTRC	Technical Training and Research Centre
VAT	Value added tax

Conventional and General Terms or Abbreviations

Term	Description
'Mn' or 'mn'	Million.
AGM	Annual General Meeting.
AIF	An alternative investment fund as defined in and registered with SEBI under the SEBI AIF Regulations.
BSE	BSE Limited.
Category I FPI	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPI	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable.
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force.
COVID-19	The novel coronavirus disease, which is an infectious disease caused by a newly discovered coronavirus strain that was discovered in 2019 and has resulted in a global pandemic.
CSR	Corporate Social Responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, amendments, and modifications notified thereunder.
DIN	Director Identification Number.
DP ID	Depository Participant's Identity Number.
DP or Depository Participant	A depository participant as defined under the Depositories Act.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952.
EPS	Earnings Per Share.
FAQs	Frequently asked questions.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instrument) Rules, 2019.
'Financial Year' or 'Fiscal'	The period of 12 months commencing on April 1 of the immediately preceding calendar

Term	Description
or 'Fiscal Year' or 'FY'	year and ending on March 31 of that particular calendar year.
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
GDP	Gross domestic product.
'GoI' or 'Government' or 'Central Government'	The Government of India.
GST	Goods and services tax.
HUF	Hindu undivided family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
Income Tax Act	Income- Tax Act, 1961, read with the rules framed thereunder.
Income Tax Rules	Income- Tax Rules, 1962.
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
'INR' or 'Rupee' or '₹' or 'Rs.'	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering.
IST	Indian Standard Time.
MBA	Master's degree in business administration.
MCA	Ministry of Corporate Affairs, Government of India.
N.A.	Not applicable.
NAV	Net asset value.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External account.
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
'OCB' or '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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to Bid / invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number.
PAT	Profit after tax.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RTGS	Real time gross settlement.
R&D	Research and development.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI SBEB and Sweat Equity Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
State Government	The government of a state in India.
Stock Exchanges	Collectively, the BSE and NSE.
STT	Securities transaction tax.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
U.S./United States	The United States of America, together with its territories and possessions, any state of the United States of America and the District of Columbia.
U.S. GAAP	Generally accepted accounting principles of the United States of America.
U.S. Securities Act	United States Securities Act, 1933.
VAT	Value added tax.
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations.
Year/ Calendar Year	The 12 month period ending December 31.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references herein to the “US”, the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31, of that particular calendar year.

Page Numbers

Unless otherwise stated, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- “Rupee(s)”, “Rs.” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India;
- “US\$” or “USD” or “U.S. Dollars” are to United States Dollar, the official currency of the United States of America;
- “UYU” or “\$U” are to Uruguayn Peso, the official currency of Oriental Republic of Uruguay;
- “₲” are to Paraguayan guarani, the official currency of Republic of Paraguay;
- “AED” or “Dirham” are to United Arab Emirates, Dirham, the official currency of United Arab Emirates;
- “R\$” are to Brazilian Real, the official currency of Federative Republic of Brazil and
- “EUR” or “€” are to Euro, the official currency of the European Union.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in million. In this regard, please note: (a) One million is equal to 1,000,000/10 lakhs; and (b) 10 million is equal to 10,000,000/100 lakhs/ one crore (c) 1 billion is equal to 1,000,000,000/ 100 crore.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(in ₹)

Currency	Exchange rate as on		
	March 31, 2022	March 31, 2021	March 31, 2020
1 US\$	75.81	73.50	75.39
1 EURO	84.66	86.10	83.05
UAE Dirham*	20.55	19.94	20.44
Brazilian Real*	15.85	12.68	14.62
Paraguayan Guaranies*	0.01	0.01	0.01
Uruguayan Peso*	1.81	1.63	1.73

Source: Foreign exchange reference rates as available on www.fbil.org.in

Note: Exchange rate is rounded off to two decimal point

* www.oanda.com

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Time

Unless otherwise specified, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time (“IST”).

Financial and Other Data

Unless stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information. For further information, see “*Financial Information*” on page 271.

The Restated Consolidated Financial Information of our Company and its Subsidiaries (collectively referred to as Group) comprises of the restated statement of consolidated assets and liabilities as at the financial years ended March 31, 2022, March 31 2021, March 31 2020 and the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the financial years ended March 31 2022, March 31 2021 and March 31 2020 and the summary of significant accounting policies and explanatory notes, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended; the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.*” on page 75.

Certain other financial information pertaining to our Group Companies are derived from their respective audited restated consolidated financial information.

All the figures in this Draft Red Herring Prospectus, have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding-off adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. Except for figures derived from our Restated Consolidated Financial Information, all figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources (including the F&S Report) may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 39, 177 and 361, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Information.

Non- GAAP Financial Measures

This Draft Red Herring Prospectus contains certain non-Indian GAAP financial measures and certain other statistical information relating to our operations and financial performance. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

Unless stated otherwise, the industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources or derived from a report titled “*Assessment of Machines Market for Technical Textile with Focus on Plastic Woven Fabric/Sacks*” dated September 26, 2022 prepared by F&S and is commissioned and paid for by our Company. The F&S Report is available on the website of our Company at <https://www.lohiagroup.com/INVESTOR-RELATIONS>, in accordance with applicable law. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect.

The extent to which industry and market data set forth in this Draft Red Herring 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. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 39.

In accordance with the SEBI ICDR Regulations, the section titled “*Basis for the Offer Price*” on page 119 includes information relating to our peer group. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information.

This Draft Red Herring Prospectus contains certain industry and market data and statements obtained from F&S Report. The F&S Report has been commissioned by and paid for by our Company. The F&S Report is subject to the disclaimer mentioned below. F&S has, through its letter dated September 26, 2022 (“**Letter**”) accorded its consent to use the F&S Report in this Draft Red Herring Prospectus. F&S has also confirmed in the Letter that it is an independent agency, and that it is not related to our Company, our Directors, or our Promoters.

Disclaimer

*“Assessment of Machines Market For Technical Textile With Focus On Plastic Woven Fabric/ Sacks” has been prepared for the proposed initial public offering of equity shares by Lohia Corp Limited (the “**Company**”).*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited (“**Frost & Sullivan**”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport

to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients/Potential investors should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.”

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in “offshore transactions” (as defined under Regulation S) in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area (“**EEA**”) (each a “**Member State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Book Running Lead Managers to produce a prospectus for such offer. None of the Company or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

Information To Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Equity Shares, the subject of the Offer, have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet

the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this document is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments and who are investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the “**FSMA Order**”), (ii) falling within Article 49(2)(a) to (d) of the FSMA Order, and (iii) to whom it may otherwise lawfully be communicated; and (B) who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as “**relevant persons**”). This document must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which the document relates is available only to, in the United Kingdom, relevant persons. The communication of this Draft Red Herring Prospectus to any person who is not a relevant person is unauthorized and may contravene the Financial Services and Markets Act 2000, as amended.

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FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements” which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “can”, “could”, “goal”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “should”, “will”, “will continue”, “shall”, “seek to”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our present plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company, Subsidiaries and Joint Venture have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

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

1. Increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of primary raw materials which could affect our estimated costs, expenditures and timelines.
2. Slowdown in the end-use industries of the plastic woven fabric machines market such as agro-textiles, building-textiles, geo-textiles and packing-textiles or any other adverse changes in the conditions affecting the plastic woven fabric machines market.
3. Slowdown, shutdown or disruption in our manufacturing facilities which may be caused by natural and other disasters causing unforeseen damages.
4. Significant competitive pressures in our industry.
5. Foreign currency fluctuation risks, particularly in relation to import of raw materials and export of products
6. The current and continuing impact of the COVID-19 pandemic on our operations.
7. Our ability to handle risks associated with our export sales.
8. Our ability to effectively utilize our manufacturing, developmental and support services infrastructure.

For a further discussion of factors that could cause our actual results to differ from our expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 39, 177 and 361, respectively. By their nature, certain market risk disclosures are estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct.

Forward-looking statements reflect our views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the currently available information. Although we believe that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, Directors, the Promoters, the Key Managerial Personnel, the Selling Shareholders, nor the BRLMs or 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 the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of Allotment. Each Selling Shareholder, severally and not jointly, (through our Company and the BRLMs) will ensure that investors are informed of material developments in relation to the statements and undertakings expressly made by such Selling Shareholder in the Red Herring Prospectus until the date of Allotment.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Restated Consolidated Financial Information”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main provisions of the Articles of Association” on pages 39, 78, 95, 117, 131, 177, 271, 398, 435 and 457, respectively.

Summary of our primary business	We are one of the leading manufacturers globally of machinery and equipment used in production of technical textile, particularly for manufacturing polypropylene (“PP”) and high density polyethylene (“HDPE”) woven fabric and sacks (“Raffia”), with a global market share of 17.5% across all Raffia machinery and more than 28.7% in machines for PP/ HDPE fabric making. We are the market leader in India providing end-to-end manufacturing solutions for the Raffia industry, with a market share of more than 80% in terms of value and volume, in the machine segment up to the plastic woven fabric stage in Fiscal 2022. (Source: F&S Report)	
Summary of the Industry in which we operate	In 2021, the total global market for plastic woven fabric machines amounted to about US\$ 1,380.0 million and is expected to reach US\$ 1790.0 million in 2026, at a CAGR of 5.3%, supported by increasing investments across global infrastructure projects (cement, construction) and increasing usage of Raffia bags across different user segments (food and beverage, chemicals, fertilizers and agriculture). India is the second largest market globally for woven sack machines. (Source: F&S Report)	
Our Promoters	Raj Kumar Lohia, Neela Lohia, Gaurav Lohia, Amit Kumar Lohia and Ritu Lohia.	
Offer size		
	Offer of Equity Shares by way of the Offer for Sale⁽¹⁾⁽²⁾⁽³⁾	Up to 31,695,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million, by the Selling Shareholders.
	Employee Reservation Portion⁽⁴⁾	Up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million
	Net Offer	Up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million
	<p>Note:</p> <p>⁽¹⁾ The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on August 1, 2022. The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details, see “Other Regulatory and Statutory Disclosures - Authority for this Offer” on page 410.</p> <p>⁽²⁾ For details on authorisation of the Selling Shareholders in relation to their respective portion of their Offered Shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 78 and 410.</p> <p>⁽³⁾ For details, see “Offer Procedure - Undertakings by the Selling Shareholders” beginning on page 454.</p> <p>⁽⁴⁾ The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000 (net of employee discount, if any)), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. For further details, see “Offer Structure” on page 431.</p> <p>The Offer shall constitute [●] % of the post-Offer paid-up equity share capital of our Company. For further details, see “The Offer” on page 78.</p>	
Objects of the Offer	The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting their respective portions of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to	

	31,695,000 Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India. For further details, see “ <i>Objects of the Offer</i> ” on page 117.																													
Aggregate pre- Offer shareholding of the Promoters, Promoter Group and Selling Shareholders as a percentage of the paid-up share capital of our Company	(a) The aggregate pre- Offer shareholding of our Promoters as a percentage of the pre- Offer paid-up share capital of the Company is set out below. None of the members of the Promoter Group hold any Equity Shares in the Company as of the date of this Draft Red Herring Prospectus.																													
	<table><tr><th>Name of the Shareholder</th><th>Number of Equity Shares</th><th>Percentage of the pre-Offer Equity Share capital (%)</th></tr><tr><td colspan="3">Promoters</td></tr><tr><td>Raj Kumar Lohia</td><td>58,602,705</td><td>55.47</td></tr><tr><td>Amit Kumar Lohia</td><td>10,617,375</td><td>10.05</td></tr><tr><td>Gaurav Lohia</td><td>10,185,000</td><td>9.64</td></tr><tr><td>Ritu Lohia</td><td>3,842,500</td><td>3.64</td></tr><tr><td>Neela Lohia</td><td>1,025,000</td><td>0.97</td></tr><tr><td>Total</td><td>84,272,580</td><td>79.77</td></tr></table>	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)	Promoters			Raj Kumar Lohia	58,602,705	55.47	Amit Kumar Lohia	10,617,375	10.05	Gaurav Lohia	10,185,000	9.64	Ritu Lohia	3,842,500	3.64	Neela Lohia	1,025,000	0.97	Total	84,272,580	79.77					
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Shradha Lohia	3,116,000	2.95																												
Anuja Lohia	2,955,500	2.80																												
Jitendra Kumar Lohia	2,925,000	2.77																												
Ajay Lohia	2,700,000	2.56																												
Alok Kumar Lohia	2,619,210	2.48																												
Gopal Chandra Lohia	320,000	0.30																												
Total	18,377,420	17.39																												
As on date of this DRHP, none of the members or entities forming part of our promoter group (other than our Promoters) hold any Equity Shares.																														
For further details, see “ <i>Capital Structure</i> ” on page 95.																														
Summary of selected financial information	The details of certain financial information as set out under the SEBI ICDR Regulations as of and for the financial years ended March 31, 2022, March 31,2021 and the period ended March 31, 2020 derived from the Restated Consolidated Financial Information are as follows:																													
	<div>(₹ in million, except per share data)</div> <table><tr><th>Particulars</th><th>As at and for the Financial Year ended March 31, 2022</th><th>As at and for the Financial Year ended March 31, 2021</th><th>As at and for the period ended March 31, 2020</th></tr><tr><td>(A) Equity share capital</td><td>42.26</td><td>45.50</td><td>48.50</td></tr><tr><td>(B) Total equity</td><td>5,057.09</td><td>5,448.76</td><td>5,369.82</td></tr><tr><td>(C) Revenue from operations</td><td>22,374.80</td><td>13,337.86</td><td>10,845.65</td></tr><tr><td>(D) Restated profit/(loss) for the year</td><td>1,608.47</td><td>1,193.04</td><td>388.47</td></tr><tr><td>(E) Restated Earnings per</td><td>13.97</td><td>10.91</td><td>3.48</td></tr></table>	Particulars	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021	As at and for the period ended March 31, 2020	(A) Equity share capital	42.26	45.50	48.50	(B) Total equity	5,057.09	5,448.76	5,369.82	(C) Revenue from operations	22,374.80	13,337.86	10,845.65	(D) Restated profit/(loss) for the year	1,608.47	1,193.04	388.47	(E) Restated Earnings per	13.97	10.91	3.48					
Particulars	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021	As at and for the period ended March 31, 2020																											
(A) Equity share capital	42.26	45.50	48.50																											
(B) Total equity	5,057.09	5,448.76	5,369.82																											
(C) Revenue from operations	22,374.80	13,337.86	10,845.65																											
(D) Restated profit/(loss) for the year	1,608.47	1,193.04	388.47																											
(E) Restated Earnings per	13.97	10.91	3.48																											

	Equity Share (basic, in ₹)						
	(F) Restated Earnings per Share (diluted, in ₹)	13.97	10.91	3.48			
	(G) Restated Net Asset Value per Equity Share*	1,163.17	1,185.87	1,087.10			
	(H) Number of equity shares outstanding at the end of the year taking into account bonus issue and stock split of equity shares post the balance sheet (absolute) date	105,650,000	108,890,000	111,890,000			
	(I) Net asset value per Share (₹)	46.53	49.55	47.12			
	(J) Total borrowings	3,165.91	2,065.89	3,701.58			
	<p><i>Notes:</i> <i>Restated Net Asset Value per Equity Share = Total equity/Number of equity shares outstanding</i> <i>Borrowings = Non – current borrowings + Current Borrowing</i></p> <p>For further details, see “<i>Restated Consolidated Financial Information</i>” on page 271.</p>						
Auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information	Our Joint Statutory Auditors have not included any qualifications that have not been given effect to in the Restated Consolidated Financial Information.						
Summary of outstanding litigation	A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in “ <i>Outstanding Litigation and Material Developments</i> ” on page 398, in terms of the SEBI ICDR Regulations and the materiality policy adopted by our Board pursuant to a resolution dated August 27, 2022, is provided below:						
	Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigation (including labour litigation)	Aggregate amount involved* (₹ in million)
	<i>Company</i>						
	By the Company	4	Nil	Nil	Nil	5	68.40
	Against the Company	Nil	6	1	Nil	15	66.47
	<i>Subsidiaries</i>						
	By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

	Against the Subsidiary	Nil	Nil	4	Nil	Nil	8.32																																																																																				
	Promoters																																																																																										
	By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil																																																																																				
	Against the Promoters	Nil	3	Nil	Nil	Nil	2.33																																																																																				
	Directors [#]																																																																																										
	By the Directors	1	Nil	Nil	Nil	Nil	0.25																																																																																				
	Against the Directors	3	1	Nil	Nil	1	0.27																																																																																				
#including Promoters. * To the extent quantifiable. For further details, see “Outstanding Litigation and Material Developments” on page 398.																																																																																											
Risk Factors	Specific attention of Investors is invited to the section “Risk Factors” on page 39. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.																																																																																										
Summary of contingent liabilities	The following is a summary table of our contingent liabilities as per Ind AS 37 (claims/ demands not acknowledged as debt) of our Company as at March 31, 2022 as indicated in our Restated Consolidated Financial Information: <div>(₹ in million)</div> <table><tr><th>Claims not acknowledged as debt in respect of:</th><th>As at March 31, 2022</th></tr><tr><td>Labour Claims</td><td>30.90</td></tr><tr><td>Other Claims</td><td>12.38</td></tr><tr><td>Indirect Tax</td><td>3.56</td></tr><tr><td>Direct Tax</td><td>33.63</td></tr><tr><td>Total</td><td>80.47</td></tr></table> For further details of our contingent liabilities, see “Financial Information - Restated Consolidated Financial Information – Contingent liabilities, contingent assets and commitments” on page 327.							Claims not acknowledged as debt in respect of:	As at March 31, 2022	Labour Claims	30.90	Other Claims	12.38	Indirect Tax	3.56	Direct Tax	33.63	Total	80.47																																																																								
Claims not acknowledged as debt in respect of:	As at March 31, 2022																																																																																										
Labour Claims	30.90																																																																																										
Other Claims	12.38																																																																																										
Indirect Tax	3.56																																																																																										
Direct Tax	33.63																																																																																										
Total	80.47																																																																																										
Summary of related party transactions	The details of related party transactions entered into by our Company for the financial years ended March 31, 2022, March 31, 2021 and the period ended March 31, 2020, and derived from the Restated Consolidated Financial Information are as set out in the table below: <div>(₹ in million)</div> <table><tr><th>Particulars</th><th>For the year ended March 31, 2022</th><th>For the year ended March 31, 2021</th><th>For the period ended March 31, 2020</th></tr><tr><td>Lohia Corp Limited</td><td></td><td></td><td></td></tr><tr><td>Sale of manufacturing goods</td><td>97.02</td><td>45.88</td><td>121.52</td></tr><tr><td>Scrap sales</td><td>1.93</td><td>2.04</td><td>3.02</td></tr><tr><td>Other miscellaneous income</td><td>7.92</td><td>19.44</td><td>3.86</td></tr><tr><td>Sale of property, plant and equipment</td><td>16.32</td><td>569.67</td><td>-</td></tr><tr><td>Purchase of goods and services</td><td>55.85</td><td>106.59</td><td>71.94</td></tr><tr><td>Purchase of property, plant and equipment</td><td>2.20</td><td>-</td><td>-</td></tr><tr><td>Employee benefit expenses</td><td>143.97</td><td>137.02</td><td>191.37</td></tr><tr><td>Director sitting fees and commission</td><td>1.80</td><td>1.80</td><td>1.80</td></tr><tr><td>Corporate social responsibility</td><td>13.65</td><td>16.50</td><td>-</td></tr><tr><td>Contribution in superannuation fund</td><td>1.13</td><td>1.19</td><td>1.89</td></tr><tr><td>Contribution in employees group gratuity</td><td>11.50</td><td>35.72</td><td>1.50</td></tr><tr><td>Recovered/recoverable from trust</td><td>24.98</td><td>28.11</td><td>15.76</td></tr><tr><td>Dividend on equity shares</td><td>29.36</td><td>34.13</td><td>70.79</td></tr><tr><td>Amount paid on buy back of equity shares</td><td>1,620.00</td><td>990.00</td><td>-</td></tr><tr><td>Loans given</td><td>2,459.51</td><td>3,279.25</td><td>674.66</td></tr><tr><td>Interest income from financial assets</td><td>26.99</td><td>66.47</td><td>38.04</td></tr><tr><td>Receipts towards loan / interest repayment and adjustments</td><td>2,479.07</td><td>3,853.87</td><td>464.80</td></tr><tr><td>Borrowings taken</td><td>3,695.44</td><td>1,281.50</td><td>1,898.50</td></tr><tr><td>Finance costs</td><td>5.10</td><td>1.77</td><td>18.34</td></tr></table>							Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the period ended March 31, 2020	Lohia Corp Limited				Sale of manufacturing goods	97.02	45.88	121.52	Scrap sales	1.93	2.04	3.02	Other miscellaneous income	7.92	19.44	3.86	Sale of property, plant and equipment	16.32	569.67	-	Purchase of goods and services	55.85	106.59	71.94	Purchase of property, plant and equipment	2.20	-	-	Employee benefit expenses	143.97	137.02	191.37	Director sitting fees and commission	1.80	1.80	1.80	Corporate social responsibility	13.65	16.50	-	Contribution in superannuation fund	1.13	1.19	1.89	Contribution in employees group gratuity	11.50	35.72	1.50	Recovered/recoverable from trust	24.98	28.11	15.76	Dividend on equity shares	29.36	34.13	70.79	Amount paid on buy back of equity shares	1,620.00	990.00	-	Loans given	2,459.51	3,279.25	674.66	Interest income from financial assets	26.99	66.47	38.04	Receipts towards loan / interest repayment and adjustments	2,479.07	3,853.87	464.80	Borrowings taken	3,695.44	1,281.50	1,898.50	Finance costs	5.10	1.77	18.34
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Finance costs	5.10	1.77	18.34																																																																																								

	Repayment of borrowings	3,627.31	1,283.27	1,916.82
	Investments			
	(a) Purchases / investment in share capital	307.90	1,308.92	409.46
	(b) Investments sold/redeemed	351.47	13.54	-
	Loans and security deposit	233.14	201.18	713.69
	Borrowings	73.23	-	-
	Corporate guarantee	301.39	301.90	-
	Trade and other payables	5.32	8.95	3.44
	Trade and other receivables	89.10	25.78	111.60
	KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")			
	Sale of property, plant and equipment	-	-	6.69
	Purchase of goods and services	-	-	3.10
	Loans given	7.50	2.29	-
	Interest income from financial assets	0.10	-	-
	Receipts towards loan / interest repayment and adjustments	9.89	-	-
	Borrowings taken	-	2.75	3.85
	Finance costs	-	9.93	10.12
	Repayment of borrowings	-	161.71	3.60
	Issue of share capital	-	164.00	-
	Loans	-	2.29	-
	Borrowings	-	-	149.03
	Lohia Filament Machines Limited			
	Other miscellaneous income	4.29	5.23	0.66
	Purchase of property, plant and equipment	-	432.00	-
	Borrowings taken	100.65	144.08	0.52
	Finance costs	6.17	5.44	4.59
	Repayment of borrowings	115.35	113.59	1.26
	Issue of share capital	-	432.00	-
	Borrowings	95.02	103.56	67.63
	Trade and other receivables	1.26	-	-
	Lohia Global Solutions Private Limited			
	Sale of traded goods	25.08	76.71	-
	Sale of property, plant and equipment	2.20	-	-
	Purchase of goods and services	11.98	35.33	99.45
	Issue of share capital	-	-	20.00
	Trade and other payables	2.29	-	93.06
	Trade and other receivables	25.08	8.39	-
	Sarjna Capfin Private Limited			
	Loans given	9,346.65	2,607.80	25.00
	Interest income from financial assets	9.67	3.13	0.01
	Receipts towards loan / interest repayment and adjustments	9,317.69	2,458.39	-
	Borrowings taken	2,377.29	2,086.29	195.00
	Finance costs	3.33	1.61	-
	Repayment of borrowings	2,380.67	2,085.61	195.00
	Issue of share capital	-	150.00	-
	Loans and security deposit	218.47	177.55	25.01
	Borrowings	2.24	2.29	-
	BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")			
	Borrowings taken	-	0.87	-
	Finance costs	-	2.43	2.54
	Repayment of borrowings	-	41.07	-

	Issue of share capital	-	41.50	-
	Borrowings	-	-	37.78
	Lohia Injectoplast Private Limited			
	Purchase of property, plant and equipment	28.49	-	-
	Loans given	0.03	-	-
	Receipts towards loan / interest repayment and adjustments	0.08	0.04	-
	Borrowings taken	30.87	-	-
	Finance costs	0.03	-	-
	Loans and security deposit	-	0.05	-
	Borrowings	30.90	-	-
	Lohia Mechatronik Private Limited			
	Other miscellaneous income	-	2.50	-
	Purchase of goods and services	-	6.09	0.05
	Borrowings taken	-	58.14	0.96
	Finance costs	-	1.39	0.01
	Repayment of borrowings	-	60.49	-
	Issue of share capital	-	-	0.10
	Borrowings	-	-	0.97
	Lohia Engineering and Design Services Private Limited			
	Borrowings taken	-	0.02	-
	Finance cost	-	0.01	-
	Repayment of borrowings	-	0.09	-
	Borrowings taken	-	-	0.07
	Lohia Aerospace Systems Private Limited			
	Purchase of goods and services	3.91	7.63	15.76
	Purchase of property, plant and equipment	-	-	32.99
	Borrowings taken	106.88	372.25	429.77
	Finance costs	4.11	11.79	7.33
	Repayment of Borrowings	150.55	594.42	187.15
	Investments purchased	50.00	-	-
	Issue of share capital	-	199.90	-
	Borrowings	-	39.57	249.95
	Corporate guarantee taken	301.39	301.90	-
	Trade and other payables	0.07	-	13.70
	Lohia Sales and Services Limited			
	Sale of property, plant and equipment	-	-	26.30
	Loans given	10.74	-	5.00
	Interest income from financial assets	0.22	0.28	0.07
	Receipts towards loan / interest repayment and adjustments	14.99	1.22	0.11
	Borrowings taken	-	0.01	5.18
	Finance cost	-	0.01	0.80
	Repayment of borrowings	-	1.02	26.07
	Loans and security deposit	-	4.03	4.97
	Borrowings	-	-	1.00
	Lohia Infra Developers Private Limited			
	Interest income from financial assets	-	0.02	-
	Receipts towards loan / interest repayment and adjustments	-	0.37	-
	Borrowings taken	95.35	321.12	-
	Finance cost	3.30	6.27	-
	Repayment of borrowings	95.26	282.21	-
	Issue of share capital	-	98.90	-
	Borrowings	49.34	45.95	-

	Nupur Real Estates Private Limited			
	Interest income from financial assets	-	0.01	-
	Receipts towards loan / interest repayment and adjustments	-	0.23	-
	Borrowings taken	3.56	278.53	-
	Finance cost	0.11	7.25	-
	Repayment of borrowings	3.33	284.29	-
	Issue of share capital	-	144.90	-
	Borrowings taken	1.82	1.49	-
	BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited")			
	Loans given	8.63	8.48	-
	Interest income from financial assets	0.25	0.02	-
	Receipts towards loan / interest repayment and adjustments	17.38	0.02	-
	Borrowings taken	-	2.99	2.02
	Finance cost	-	1.25	1.13
	Repayment of borrowings	-	22.01	-
	Issue of share capital	-	30.60	-
	Loans	-	8.50	-
	Borrowings	-	-	17.78
	LCL Aviation Private Limited			
	Purchase of goods and services	0.09	-	-
	Borrowings taken	80.00	-	-
	Finance cost	0.67	-	-
	Repayment of borrowings	52.65	-	-
	Issue of share capital	99.00	-	-
	Borrowings	28.02	-	-
	Trade and other payables	0.10	-	-
	KPR- C Realities Private Limited			
	Purchase of property, plant and equipment	10.12	-	-
	Loans Given	0.05	-	-
	Receipts towards loan / interest repayment and adjustments	0.08	-	-
	Borrowings taken	14.42	-	-
	Finance cost	0.09	-	-
	Repayment of borrowings	14.42	-	-
	Nalini Buildcon Private Limited		-	-
	Purchase of property, plant and equipment	10.36	-	-
	Loans given	34.50	-	-
	Interest income from financial assets	1.67	-	-
	Receipts towards loan / interest repayment and adjustments	88.72	-	-
	Borrowings taken	14.55	-	-
	Repayment of borrowings	14.55	-	-
	Issue of share capital	100.00	-	-
	Lohia Group Electricity Consumers Association			
	Borrowings taken	0.21	0.06	-
	Finance cost	0.01	-	-
	Repayment of borrowings	0.16	0.04	-
	Borrowings	0.10	0.04	-
	Sundaram Industries Private Limited			
	Purchase of goods and services	1.82	-	-

	Borrowings taken	67.50	-	-
	Finance cost	0.52	-	-
	Repayment of borrowings	32.91	-	-
	Issue of Equity Share Capital	0.80	-	-
	Borrowings	35.06	-	-
	Trade & other receivable	0.59	-	-
	Galuner S.A.			
	Purchase of goods and services	6.41	4.27	-
	Issue of share capital	-	36.92	79.31
	Trade and other payables	4.08	1.16	-
	Lohia Hong Kong Limited			
	Borrowings taken	-	-	5.72
	Repayment of Borrowings	0.36	48.52	-
	Borrowings	11.26	10.85	60.15
	Leesona Corp			
	Sale of manufacturing goods	-	0.06	-
	Purchase of goods and services	8.76	2.09	-
	Borrowings taken	22.29	14.93	-
	Finance costs	0.22	0.15	-
	Repayment of Borrowings	-	14.78	-
	Issue of share capital	-	-	208.55
	Borrowings	22.72	-	-
	Trade and other payables	8.89	-	-
	SBI Mechatronik GmbH			
	Other miscellaneous income	-	-	3.11
	Redemption of preference shares	-	107.76	-
	Issue of share capital	-	-	101.50
	L&S Light & Strong Limited, Israel			
	Sale of manufacturing goods	-	3.12	4.30
	Borrowings taken	-	-	7.83
	Finance costs	4.71	4.73	4.61
	Repayment of Borrowings	108.93	-	-
	Borrowings	-	99.29	97.43
	Trade and other receivables	-	-	0.82
	Ldb Importacao E Exportacao Ltda			
	Borrowings	17.15	-	-
	Trade and other payables	1.76	-	-
	Lohia Global Solutions FZE			
	Sale of manufacturing goods	7.48	-	-
	Purchase of goods and services	74.48	1.86	-
	Borrowings taken	34.89	14.92	-
	Finance costs	2.17	0.18	-
	Issue of share capital	-	9.99	-
	Borrowings	52.38	14.70	-
	Trade and other payables	79.52	13.89	-
	Estelar S.A.			
	Purchase of goods and services	5.72	-	0.89
	Borrowings taken	-	-	0.02
	Repayment of Loan	-	-	2.68
	Trade and other payables	2.92	1.33	1.91
	United Trade.Net (India) Private Limited			
	Sale of traded goods	-	-	45.95
	Trade and other receivables	-	-	2.48

	For details of the related party transactions, see “ <i>Restated Consolidated Financial Information – Related Party Transactions</i> ” on page 333.		
Details of financing arrangements	Our Promoters, members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have not financed the purchase by any person of securities of our Company other than in the normal course of business of such financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.		
Weighted average price at which the specified securities were acquired by our Promoters and the Other Selling Shareholders, in the last one year	The weighted average price at which the specified securities were acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:		
	Name of our Promoters	Number of Equity Shares acquired**	Weighted average price of acquisition per Equity Share (in ₹) ⁺
	Raj Kumar Lohia	57,082,705	0.05
	Amit Kumar Lohia	11,157,375	0.12
	Gaurav Lohia	10,185,000	0.15
	Ritu Lohia	4,342,500	0.10
	Neela Lohia	615,000	Nil
	⁺ As certified by Anil Pariek & Garg, Chartered Accountants, by way of their certificate dated September 29, 2022.		
	^{**} After taking into account the split of equity shares of face value ₹ 10 to equity shares of face value ₹ 1. For more details, please see “ <i>Capital Structure – Build-up of the equity share capital</i> ” on page 95.		
	The weighted average price at which the specified securities were acquired by the Other Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:		
Name of the Other Selling Shareholders	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹) ⁺	
Jitendra Kumar Lohia	21,699,630	0.07	
Gopal Chandra Lohia	11,937,025	0.00	
Ajay Lohia	9,355,500	0.07	
Anurag Lohia	9,340,275	0.11	
Shradha Lohia	7,791,525	0.09	
Anuja Lohia	7,488,750	0.12	
Alok Kumar Lohia	6,638,025	0.10	
⁺ As certified by Anil Pariek & Garg, Chartered Accountants, by way of their certificate dated September 29, 2022.			
Average cost of acquisition of Equity Shares of our Promoters and the Other Selling Shareholders	The average cost of acquisition of Equity Shares for our Promoters as on the date of the Draft Red Herring Prospectus is as set out below:		
	Name of our Promoters	Number of Equity Shares held	Average cost of acquisition per Equity Share (₹)
	Raj Kumar Lohia	58,602,705	0.07
	Amit Kumar Lohia	10,617,375	0.10
	Gaurav Lohia	10,185,000	0.15
	Ritu Lohia	3,842,500	0.09
	Neela Lohia	1,025,000	0.02
	⁺ As certified by Anil Pariek & Garg, Chartered Accountants, by way of their certificate dated September 29, 2022.		
	The average cost of acquisition of Equity Shares for the Other Selling Shareholders as on the date of the Draft Red Herring Prospectus is as set out below:		
	Name of the Other Selling Shareholders	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹) ⁺
Anurag Lohia	3,741,710	0.15	
Shradha Lohia	3,116,000	0.08	
Anuja Lohia	2,955,500	0.13	
Jitendra Kumar Lohia	2,925,000	0.09	

	Ajay Lohia	2,700,000	0.15		
	Alok Kumar Lohia	2,619,210	0.10		
	Gopal Chandra Lohia	320,000	0.09		
	*As certified by Anil Pariek & Garg, Chartered Accountants, by way of their certificate dated September 29, 2022.				
Details of price at which the specified securities were acquired by our Promoters and the Selling Shareholders, in the last three years	The details of price at which specified securities were acquired by our Promoters and the Selling Shareholders in the last three years preceding the date of this Draft Red Herring Prospectus is as set out below:				
	S. No.	Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Price of acquisition of Equity Shares (in ₹)
	Promoter				
	1.	Raj Kumar Lohia	February 14, 2022	949,242	2.99
			June 25, 2022	8,543,178	0
			August 23, 2022	16,518,630	0
			September 22, 2022	19,134,630	0
			September 22, 2022	11,937,025	0
	2.	Neela Lohia	June 25, 2022	0	0
			August 23, 2022	615,000	0
	3.	Amit Kumar Lohia	February 14, 2022	478,695	2.69
			June 25, 2022	4,308,255	0
			August 23, 2022	6,370,425	0
	4.	Ritu Lohia	February 14, 2022	203,700	2.23
			June 25, 2022	1,833,300	0
			August 23, 2022	2,305,500	0
	5.	Gaurav Lohia	February 14, 2022	407,400	3.68
			June 25, 2022	3,666,600	0
			August 23, 2022	6,111,000	0
	Selling Shareholder				
	1.	Anuja Lohia	February 14, 2022	305,550	2.94
			June 25, 2022	2,749,950	0
			August 23, 2022	4,433,250	0
	2.	Shradha Lohia	February 14, 2022	311,661	2.16
			June 25, 2022	2,804,949	0
			August 23, 2022	4,674,915	0
	3.	Ajay Lohia	February 14, 2022	366,660	1.89
			June 25, 2022	3,299,940	0
			August 23, 2022	5,688,900	0
	4.	Anurag Lohia	February 14, 2022	372,771	2.72
			June 25, 2022	3,354,939	0
			August 23, 2022	5,612,565	0
	5.	Alok Kumar Lohia	February 14, 2022	270,921	2.48
			June 25, 2022	2,438,289	0
			August 23, 2022	3,928,815	0
	6.	Jitendra Kumar Lohia	February 14, 2022	407,400	3.68
			June 25, 2022	3,666,600	0
			August 23, 2022	6,651,000	0
			September 12, 2022	4,433,250	0
			September 12, 2022	5,612,565	0
			September 12, 2022	928,815	0
	7.	Gopal Chandra Lohia	June 25, 2022	0	0
			August 23, 2022	480,000	0
			September 14, 2022	6,781,500	0
			September 14, 2022	4,675,525	0
	Promoter Group				
	None of the members of the Promoter Group acquired any equity shares in our Company in the last three years.				
	Shareholders with nominee director rights or other rights				
	None of our Shareholders have any nomination director rights or other rights in relation to the Company.				

	<i>*As certified by Anil Pariek & Garg, Chartered Accountants, by way of their certificate dated September 29, 2022.</i>
Size of the pre-IPO placement and allottees, upon completion of the placement	Our Company does not contemplate any fresh issuance of Equity Shares as a private placement from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.
Any issuance of Equity Shares in the last one year for consideration other than cash	For details, see “ <i>Capital Structure</i> ” on page 100.
Any split or consolidation of Equity Shares in the last one year	For details, see “ <i>Capital Structure</i> ” on page 95.
Exemption from complying with any provisions of securities laws, if any, granted by SEBI	Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus.

The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 131, 177, 271 and 361, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 26.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” on page 271.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment Of Machines Market For Technical Textile With Focus On Plastic Woven Fabric/Sacks” dated September 26, 2022 (the “**F&S Report**”) prepared and issued by F&S, appointed by us on April 23, 2022 and paid for and commissioned by our Company for an agreed fee in connection with the Offer. A copy of the F&S Report is available on the website of our Company at <https://www.lohiagroup.com/INVESTOR-RELATIONS>. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be material for the proposed Offer), that has been left out or changed in any manner. 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. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 21.*

Internal Risk Factors

- Significant increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of primary raw materials could affect our estimated costs, expenditures and timelines which may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our Company's operations are dependent upon the efficient supply chain management of raw materials, parts and components made to drawings and standard bought-out parts that are required for manufacturing of machines for the technical textile industry. Machines manufactured by our Company have multiple parts and components, sourced indigenously as well as imported. Material consumption includes metals, standard bought-outs, parts or components that are 'made to drawings', electricals, cables and wires, other consumables, packing material, among others. Some of the key components that we source externally are extrusion die, pump and screw, gear-box, bearings, electric motors and drives. Set forth below are our raw material costs in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Raw material cost	5,995.39	55.28%	7,541.32	56.54%	14,279.06	63.82%

As such, we have in the past experienced cost fluctuations for these raw materials due to various reasons, including volatility in the commodity markets and disruptions in supply chain on account of geopolitical and other reasons. While we have generally been able to pass on the cost increases after some time lapse to our customers through price revisions while booking new orders, there can be no assurance that we will be able to continue doing so in the future. If we are unable to pass on the cost increases to our customers or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Managing supply chain and operating expenses" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Global operations and foreign exchange" on pages 363 and 366, respectively.

The prices and supply of these raw materials are also affected by, among others, general economic conditions, competition, production costs and levels of production based on which such costs can be negotiated, inventory, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. Further, as we source our raw materials from third parties, our supply chain for raw materials and components may be interrupted by circumstances beyond our control. Poor quality roads and other transportation-related infrastructure and logistics problems, inclement weather and road accidents may disrupt the transportation of raw materials.

While we usually maintain eight to ten weeks of inventory for all critical parts and components, we have experienced instances of shortages in a limited manner. During such periods of shortages, we may not be able to manufacture and assemble our products according to our pre-determined time frames, at our previously estimated product costs, or at all, which may adversely affect our business, results of operations, cash flows and reputation.

- We are heavily dependent on the performance of the plastic woven fabric machines market. The plastic woven fabric machines market depends on the growth of end-use industries such as agro-textiles, building-textiles, geo-textiles and packing-textiles. Any slowdown in these end-use industries or any other adverse changes in the conditions affecting the plastic woven fabric machines market can adversely impact our business, financial condition, results of operations, cash flows and prospects.***

We are one of the leading manufacturers globally of machinery and equipment used in the production of technical textile, in particular for the Raffia industry, with a global market share of 17.5% across all Raffia machinery and more than 28.7% for machines used in PP/ HDPE fabric making. (Source: F&S Report), and we derive most of our revenue from operations from the manufacture and supply of machines for plastic woven fabric/ sacks. Set forth below are our revenue from operations from machines for plastic woven fabric/ sacks in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Revenue from machines for plastic woven fabric/ sacks	9,529.11	87.86%	11,362.10	85.19%	18,448.84	82.45%

The demand for the machinery and equipment we manufacture is dependent on the demand for the end-use products, which have packaging and non-packaging applications such as agriculture, horticulture, fisheries, and forestry textiles, architectural and constructional textiles, clothing textiles and geotextiles. Products manufactured from our machines are used across industries for packaging and non-packaging applications. The production and sales of technical textiles may be affected by general economic or industry conditions, including seasonal trends in the agriculture sector, recessionary trends in the global and domestic economies, volatility in new housing construction, as well as evolving regulatory requirements, government initiatives, trade agreements and other factors including volatile raw material prices, rising employee expenses and challenges in maintaining amicable labour relations. The cyclical nature of the agriculture, textiles and construction industries, both globally and in India, means that the demand for machinery and equipment for manufacturing technical textile may vary. Our sales volumes, profitability and liquidity are closely tied to the level of agricultural, construction and textiles activity worldwide, as the end-users for our products primarily operate in the agriculture, constructions and textiles sectors and are, therefore, affected by factors that affect these sectors, including the levels of investment and production in these specific sectors of the global and domestic economies. In particular, the agricultural sector is inherently seasonal and is further impacted by factors including agricultural commodity prices, costs of fertilizers and adverse weather conditions. Similarly, the construction sector is prone to seasonality owing to factors such as the inconsistent real estate market, economic downturns that cease construction activity, among others. These segments are also affected by macro-economic conditions. While stronger macro-economic conditions tend to result into higher demand for our machinery, weaker macro-economic conditions tend to result into lower demand. We may not be able to stay abreast of global trends concerning the end-use industries in which products from our machineries are used.

As a result, our business and financial condition is heavily dependent on the performance of the machines market for plastic woven fabric/ sacks globally and in India and we are exposed to fluctuations in the performance of these markets. In the event of a decrease in demand for plastic woven fabric/ sacks machines in India or abroad, we will experience pronounced effects on our business, results of operations, financial condition, cash flows and prospects.

The plastic woven fabric/ sacks machines market may be affected by, among others, changes in government policies such as amendments to the Jute Packaging Material (Compulsory Use in Packaging Commodities) Act, 1987 (“JPMA”), government initiatives, economic conditions, income levels and interest rates, which may negatively affect the demand for and the valuation of our products. These and other factors may negatively contribute to change in the prices of and demand for our machines for plastic woven fabric/ sacks and may materially adversely affect our business, financial condition, results of operations and cash flows.

- We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations, which in turn could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We currently own and operate three machinery manufacturing facilities with a total area of over 180,000 square meters, and a total cumulative built up area of over 112,000 square meters at Chaubepur, Kanpur, Uttar Pradesh; Panki Industrial Estate, Kanpur, Uttar Pradesh; and Peenya Industrial Area, Bengaluru, Karnataka. Any significant social, political or economic disruption or natural calamities or civil disruptions in these states or changes in the policies of the states or local governments could require us to incur significant capital expenditure, change our business strategy and may materially have an effect on our business, results of operations, financial condition and cash flows.

Our business is dependent upon our ability to manage our manufacturing facilities since almost all of our revenue is generated from these facilities, which are subject to various operating risks, including political instability, productivity of our workforce, compliance with regulatory requirements, difficulties with production costs and yields, product quality and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters and an outbreak of infectious diseases such as COVID-19.

In addition, we depend on our suppliers, vendors and other partners to provide the necessary equipment and services that we will need for our continuing operations. Our inability to continue to obtain equipment and enter into contracts with our suppliers in a timely manner, or at all, could adversely affect our business and results of operations. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Our inability to effectively respond to any shutdown or slowdown and to rectify any disruption, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle including assembly, an inability to comply with our customers' requirements and loss of revenue to us and our customers.

4. *We face significant competitive pressures in our industry. Our inability to compete effectively would be detrimental to our business and prospects for future growth.*

We face significant competition in our business from other manufacturers of machines for plastic woven fabric/sacks. For details, see "Industry Overview" beginning on page 131. Our global competitors include Starlinger, Windmoller & Holscher, Yongming Machinery, Tianfeng Plastic Machinery and Hengli Machinery, among others. (Source: F&S Report) The industry and markets for our products are characterized by factors such as rapid technological change, the development of new machinery and their rapid obsolescence, evolving industry standards and significant price erosion or depreciation over the life of our machinery. We primarily compete based on the following:

- product functionality, quality and reliability;
- design, technical skill;
- research and development;
- production capabilities;
- ability to meet customers' order requirements and delivery schedules;
- customer relationships and after-sales-services; and
- product price.

There can be no assurance that we will maintain our competitiveness in any of these areas with respect to any of our products. While we work consistently to offset pricing pressures, produce new products, advance our technological capability, improve our services and enhance our production efficiency to reduce costs, such efforts may not be successful. Also, as we plan to expand our offerings to launch new products, we may face strong competition from other players in the same markets. Many of our existing and potential competitors may seek to be at par with us or exceed us in terms of their financial, production, sales, marketing and other resources. If we fail to compete effectively in the future, our business and prospects could be materially and adversely affected.

5. *We are exposed to foreign currency fluctuation risks, particularly in relation to import of raw materials and export of products, which may adversely affect our results of operations, financial condition and cash flows.*

Our Company faces foreign exchange rate risk to the extent that our revenue, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. Our Company's financial statements are presented in Indian Rupees. To a large extent, our revenue is influenced by the currencies in which we invoice our exports, largely being the U.S. dollar and Euro.

Set forth below are details of our (i) expenditure on consumption of imported raw material, and (ii) revenue from operations from sales located outside India, in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Expenditure on consumption of imported raw material	935.23	8.62%	1,084.90	8.13%	1,982.93	8.86%
Revenue from operations from sales located outside India	4,889.46	45.08%	4,147.85	31.10%	5,484.71	24.51%

For details on the exchange rates between the Indian Rupee and the U.S. dollar and Euro, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Global Operations and Foreign Exchange*” beginning on page 366.

Set forth below are the amounts of revenue of our Company (on standalone basis) earned in each of these currencies in the corresponding periods:

Particulars	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount of revenue (₹ million)	As a percentage of revenue from operations (%)	Amount of revenue (₹ million)	As a percentage of revenue from operations (%)	Amount of revenue (₹ million)	As a percentage of revenue from operations (%)
U.S. dollar	4,047.79	41.25%	3,228.07	27.72%	4,435.00	22.12%
Euro	507.85	5.18%	601.48	5.16%	746.98	3.73%
Others	5,256.11	53.57%	7,816.68	67.12%	14,867.85	74.15%
Total	9,811.75	100.00%	11,646.23	100.00%	20,049.83	100.00%

Further, while we seek to hedge our foreign currency risk by entering into foreign exchange forward contracts, any steps undertaken to hedge the risks due to fluctuations in currencies may not adequately hedge against any losses that we incur due to such fluctuations. As at March 31, 2020, 2021 and 2022, our Company has ₹ 632.96 million, ₹ 682.11 million and ₹ 80.32 million of unhedged foreign currency exposure (net outflow). For details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Global Operations and Foreign Exchange*” beginning on page 366.

6. *The current and continuing impact of the ongoing COVID-19 pandemic on our business and operations has been significant. The impact of the pandemic on our operations in the future, including its effect on the ability or desire of customers to purchase our products, is uncertain and may be significant and continue to have an adverse effect on our business prospects and future financial performance.*

The outbreak of the COVID-19 pandemic and its continuing impact, as well as government measures to reduce the spread of COVID-19, has had a substantial impact on our operations since the last week of March 2020. The impact of the pandemic on our business, operations and financial performance has included and may continue to include the following:

- Temporary shutdown of our manufacturing facilities due to the widespread illness. A continued policy change from the Government, particularly as a result of any subsequent waves in India, may also affect our ability to effectively manage our inventory of products.
- Temporary closure of our office and decline in availability of workforce due to employees contracting the virus, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work.
- Adverse impacts on our revenue, profitability and growth rates – particularly as operating expenses do not decrease at the same pace as revenue declines. Many of our expenses are less variable in nature and may not correlate to changes in revenue, such as lease expenses, depreciation, employee benefit expenses

and other costs associated with operating and maintaining our manufacturing facilities. Our Company's fixed costs as a percentage of our total expenses was 32.06%, 24.93% and 18.97% in Fiscal 2020, 2021 and 2022, while fixed costs as a percentage of revenue from operations was 31.20%, 22.38% and 17.58% in the corresponding periods. Further, our Company's variable costs as a percentage of our total expenses was 67.94%, 75.07% and 81.03% in Fiscal 2020, 2021 and 2022 respectively, while variable costs as a percentage of revenue from operations was 66.12%, 67.39% and 75.09% in the corresponding periods.

- Disruptions of the services we receive from third-parties including our suppliers and transportation and logistics partners, due to limited and sporadic availability of raw materials, fluctuating and unpredictable demands, and disruptions in supply chain.
- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply or adhere to the measures and guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

Additionally, there can be no assurance that we will be able to successfully achieve our expansion strategies in the event of subsequent waves of the pandemic in India leading to additional restrictive measures or hampering overall economic recovery. The impact of the ongoing pandemic cannot be ascertained at this time, and while we cannot currently estimate the duration or future impact of the COVID-19 pandemic on our business or on the Indian or global economy, we expect the effects to continue into Fiscal 2023 and beyond.

In addition, if our Key Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to one or more of our manufacturing facilities could also cause negative publicity directed at any of our distributors and cause customers to avoid our products, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects. Also see "Restated Consolidated Financial Information" on page 271.

7. Our inability to handle risks associated with our export sales could negatively affect our sales to customers in foreign countries, as well as our operations and assets in such countries.

In course of our operations, we have exported our products to more than 90 countries. For Fiscal 2020, 2021 and 2022, 96.24%, 94.61% and 95.69%, respectively, of our total segment revenue, as per our segment reporting under Ind AS 108, was from our core business. Set forth below are details of our exports in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Revenue from operations from sales located outside India	4,889.46	45.08%	4,147.85	31.10%	5,484.71	24.51%

The decline in terms of percentage of our revenue from exports (while the value of exports in absolute terms increased in Fiscal 2022) was as a result of the COVID-19 pandemic, and the consequent travel restrictions, along with demand from the domestic market for machinery. As a result, we focussed our operations on catering to domestic requirements. Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- Demand for our products by our customers located outside India;

- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations. For example, such a disruption may prevent us from production or delivery of our products to our customers;
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations on our foreign subsidiaries. If we are unable to comply with such laws, our business, results of operations and financial condition could be adversely affected;
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate; and
- Fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, such as export receivables and various investments, the relative prices at which we and our competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations. For instance, fluctuation of the Euro and U.S. dollar would have an impact on the export revenues and profits of our operations.

Any of these risks could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

8. *Under-utilization of our manufacturing capacity and an inability to effectively utilize our manufacturing, developmental and support services infrastructure could have an adverse effect on our business, future prospects and future financial performance.*

The success of any machine manufacturing business is dependent upon regular technological upgradation, hiring and retention of qualified and experienced personnel, and their satisfactory performance to further grow the business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the capital goods procurement plan of our customers, which is dependent upon business cyclicity of end-user industries. In recent times, we have made significant investments for modernisation of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the capacities as anticipated. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. For further information, see “*Our Business – Registered Capacity and Capacity Utilization*” on page 197.

Under-utilization of our manufacturing capacity over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

9. *Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.*

We record registered capacity at a consolidated level based on the capacity details that we provide to the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry. These details are not recorded at the level of manufacturing facilities, since different facilities may perform or provide different parts of the value chain for a single machinery, and we also utilise particular facilities depending on factors such as proximity to the customer, specifications of the ordered machinery, among others. While registered capacity and capacity utilization can be calculated for our tape extrusion lines, tape winder and circular looms, it is not meaningful to calculate these for other machines and equipment. We manufacture other machines and equipment, including printing machines, recycling machines, based on orders received. Certain of these orders may require us to outsource parts of the manufacturing and supply chain process to vendors, where we provide purely assembly

functions. There may also be varying levels of customisation in these machines. These result in the calculation of installed or registered capacity for other machines and equipment not being meaningful.

Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the industry in which we operate after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities, the period during which the manufacturing facilities operate in a year, availability of raw ingredients, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities.

10. *Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or increase in minimum wages across various states, inability to attract or train skilled personnel and if we are unable to engage new employees at commercially attractive terms.*

The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers. As of March 31, 2022, we have 2,259 full-time employees on our payroll and 866 contract labourers. Set forth below are details of our employee benefits expense in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Employee benefits expense	1,550.43	14.30%	1,501.54	11.26%	1,925.32	8.60%

Although we have not experienced any interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. In addition, our business requires skilled personnel for the operation of machinery. While we train individuals at the MTTC to cater to our internal manpower requirements, in the event we are unable to attract or adequately train skilled labour, our operations may be adversely affected. Further, a significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

11. *Failure to maintain or improve our technology infrastructure could harm our business and prospects.*

As a technology and innovation driven company, with strong focus on R&D, we possess extensive technical knowledge about our products which has been built up through our own experiences and significant investment in our in-house R&D capabilities. As at March 31, 2022, we had 152 on-roll employees engaged in R&D activities, representing approximately 7% of our total on-roll manpower. Set forth below are details of our R&D expenditure in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Expenditure on R&D	685.07	6.32%	286.43	2.15%	337.39	1.51%

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. The development and commercialization of new products is complex, time-consuming and costly, and its outcome is inherently uncertain. Due to the long lead times associated with development for many of the technologically advanced machinery and equipment, as well as the competitive advantage that can come from being the initial developer of a new product, it is important that we maintain a sufficiently large portfolio of machinery and equipment and a product pipeline and manage their development processes so as to bring our systems and components to market on a timely basis.

We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

12. *Our failure to keep our technical knowledge confidential could erode our competitive advantage.*

We possess extensive technical knowledge about our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or willfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. While we may enter into non-disclosure agreements with our suppliers, there can be no assurance that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as certain of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. If the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition and/or prospects.

13. *We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.*

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations, including, assisting in loading/ unloading works and housekeeping activities. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by independent contractors. All contract labourers engaged at our facilities are assured minimum wages that are fixed by the state

government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

14. We may be subject to labour unrest and slowdowns.

India has stringent labour legislations that protect 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. Our employees are not unionised. However, in the event that employees seek to unionise, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business. We believe our employees and personnel are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition. A potential increase in the salary scale of our employees or amounts paid to our contract manufacturers as a result of renegotiation or unrest, or a disruption in services from our employees or contract manufacturers due to potential strikes, could adversely affect our business operations and financial condition.

15. We are expected to comply with quality requirements imposed by our customers and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or warranty and exposure to potential product liability claims.

We face an inherent business risk of exposure to product defects, quality complaints and subsequent liability claims if the use of any of our products results in personal injury or property damage. We and our suppliers may not be able to meet quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products do not meet quality standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

We usually provide warranty against manufacturing defects on our products. For example, warranty for manufacturing defects is provided for 12 months from the date of commissioning or 15 months from the date of shipment of machines, whichever is earlier, over components other than electrical/ electronic items. Any defect in our finished products, based on quality of other specifications, may result in customers making a warranty claim. Set forth below are details of warranty claims against us in the ordinary course of business in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Warranty claims made against our products in the ordinary course of our business	24.60	0.23%	86.47	0.65%	138.70	0.62%

There can be no assurance that we or our component suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. The longer useful life of some of our products makes it possible that latent defects might not appear for several years. There is no guarantee that any future non-compliance with quality expectations and specifications set out by our customers will not result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Further, in connection with certain products that we export, we may be required to provide performance bank guarantees of up to 10% of the value of the machine. These performance bank guarantees are valid for up to two years. While we have not had any instances where a performance bank guarantee has been invoked by a customer owing to unsatisfactory performance of machines supplied by us, there can be no assurance that we will not be subject to invocation of such bank guarantees in future.

The failure by us or any of our suppliers to achieve or maintain quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or until a new supplier has been identified and evaluated. The quality of raw materials and the goods we trade in will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Our or our component supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able to locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

16. *Activities involving our manufacturing and assembly process can be dangerous and can cause injury to people or property in certain circumstances. Further, we may be required to work with hazardous materials and such activities in our operation can be dangerous, which could cause injuries to people or property. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.*

Our business involves complex manufacturing processes that can be dangerous to our employees. Although we provide necessary training and employ safety procedures, including providing safety equipment on the shop floor, in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in any of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects. While we maintain legally mandated insurance policies such as accident and medical insurance policies for our employees, we cannot assure you that the coverage under such policies will be sufficient to cover loss sustained or that an affected employee or third party will not additionally seek legal recourse against us.

As of March 31, 2022, we had a total insurance coverage of ₹10,989.86 million on our Company's total assets. Of this, insurance coverage of ₹ 6,810.36 million was on fixed assets of our Company (which was 176.12% of insured fixed assets) and insurance coverage of ₹ 4,179.50 million was on inventory (which was 119.83% of the value of our Company's inventory). While we have not experienced any such instances, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects.

Our operations are also subject to operating risks associated with machinery manufacturing, including related to handling and storage of raw materials used in our manufacturing processes. While there have been no such instances in the past, our operations involve handling hazardous materials such as chromium for chromium plating of parts/ components, which can cause accidents resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties and the properties of others. Despite

compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems;
- inclement weather and natural disasters; and
- other environmental risks.

The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. While we have obtained insurance coverage against such disruptions, there can be no assurance that our insurance will be adequate to cover against such potential disruptions. We may also face claims and litigation, in India or overseas, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

17. We are subject to various laws, regulations, approvals and licenses required in the ordinary course of business, including environmental, health and safety laws and other regulations. Any failure to obtain or retain them in a timely manner may materially adversely affect our operations.

Our business and operations are subject to a number of approvals, licenses, registrations and permissions for operating our manufacturing and other facilities, branch offices and regional offices, in addition to extensive government regulations for the protection of the environment and occupational health and safety. We also have certain warehouses, where we store inventory of spares for after-sales services. We have either made or are in the process of making an application or renewal for obtaining necessary approvals that are not in place or have expired. We may also need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. We are required to obtain various regulatory approvals and registrations for our operations, including consents from the local pollution control boards in India to establish and operate our manufacturing facilities in India, and registrations with the relevant tax and labour authorities in India and abroad, some of which may expire in the ordinary course and for which we would be required to make applications for renewal from time to time.

In addition, our operations also require us to obtain other approvals and permits including for use of utilities. Failure to obtain and maintain any required approvals and registrations may have an adverse effect on our business, financial condition, results of operations and prospects. Further, our approvals and registrations are subject to numerous conditions (for instance, including periodic reporting or audit requirements), some of which may require us to undertake substantial compliance-related expenditure. Breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. In addition, in relation to certain business premises that are located in buildings that have been leased by us from third parties (including our manufacturing facilities in Pankhi Industrial Estate, Kanpur and Peenya Industrial Estate, Bangalore), certain licenses and approvals are required to be obtained and maintained by the owners of such buildings. Any failure on the part of the owners to obtain and renew these approvals may impact our operations at such premises. For instance, the owner of the building on which our Bangalore manufacturing facility is located is in a building for which an occupancy certificate (“OC”) has not been obtained by the owner as per the byelaws of the local planning authority, having jurisdiction over the building. Any adverse regulatory proceedings initiated against the owner for such failure to receive the OC may disrupt our operations or compel us to relocate our Bangalore manufacturing facility to an alternate location.

A suspension, cancellation or refusal to extend our approvals and registrations may require us to cease production at some or all of our manufacturing facilities (or may affect other aspects of our operations), which may have an adverse effect on our business, financial condition, results of operations and prospects.

If we fail to retain, renew or receive any of such approvals, licenses, registrations, permissions or renewals, in a timely manner or at all, our business, financial condition, results of operations and prospects may be adversely affected. For details of pending renewals and pending material approvals, see “*Government and Other Approvals*” on page 407.

Further, our government approvals and licenses are subject to certain conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claims that we have not complied with such conditions, our business, prospects, financial condition and results of operations may be adversely affected. For details, see “*Outstanding Litigation and Material Developments*” beginning on page 398.

18. *We export our products to various countries, on account of which we may be subject to significant import duties or restrictions. Further, unavailability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.*

Our key overseas markets include Africa, Middle East, SAARC, ASEAN, Latin America and CIS. The countries in these regions impose varying import duties on our products. There can be no assurance that the import duties will not increase or that new restrictions will not be imposed by such countries. Any substantial increase in such duties or imposition of new restrictions may adversely affect our business, financial condition and results of operations. Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries. India is also a party to, and is currently negotiating, free trade agreements with several countries and if we export our products to such countries, any revocation or alteration of those bilateral agreements may also adversely affect our ability to export. Occurrence of any of these events may adversely affect our business, financial condition and results of operations. Further, changes in import policies or an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition and results of operations. Further, the GoI notifies policies providing fiscal benefits on exports and imports from time to time and any discontinuance or non-availability of such fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

19. *If we fail to manage mergers, acquisitions, divestitures, and other transactions successfully, our financial results, business, and future prospects could be harmed.*

In pursuing our business strategy, we routinely conduct discussions, evaluate targets, and enter into agreements regarding possible joint ventures, equity investments and divestitures. For example, in 2019, we had acquired Leeson Corporation in USA. In 2021, we have also acquired the lamination / coating machines business for woven fabric from Sundarlam Industries, Bengaluru and incorporated Sundarlam Industries Private Limited, in which our Company has 80% stake.

As part of our business strategy, we seek to identify acquisition or joint venture opportunities that will expand or complement our existing products and services, or customer base, at attractive valuations. We often compete with others for the same opportunities. To be successful, we must conduct due diligence to identify valuation issues and potential loss contingencies, negotiate transaction terms, complete and close complex transactions, and manage post-closing matters (e.g., integrate acquired companies and employees, realise anticipated operating synergies, and improve margins) efficiently and effectively. Joint ventures, investment transactions and divestiture often require substantial management resources and have the potential to divert our attention from our existing business. Unidentified pre-closing liabilities could affect our future financial results. Inability to manage the completion and closing of such transactions can lead to operating synergies not being realised and thereby affect our financial performance. Further, disputes or differences could arise in connection with our implementation of past or future acquisitions or mergers. For example, in connection with the LMML Merger, instead of listing of its equity shares as stipulated in the LMML Merger Scheme, our Company provided liquidity and exit opportunities to its shareholders (including the erstwhile shareholders of LMML who became shareholders of our Company pursuant to the LMML Merger) through alternative routes. For further details, see “*Capital Structure – Issue of Equity Shares pursuant to schemes of arrangement*” on page 102. Any disputes in connection with this scheme could divert our management’s time and attention and consume financial resources in their defence.

Joint ventures or equity investments operate under shared control with other parties. Our operating results may be affected by the performance of businesses over which we do not exercise control. Management closely monitors the results of operations and cash flows generated by these investees. If we fail to manage acquisitions, divestitures, and other transactions successfully, our financial results, business, and future prospects could be harmed. For more information, please see “*Business – Business Strategies*” on page 186.

20. Our strategy to develop and improve the digitisation of our machineries and launch new and advanced products may not yield the expected benefits.

We are continuously developing and improving the digitisation of our machineries. Set forth below are details of our R&D expenditure in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Expenditure on R&D	685.07	6.32%	286.43	2.15%	337.39	1.51%

As part of our focus on innovation, we had developed Lohia IoT Gateway hardware, which is deployed in our machines since 2022 to make them IoT enabled. We also endeavour to launch new and advanced products over the next few years. Towards these objectives, we continue to develop our in-house research and development capabilities through human resource and technical development, as well as exploring opportunities for collaboration and inorganic growth as well as by continuing to work closely with our customers to upgrade and customize our products. For further information, see “*Our Business – Strategies – Technology-driven operations with a focus on innovation-led research and development*” on page 182.

Given the current climate change concerns and the global focus on sustainability, recycling, reusing and repurposing materials like single use, non-biodegradable plastics, this market is relatively untapped and allows for exponential growth. (Source: F&S Report) The recycling market is projected to grow at a CAGR of 30% over the next five years, (Source: F&S Report), and we intend to grow our recycling machinery and equipment product offerings to cater to this rapidly growing market by developing new machines to enter into the market for post-consumer recycling for non-food grades. We also intend to continue our innovation efforts, particularly in the aspect of developing and digitisation of our machinery which includes our recycling machine, RECLAMAX. Shifts in customer demand or industry trends can render existing technologies and machinery obsolete, requiring additional capital expenditures and/or write-downs of assets. Our failure to anticipate and adequately respond to evolving technical and technological specifications and market trends may adversely affect our business, financial condition, results of operations and prospects. Planned product upgrades may be subject to unanticipated delays or our competitors’ products may be more effective or innovative and/or less expensive or may garner larger market share due to other reasons beyond our present knowledge or control, thus yielding lower sales and profits relative to our expectations.

21. We have experienced negative cash flows in the past. Any negative cash flows in the future could adversely affect the results of operations and financial condition.

We have in the past, and may in the future, experience negative cash flows from investing and financing activities. The details of our cash flows based on restated consolidated financials for the Fiscal 2020, 2021 and 2022, are as follows:

Particulars	Fiscal		
	2020	2021	2022
	(₹ million)		
Net cash flow from operating activities	888.64	4,002.78	1,245.37
Net cash flows (used in) investing activities	(1,117.08)	(1,057.62)	(745.89)
Net cash flows from/ (used in) financing activities	429.29	(3,105.06)	(660.81)
Net increase/(decrease) in cash and cash equivalents	200.85	(159.90)	(161.33)
Cash and cash equivalents at the beginning of the year	235.97	440.72	282.34
Effects of currency translation on cash and cash equivalents	3.90	1.52	(3.04)
Cash and cash equivalents at the end of the year	440.72	282.34	117.97

For further details, see the section entitled “*Restated Consolidated Financial Information*” on page 271. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

22. *Product liability and other customer claims could adversely affect our business, results of operation and financial condition.*

We are subject to product liability and other claims from customers or third parties, in connection with (i) the non-compliance of these products or services with the customer’s specifications, due to faults in design or production, (ii) the delay or failed supply of the products or the services indicated in the contract or (iii) defaults and/or delays in delivery, rendering of after-sale services and maintenance and revision of products. These liabilities might arise from causes that are directly attributable to us or causes that are attributable to third parties which act as our suppliers or sub-contractors.

Although we typically make provisions for customer warranty claims, insurance for product liability is typically not available due to the nature of the sector in which we operate. However, there are many events that could significantly impact our operations, or expose us to third-party liabilities, which could adversely affect our business, results of operation and financial condition. Furthermore, material breaches by us in the performance of our obligations may lead to contract termination or cause payment obligations to arise under applicable indemnity bonds. In addition, any accident, failure, incident or liability could negatively affect our reputation among our customers and the public, thereby making it more difficult for us to compete effectively, and could significantly impact the cost.

23. *Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.*

We maintain appropriate insurance coverage which commensurate with industry standards in India, in relation to property, stock and money for our warehouses, transit insurance and product liability insurance. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. For details, see “*Our Business – Insurance*” beginning on page 201.

However, our policies are subject to standard limitations that apply to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, insurance policies. We cannot assure you that the operation of our business will not be affected by any of the risks and hazards listed above. In addition, our insurance may not provide adequate coverage in certain circumstances including losses arising due to third-party claims that are either not covered by insurance or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage and claims that are excluded from coverage. If our arrangements for insurance are not adequate to cover claims, we may be required to make substantial payments and our results of operations, financial condition and cash flows may therefore be adversely affected.

We may not have identified every risk, and further may not be insured against every risk, including operational risks that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or in a timely fashion under our insurance policies. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

24. *If we fail to protect, or incur significant costs in defending, our intellectual property and other proprietary rights, our business, results of operation and financial condition could be materially harmed.*

Our future success depends, in part, on our ability to protect our intellectual property and other proprietary rights that we may develop. We rely primarily on patents, trademarks, trade secrets and unfair competition laws, as well as licence agreements and other contractual provisions, to protect our intellectual property and other proprietary

rights. However, patent applications may be rejected and in any event patent protection does not prevent competitors from developing equivalent or superior products without violating our intellectual property rights.

Moreover, our intellectual property rights may be challenged by third parties and, should we not prevail, we may be required to give or obtain licences, cease the production of a product, transfer the intellectual property rights or be liable for significant damages. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property or otherwise gaining access to our technology. Litigation may be necessary to protect our brand and to enforce our intellectual property rights, or to defend against claims by third parties that our business operations or use of our intellectual property infringe their intellectual property rights. For instance, our Company filed a suit before the Court of the District Judge, Kanpur Nagar (“**Kanpur Court**”) seeking *inter alia* permanent injunction against Lohia Auto Industries (“**Lohia Auto**”) from using, infringing or passing off our Company’s house mark and a temporary injunction against Lohia Auto during the pendency of the suit. The Kanpur Court granted an interim injunction against Lohia Auto by its order dated January 27, 2009, which was subsequently set aside by an order of the Allahabad High Court dated August 26, 2009, after an appeal was filed by Lohia Auto challenging it. The Kanpur Court pronounced a partial decree in favour of our Company by its order dated September 5, 2013, wherein it restrained Lohia Auto from using ‘LOHIA GROUP’ or any words similar to it for their business, while allowing both parties to use their logos freely (“**Impugned Order**”). Thereafter, Lohia Auto filed another appeal dated February 11, 2014, before the Allahabad High Court to set aside the Impugned Order. Further, our Company also filed a complaint before the World Intellectual Property Organization, Arbitration and Mediation Centre, Geneva (“**WIPO**”) against Lohia Brass Private Limited (“**Lohia Brass**”) on the alleged registration of a domain name <http://www.lohia-group.com> (“**Contested Domain Name**”) which was confusingly similar to the registered domain name of our Company, <http://www.lohiagroup.com>. The Contested Domain Name contained the words ‘LOHIA GROUP’, the usage of which had been restrained by the Kanpur Court by the Impugned Order, passed against Lohia Auto, an associate of Lohia Brass. Our Company sought for the transfer of the Contested Domain Name to itself, which was granted by WIPO in its decision dated February 14, 2014,. Subsequently, Lohia Brass filed a suit dated before the Additional District Judge- 03, South East, Saket Court, New Delhi (“**Saket Court**”) seeking *inter alia* a declaration that Lohia Brass is entitled to use the words/mark ‘Lohia Group’ and the Contested Domain Name, a declaration that the decision of the WIPO panel is null and void and a permanent injunction against our Company from interfering with Lohia Brass’s use of the Contested Domain Name. Both the matters are currently pending. For details see the section entitled “*Outstanding Litigation and Material Developments- Other material civil proceedings by our Company*” on page 400.

If we fail to protect our intellectual property and other proprietary rights, then our business, results of operation and financial condition could be materially harmed. In addition, any litigation or claims, with or without merit, could be time consuming and expensive, and could divert our management’s attention away from the execution of our business plan. As of March 31, 2022, our Company owned 40 trademarks, 26 patents and three design registrations. For details see the section entitled “*Government and Other Approvals*” on page 407.

25. *If we are unable to accurately forecast customer demand for our products, we may not be able to maintain optimum inventory levels resulting in additional strain on our resources.*

While we manufacture a significant portion of our products for sale based on confirmed orders under direct contractual arrangements, we determine the quantities manufactured for sales on the basis of orders received and management estimates based on historic trends and demand data and our forecasts provided to us by our marketing and sales network, which is used to extrapolate expected future sales pattern.

Our future earnings through the sale of our products may not be realized as forecasted, due to cancellations or modifications of firm orders or our failure to accurately prepare demand forecasts. If we are unable to appropriately estimate the demand for our products for any reason, it could result in excess inventory levels or unavailability of our products during increased demand, resulting in below potential sales. Our ability to accurately forecast customer demand for our products is affected by various factors, including:

- a substantial increase or decrease in the demand for our products or for similar offerings of our competitors;
- changes in customer requirements;
- aggressive pricing strategies employed by our competitors;
- failure to accurately forecast or changes in customer acceptance of our products;
- limited historical demand and sales data for our products in newer markets;

- fluctuations in foreign currency; and
- weakening of general economic conditions or customer confidence that could reduce the sale of our offerings.

Inventory levels of parts and components that exceed requirement for manufacturing of machines as per customer demand may result in inventory write-downs or write-offs or we may be required to sell our excess inventory at discounted prices, which will adversely affect our gross margins and negatively impact our reputation and brand exclusivity. On the other hand, if we face demand in excess of our ability to manage our supply chain efficiently, we may not be able to adequately respond to the demand for our products. This could result in delays in delivery of our products to our customers and we may suffer damage to our reputation and customer relationships. In addition, our customers may be driven to purchase products offered by our competitors, thereby affecting our market share. There can be no assurance that we will be able to manage our inventories at optimum levels to successfully respond to customer demand.

26. *Improper storage, processing and handling of materials and products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.*

Our inventory primarily consists of materials, parts and components used in our manufacturing operations, and work-in-process or machines under assembling stage. Our materials, manufacturing processes and finished products are susceptible to damage if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such damage is detected at the manufacturing facility during quality checks, we may have to suspend manufacturing activities, and lower capacity utilizations, which could materially and adversely affect our business prospects and financial performance. Improper storage may also result in higher than usual damage to our inventory due to adverse weather conditions or longer than usual storage periods, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margin.

27. *We may be exposed to counterparty credit risk in certain cases and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.*

Our machines and equipment are largely sold against advance payment or secured by letters of credit or bank guarantees. Other than these, in some instances, our operations involve extending credit to some of our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. For Fiscal 2020, 2021 and 2022, our trade receivables were ₹ 813.43 million, ₹ 915.81 million and ₹ 1,105.40 million, respectively. There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macro-economic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows, see “*Restated Consolidated Financial Information*” on page 271.

28. *Our business could be negatively affected by cyber or other security threats or other disruptions.*

As a technology-driven manufacturing company, we face cyber threats, threats to the physical security of our facilities and employees, and terrorist acts, as well as the potential for business disruptions associated with information technology failures, natural disasters, or public health crises.

While we have not experienced any prior cyber-attacks, if we are unable to protect sensitive information, including those of our customers, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures. However, due to the evolving nature of these security threats, the impact of any future incident cannot be predicted.

Although we work cooperatively with our customers, suppliers, joint venture partners, and acquisitions to seek to minimise the impact of cyber threats, other security threats or business disruptions, we must rely on the safeguards put in place by these entities, which may affect the security of our information. These entities have varying levels of cyber security expertise and safeguards. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our research, design and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price.

29. *If we are unable to maintain and enhance our brand, the sales of our products will suffer, which would have a material adverse effect on our results of operations.*

We believe that our brand plays a significant role in the success of our business and sustaining customer loyalty. The ability to differentiate our brand and products from that of our competitors through our promotional, marketing and advertising initiatives is an important factor in attracting customers. Set forth below are details of our advertising and marketing expenses in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Advertising and marketing expenses	207.87	1.92%	54.67	0.41%	105.54	0.47%

There can be no assurance that our brand name will not be adversely affected in the future by actions that are beyond our control including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our reputation, competitive position in India and abroad, business, financial condition, results of operations and cash flows.

Maintaining and enhancing our brand image may also require us to undertake significant expenditures and make investments in areas such as research and development, advertising and marketing, through media and other channels of publicity, and towards employee development and training. If our initiatives in any of these areas are not effectively implemented or our products fail to find acceptance with our existing and potential customers resulting in loss of customer confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected.

30. *Our Company, Subsidiaries, Directors, Promoters and Group Companies are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.*

There are outstanding legal and regulatory proceedings involving our Company, Subsidiaries, Directors, Promoters and Group Companies which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigation (including labour litigation)	Aggregate amount involved* (₹ in million)
Company						
By the Company	4	Nil	Nil	Nil	5	68.40

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigation (including labour litigation)	Aggregate amount involved* (₹ in million)
Against the Company	Nil	6	1	Nil	15	66.47
<i>Subsidiaries</i>						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	Nil	4	Nil	Nil	8.32
<i>Promoters</i>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	3	Nil	Nil	Nil	2.33
<i>Directors[#]</i>						
By the Directors	1	Nil	Nil	Nil	Nil	0.25
Against the Directors	3	1	Nil	Nil	1	0.27

[#]including Promoters.

* To the extent quantifiable.

We cannot assure you that any of these on-going matters will be settled in favour of our Company, Subsidiaries Promoters, Directors or Group Companies, respectively, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, Subsidiaries, Directors and Group Companies in the future. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For further details, see “*Outstanding Litigation and Material Developments*” on page 398.

31. We are dependent on a number of key personnel, including our Promoters and senior management, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.

Our ability to compete in the highly competitive industry for manufacturing machinery for technical textiles depends upon our ability to attract, motivate, and retain qualified personnel. We are dependent on the continued contributions of our chairman and managing director, Mr. Raj Kumar Lohia, our chief operating officer, Mr. Gaurav Lohia and our Directors who are actively involved in the business operations of our Company, and who have been instrumental in managing our rapidly expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these executives or find adequate replacements in a timely manner, or at all. For further details, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 235 and 260, respectively. The continued operations and growth of our business is dependent upon our ability to attract and retain our key personnel. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations, cash flows and financial condition.

Our business has a continuing need to attract large numbers of skilled personnel to support the growth of our business. However, there can be no assurance that these executives will stay on beyond the period of their contract. To the extent that the demand for experienced personnel exceeds supply, we could experience higher labour, recruiting, or training costs in order to attract and retain such employees, or could experience difficulties in performing our obligations under our contracts, if our needs are not met. To the extent we lose our experienced employees, in-particular engineers, through attrition, we will need to find ways to successfully manage the transfer of critical knowledge from individuals leaving us to their replacements. In Fiscal 2020, 2021 and 2022, our attrition rate was 7.27%, 7.46% and 10.93% respectively. We could also lose technology/know-how to competitors if they manage to attract our employees.

However, there can be no assurance that we may be able to find immediate replacements or suitable replacements if at all, which could have an impact on our ongoing programs. In addition, although we believe we incentivise our employees by offering remuneration in line with market standards and a conducive working environment, to

the extent that we are unable to attract, develop, retain, and protect leadership talent successfully, we could experience business disruptions and this could impair our ability to achieve business objectives.

32. *Certain secretarial records and documents filed by us with the Registrar of Companies are not traceable.*

Our Company is unable to trace certain secretarial records and regulatory filings made by us. These include Form-18 and the respective challan filed for designating the address of the registered office of our Company at the time of its incorporation, the challans for Form 28 filed for certain changes in the address of the registered office of our Company, and the challan for Form 23 filed in relation to the conversion dated December 19, 1987 of our Company from private to public. Despite having conducted an extensive search of our records, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on alternate documents, including the certificate of incorporation, minutes of board meetings and subsequent form filings which mention the relevant details.

We cannot assure you that the secretarial records or regulatory filings which we have not been able to locate will be available in the future, or that the regulatory filings were done in accordance with applicable law or at all or in timely manner. Additionally, while no disputes or penalties have arisen or been imposed in connection with these secretarial records as on the date of this Draft Red Herring Prospectus, we cannot assure you that no dispute or penalties shall arise or be imposed in the future.

33. *Our reliance on third parties for certain aspects of our business, including raw material suppliers, transporters of our raw materials and products and logistic / warehouse service providers, exposes us to certain risks.*

We rely on third parties for the supply of raw materials, components for our machinery, contract labour and power required for the manufacture of our products, as well as for performance of certain processes and services carried out at our manufacturing, assembly, warehousing and office premises including waste management and facility management functions. Our ability to identify and build relationships with reliable vendors worldwide contributes to our growth and our successful management of our inventory as well as other aspects of our operations. Although we have an in-house vendor rating process, we cannot assure you that this process entirely eliminates the risk of unreliable vendors. Our raw material and component suppliers may fail to consistently deliver products of acceptable quality and within stipulated schedules, or the contractors to whom we have outsourced certain processes and services at our manufacturing, warehousing or office premises may not fulfil specified performance standards, which may adversely affect our operations. We may be required to replace a vendor if its products or services do not meet our safety, quality or performance standards or if a vendor should unexpectedly discontinue operations due to reasons beyond its or our control (including financing constraints caused by credit market conditions).

Factors such as the financial instability of suppliers, vendors' non-compliance with applicable laws, trade restrictions, labour disputes, currency fluctuations, changes in tariff or import policies, severe weather, political uncertainty, terrorist attacks and transport capacity and cost may disrupt our supply chains, which may result in increased costs or delivery delays. Further, increase in competition and/or our competitors having established operations and long-term relationships with suppliers may see us facing challenges to secure adequate supply of raw materials or may increase our overall cost of raw materials. Therefore, there is no assurance that third party suppliers will be able to meet their contractual commitments to us, or that we will not be required to incur additional costs to remedy any deficiencies in their services or to obtain alternative sources of supply in the event that our contracted suppliers should default or be delayed in their performance. A significant disruption in supply of raw material, contract labour, power or third party services for our warehousing operations may, in turn, disrupt our operations and adversely affect our inventory management, business and financial condition, at least until alternative sources of supply of goods and services are arranged.

We also use, and intend to continue to use, third party transporters for transporting our personnel to the manufacturing units, for the supply of our raw materials and for deliveries of our products to our customers. Increased transportation costs as well as interruptions due to strikes by members of truckers' unions or shipping delays or adverse weather conditions or inadequate transport infrastructure may, to the extent that our losses are not covered by insurance, adversely affect the timely receipt of our raw materials as well as products, resulting in an adverse impact on our business, financial condition, results of operations and prospects.

34. *Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.*

Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, machinery manufacturing companies like us must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected. Our customers also negotiate for larger discounts in price as the volume of their orders increases. To maintain our profit margins, we seek price reductions from our suppliers, improved production processes to increase manufacturing efficiency and streamlined product designs to reduce costs. There can be no assurance that we will be able to avoid future customer price reductions or offset the impact of any such price reductions through continued technology improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, cost reductions or other productivity initiatives, which may adversely affect our business, financial condition and results of operations.

35. *Any write-down of intangible assets may harm our results of operations and financial condition.*

Our balance sheet includes amounts recorded as intangible assets, in particular with respect to development costs. As of March 31, 2022, we had intangible assets (net of amortisation) of ₹ 23.78 million (which represented 0.16% of our total assets). Assets of indefinite life are subject to an “impairment test” at least once a year. These evaluations are based on estimates of future cash flows and applicable discount rates. Any significant discrepancies between the estimates and actual developments and any change to expected future cash flows may have a materially adverse effect on our results of operations and financial condition.

36. *Our operating and financial performance may be harmed as a consequence of breaches of our contractual commitments.*

The timely and satisfactory execution of our contractual commitments depends upon numerous factors, including our ability to develop the technologies necessary to provide, directly or through third parties, the products and services required by our customers. The failure by us to deliver, in a timely manner or at all, the products and services we are obliged to deliver, or any fault in contract execution (including as a result of delays or breaches by our suppliers), may lead to higher costs or penalties or the calling of performance bonds. This may negatively affect our operating and financial performance. While we have not experienced any such instances in the past, there can be no assurance that we would not face any situations in the future, and any future breach of our contractual commitments could result in an adverse effect on our operations, financial conditions and result of operations.

37. *We may not be successful in improving inadequacies in our information and reporting systems.*

Effective information and reporting systems are critical to our operations. Among other things, we rely on timely access to reliable information in order to provide services to our customers and prudently manage our assets and liabilities, liquidity and overall financial condition. In addition, our ability to manage our operational risk depends on access to such information. We are implementing certain software and reporting initiatives, and upgrading our enterprise resource planning system, but we cannot assure you that this will be completed successfully. In addition, we cannot assure you of the adequacy of our reporting systems, that our new information technology system will not become quickly out-dated or that our employees will be adequately trained in how to operate or comply with such systems.

Further upgrades of our information and reporting systems take time and may entail significant technical and implementation risks. We cannot assure you that our systems will be adequate to address our information and reporting inadequacies, or that we will be able to respond to technological advances and changing industry standards and practices on a cost effective and timely basis. If our systems are inadequate or quickly become out-

dated or our employees are not adequately trained in how to operate and comply with such systems, our financial condition, liquidity and results of operations could be materially and adversely affected.

38. *Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity, water or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.*

Adequate and cost effective supply of electrical power, water and fuel is critical to our manufacturing facilities. Set forth below are details of our power, water and fuel costs in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Power, water and fuel costs	162.04	1.49%	200.90	1.51%	283.41	1.27%

We source most of our electricity requirements for our manufacturing facilities from state electricity boards. The cost of electricity from state electricity boards could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

There may be power cuts in the supply provided by the respective state electricity boards from time to time and so we have stand-by captive generator sets and UPS system for our operations to ensure that there is no stoppage in our production. Power costs represent a significant portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production.

39. *We derive a portion of our revenues from operations and conduct business outside India and any adverse developments in these markets could adversely affect our business.*

We derive a portion of our revenues from operations and conduct business outside India from our Subsidiaries and technical alliances. Our business footprint spans across geographies and as of March 31, 2022, we have business operations across different continents and a sales and business development team of over 200 employees that allow us to generate business across such geographies. Set forth below are details of our exports in each of the corresponding periods:

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Revenue from operations from sales located outside India	4,889.46	45.08%	4,147.85	31.10%	5,484.71	24.51%

For details, see “Our Business – Business Development and Sales” on page 199.

The markets in which we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. Therefore, we may be subject to risks inherent in doing business in countries other than India, including: risks related to the legal and regulatory environment in non-Indian jurisdictions, including with respect to privacy and data, or repatriation of our revenues or profits from foreign jurisdictions to India; security, and unexpected changes in laws, regulatory requirements and enforcement; challenges caused by distance, language and cultural differences; health and security threats or the outbreak of an infectious disease such as COVID-19; pricing pressures, fluctuations in the demand for or supply of our products or services; complex local tax regimes; higher costs associated with doing business in multiple markets; imposition of international sanctions on one or more of the countries in which we operate; potential damage to our brand and reputation due to compliance with local laws, including requirements to provide information to local authorities; fluctuations in currency exchange rates; political, social or economic instability; difficulties in managing global operations and legal compliance costs associated with multiple international locations; and exposure to local banking, currency control and other financial-related risks. Further, the regulatory regime in some of the territories we operate in continues to evolve at a rapid pace and may be unclear or inconsistent or open to conflicting interpretation. In addition, we continue to benefit from certain export incentives provided by the GoI, such as duty drawbacks and the Remission of Duties and Taxes on Export Products scheme. Any revocation of such incentives, or our ineligibility to avail of them, may lead us to incur additional expense in our exports process.

Our failure to effectively react to these situations or to successfully introduce new products or solutions in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies.

40. *Our Company has received certain benefits under government schemes in the past. We may not be able to fulfil our obligations under such schemes, and there can be no assurance that such schemes will be recurring in future, which in turn may increase our expenses and impact our profitability.*

We have availed of the Export Promotion Capital Goods (“EPCG”) scheme of the GoI in the past, and such duty saved in respect of procurement of capital goods have been recognised as ‘income from government grants’ in our financials. In Fiscal 2021 and 2022, such government grants amounted to ₹ 34.29 million and ₹ 90.53 million, respectively. The EPCG scheme helps facilitate the import of capital goods that are used in pre-production, production, and post-production without the payment of customs duty, with an export obligation on the beneficiary that is equivalent to six times the duties, taxes and cess saved on capital goods procured, to be fulfilled within six years from the date of authorisation. There can be no assurance that we will be able to fulfil our obligations under the EPCG scheme, or any similar schemes that we may benefit from, which may result in us losing such benefits. Any revocation of such schemes by the GoI, or us not being eligible to avail of such benefits, may increase our expenses and adversely affect our results of operations, financial condition and cash flows and future business prospects.

41. *Our estimates and forward-looking statements may prove to be inaccurate.*

The accounting for some of our most significant activities is based on judgments and estimates, which are complex and subject to many variables. For example, changes in Indian or foreign tax laws, including possibly with retroactive effect, and audits by tax authorities could result in unanticipated increases in our tax expense and lower profitability and cash flows. Actual financial results could differ from our judgments and estimates. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Accounting Policies” on page 367, for a complete discussion of our significant accounting policies and use of estimates.

Our future financial results may differ materially from those suggested by the forward-looking statements due to various risks and uncertainties. Given these uncertainties, you should not rely on forward-looking statements. The forward-looking statements contained in this Draft Red Herring Prospectus speak only as of the date. We expressly disclaim a duty to provide updates to forward-looking statements after the date of this Draft Red Herring Prospectus to reflect the occurrence of subsequent events, changed circumstances, changes in our expectations, or the estimates and assumptions associated with them.

42. *Certain of our manufacturing facilities, service centre, offices are located on leased premises.*

Certain of our facilities are substantially located on leased properties from third parties. Typically, the term of our leases ranges from 11 months to 63 years, and are subject to lock-in for a certain duration over the respective term of such lease. We are required to pay a security deposit, specified monthly rentals and common area maintenance charges for the duration of our lease agreements, subject to periodic escalations at agreed rates. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. Further, our properties in Panki Industrial Area, Kanpur, have been obtained on long-term lease from the Uttar Pradesh State Industrial Development Corporation (“**UPSIDC**”), and remain subject to any decision by UPSIDC to revoke such lease, or not renew the lease at the end of its expiry. For further details, see “*Our Business – Properties*” on page 201.

While there are no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our business operations. Any adverse impact on the title and ownership rights of the owners from whose premises we operate, breach of the contractual terms of any lease deeds, or any inability to renew such agreements on acceptable terms may also affect our business operations. In addition, the terms of certain of our leases require us to obtain the lessor’s prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all.

In the event we intend to expand the capacity of our facilities, and require additional land for such purposes, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition or relocation and resettlement costs, or at all.

The cost of acquiring land on a leasehold basis for our facilities may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our facilities from local communities, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our facilities, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

43. *We have commissioned an industry report from Frost & Sullivan (India) Private Limited, which has been used for industry related data in this Draft Red Herring Prospectus.*

We have availed the services of an independent third-party research agency, Frost & Sullivan (India) Private Limited, appointed by our Company on April 23, 2022, to prepare an industry report titled “*Assessment Of Machines Market For Technical Textile With Focus On Plastic Woven Fabric/Sacks*” dated September 26, 2022 for the purpose of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. The F&S Report uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. For further details, including disclosures made by F&S in connection with the preparation and presentation of their report, see “*Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation*” on page 19.

44. *Negative publicity against us, our joint venture partners, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, results of operations and prospects.*

From time to time, we, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or our or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

45. *If we experience insufficient cash flows to fund our working capital requirements or if we are not able to provide collateral to obtain letters of credit and bank guarantees in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operation.*

Our business requires working capital including in connection with our manufacturing operations and our development of new products. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments.

Our sources of additional financing, where required to meet our working capital needs, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt and increase in rate of interest for any reason whatsoever, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements with our customers include reduced advance payments or longer payment schedules. These factors may result in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

46. *We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.*

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of March 31, 2022, we had total borrowings of ₹ 3,165.91 million. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, (a) any change in the general nature of the business of the Company, ownership, shareholding pattern, promoter and promoter group shareholding, management control, or any change in the majority shareholding of our Company, (b) amendment in the constitutional documents of the Company including the memorandum of association and articles of association of the Company, (c) any change in the ownership/ control/ management set-up of our Company, (d) implementing any scheme of expansion, modernisation, diversification, other than incurring routine capital expenditure, and (e) entering into any scheme for merger, de-merger, consolidation, re-organization, arrangement, takeover, reconstruction and/or undertaking a buyback. While we have received all relevant consents required for the purposes of this Offer and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we

may propose to take from time to time. While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements, that include, among others, acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. A default by us under the terms of any financing agreement may also trigger a cross-default under some of our other financing agreements, or any other agreements or instruments of our containing cross-default provisions, which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating. For details of our borrowings, see “*Financial Indebtedness*” on page 395.

Further, the cost and availability of our capital depends on our credit ratings. Credit ratings reflects the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle. Our long term and short term bank loan facilities were assigned a rating of “AA(-)/ Positive” and “A1+” respectively, in July 2021 by CRISIL.

Any downgrade in our credit ratings could increase borrowing costs, result in an event of default under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

47. *If we are unable to sustain or manage our growth or implement our strategies, our business, results of operations and financial condition may be materially adversely affected.*

Our operations have grown over the last three Fiscals. Our revenue from operations has increased at a CAGR of 43.63% from ₹ 10,845.65 million in Fiscal 2020 to ₹ 22,374.80 million in Fiscal 2022, and our EBITDA has increased at a CAGR of 63.86% from ₹ 1,030.22 million in Fiscal 2020 to ₹ 2,766.19 million in Fiscal 2022. We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for machines for manufacturing plastic woven fabric/ sacks, increased price competition, the lack of availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have a material adverse effect on our business, results of operations and financial condition.

We are embarking on a growth strategy that involves expanding our customer base and international presence, and improving our operational efficiencies through process improvements, supply chain rationalisation and effective resource planning. Our growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. For example, we intend to augment our scale of operations through selective strategic acquisitions and technical alliances, though we have not identified any specific acquisition targets. For details, see “*Our Business – Business Strategies*” beginning on page 186.

Further, as we scale-up and diversify our products, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot provide assurances that our future performance or growth strategy will be successful. Our failure to manage our growth effectively may have a material adverse effect on our business, results of operations and financial condition.

48. *Our Statutory Auditors have not audited the financial statements of certain Subsidiaries.*

Our Statutory Auditors have indicated in their examination report that, in respect of Fiscal 2022, the joint auditors have not audited the financial statements of 18 Subsidiaries, which have been audited by other auditors. Of the 18 Subsidiaries, the financial statements of two subsidiaries have been audited by one of the joint auditors. Further, two Subsidiaries are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. Further, our Statutory Auditors did not audit the financial statements of six Subsidiaries (including a step-down

Subsidiary) and two joint ventures, which are located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been required to be audited under generally accepted auditing standards applicable in their respective countries.

Further, the previous auditors of our Company have indicated in their audit reports, that they did not audit the financial statements of 16 Subsidiaries for the year ended March 31, 2021 and 13 Subsidiaries (including one step-down Subsidiary) for the year ended March 31, 2020, which have been audited by other auditors. Further, of these subsidiaries, two Subsidiaries for the year ended March 31, 2021 and one Subsidiary for the year ended March 31, 2020 were located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. Further, they did not audit the financial statements of five Subsidiaries (including a step-down Subsidiary), one associate and two joint ventures for the year ended March 31, 2021 and March 31, 2020 which were located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been required to be audited under generally accepted auditing standards applicable in their respective countries.

Our Statutory Auditors' opinion is not modified in respect of these matters.

49. *We will continue to be controlled by our Promoters and certain members of the Promoter Group after the completion of the Offer.*

As of the date of this Draft Red Herring Prospectus, our Promoters and certain members of the Promoter Group hold majority of the issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Offer, our Promoters and certain members of the Promoter Group together will continue to hold majority of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Shareholders for approval. After this Offer, our Promoters will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to control the composition of our Board, delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us. The interests of our Promoters and certain members of the Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and certain members of the Promoter Group could make decisions that may adversely affect our business operations, and hence the value of your investment in the Equity Shares.

50. *Our Company will not receive any proceeds from the Offer for Sale.*

The Offer comprises an Offer for Sale aggregating up to up to 31,695,000 Equity Shares by the Selling Shareholders. Certain of the Selling Shareholders are our Directors, who may accordingly receive certain proceeds from the Offer. Our Company will not receive any proceeds from the Offer for Sale. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and each Selling Shareholder will reimburse our Company for such expenses (inclusive of taxes) incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and in a manner as may be mutually agreed among our Company and the Selling Shareholders.

51. *Our Promoters, certain of our Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.*

Our Promoters, certain of our Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their, their relatives and their company's shareholding in our Company, payment of dividend or distributions thereon. For the payments that are made by our Company to related parties including remuneration to our Directors and our Key Managerial Personnel, see "Summary of the Offer Document– Summary of Related Party Transactions" on page 31 and "Our Promoter and Promoter Group – Interests of our Promoters and Related Party Transactions" on page 261. We cannot assure you that our Promoters, Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Promoters,

Directors or Key Managerial Personnel, may take or block actions with respect to our business which may conflict with the interests of the minority shareholders of our Company.

52. *Our Promoters, Directors and Group Companies may have interests in certain companies, which are in businesses similar to ours or our Subsidiaries' and this may result in potential conflict of interest with us or our Subsidiaries.*

A potential conflict of interest may occur between our Promoters, Directors and Group Companies if they have interest in companies in the similar line of business as our Company or our Subsidiaries. For example, some of our Group Companies, namely Anjali Capfin Private Limited, Anshita Holdings Private Limited, Rachit Finsec Private Limited, Shipra Finsec Private Limited and Shruti Finsec Private Limited, are in the same line of business as one of our Subsidiaries, namely Sarjna Capfin Private Limited and are engaged in the business of providing non-banking financial services. Our Promoters, Directors, their related entities and our Group Companies may compete with us or our Subsidiaries and have no obligation to direct any opportunities to us or our Subsidiaries. While necessary procedures and practices may be adopted as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

53. *Certain of our subsidiaries have incurred losses in the last three Fiscals.*

Certain of our subsidiaries have incurred losses in the last three Fiscals, as set forth in the table below:

Subsidiary	Fiscal		
	2020	2021	2022
	(₹ million)		
KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")	(30.19)	(11.88)	(0.47)
Lohia Injectoplast Private Limited	(0.01)	(0.02)	(0.06)
BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")	(4.19)	(3.07)	(0.04)
Focal Infra Developers Private Limited (formerly known as Lohia Infra Developers Private Limited)	-	(7.30)	(3.32)
Nupur Real Estates Private Limited	-	(8.49)	(0.29)
Lohia Aerospace Systems Private Limited	(17.97)	(11.87)	(66.32)
Lohia Filament Machines Limited	(4.67)	(13.39)	-
BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited")	-	(1.77)	-
Lohia Engineering and Design Services Private Limited	(0.02)	-	-
Lohia Global Solutions Private Limited	(3.33)	(0.79)	-
Lohia Mechatronik Private Limited	(1.07)	-	-
Sundarlam Industries Private Limited	-	-	(1.97)
KPR- C Realities Private Limited	-	-	(1.00)
Lohia Group Electricity Consumers Association	-	-	(10.95)
LCL Aviation Private Limited	-	-	(7.38)
Nalini Buildcon Private Limited	-	-	(0.33)
Galuner S.A., Uruguay	(0.83)	(28.38)	-
Lohia Hong Kong Limited, Hong Kong	(0.97)	(4.70)	(0.02)
SBI Mechatronik GmbH, Austria	-	(0.91)	-
Leesona Corp, USA	(22.57)	-	-
L&S Light and Strong Limited, Israel	(16.85)	(1.01)	-
Lohia Global Solutions FZE, UAE	-	(15.37)	(31.85)
Total	(102.67)	(108.95)	(124.00)

There can be no assurance that our Subsidiaries will not incur losses in the future which may have an adverse effect on our reputation and business. For further details, see "History and Certain Corporate Matters" on page 210.

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

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. For further details, see “Summary of the Offer Document - Summary of related party transactions” and “Restated Consolidated Financial Information - Related party disclosure – Note 43” on pages 31 and 333 respectively. These transactions among others include purchase and sale of goods and financing or investment activities. All such transactions have been conducted on an arm’s length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and have not been prejudicial to the interests of our Company. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In Fiscal 2020, 2021 and 2022, the aggregate amount of such related party transactions was ₹ 171.77 million, ₹ 125.77 million, and ₹ 129.58 million, respectively. The percentage of the aggregate value of such related party transactions to our total revenue from operations in Fiscal 2020, 2021 and 2022 was 1.59%, 0.94% and 0.58%, respectively.

55. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

56. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report our financial risks.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. While there have not been any material instances of non-adherence with internal controls in the past three Fiscals, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which may have an adverse effect on our business, financial condition, results of operations and cash flows.

57. As of March 31, 2022, we had contingent liabilities which have not been provided for in our financial statements and could adversely affect our financial condition.

As of March 31, 2022, we had contingent liabilities not provided for, as disclosed in the notes to our restated audited financial statements as follows:

Particulars	Amount
	(₹ million)
Contingent liability towards pending litigations related to disputed dues of:	
Claims against the Group not acknowledged as debts	43.28
Contingent liability of direct and indirect tax:	
(i) Sales tax matters under appeal	3.56
(ii) Income tax	33.63
Corporate guarantees given	301.39

Particulars	Amount
	(₹ million)
Total	381.86

If any of the claims in these contingent liabilities materialise, fully or partly, our financial condition could be materially and adversely affected.

58. *Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.*

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. While we have paid dividends in the past, our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, have profits to pay dividends to our Company's shareholders in future. For details pertaining to dividend declared by our Company in the past, see "Dividend Policy" on page 270.

59. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the industry in which we operate, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures" on page 382.

External Risk Factors

60. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries or an onset of recession, may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares. Further, the generalized system of preferences, a US trade preference program, situation in the United States is

also subject to changes and modification without notice and which could impact the duty structure applicable to certain of our products exported to the United States. We cannot assure that our products will not be subject adverse duty levy in any of our export markets.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

61. *Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.*

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of the COVID-19 pandemic or future outbreaks of the COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. For further information, see “ - *The current and continuing impact of the ongoing COVID-19 pandemic on our business and operations has been significant. The impact of the pandemic on our operations in the future, including its effect on the ability or desire of customers to purchase our products, is uncertain and may be significant and continue to have an adverse effect on our business prospects and future financial performance*” on page 43. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

62. *Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

63. *Changing laws, rules or regulations and legal uncertainties including taxation laws, or their interpretation, such changes may significantly affect our financial statements.*

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations or change existing laws or regulations such as JPMA that could affect the industry in which we operate, or which could lead to new compliance requirements. Any new compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. For details on the laws applicable to us, please see “*Key Regulations and Policies*” on page 203.

The Income Tax Act, 1961 (“**IT Act**”) was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to the COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Services Tax Act, 2017 and Customs Tariff Act, 1975.

Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. With the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax (“**DDT**”), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and health and education cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Further, the Government of India has notified the Finance Act, 2022 (“**Finance Act**”), which has introduced various amendments to the IT Act. As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any

failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

64. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

65. *If inflation were to rise significantly in the geographies we operate, and in particular in India, we might not be able to increase the prices of our products and services at a proportional rate thereby reducing our margins.*

Inflation rates in India and other geographies where we conduct operations have been volatile in recent years, and such volatility may continue in the future. In particular, India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

66. *Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.*

Our Company is a company incorporated under the laws of India and all of our Directors reside in India. A substantial portion of our assets, certain of our Key Managerial Personnel and officers are also residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. A final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. Any such suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Risks Relating to the Equity Shares and this Offer

67. The trading volume and market price of the Equity Shares may be volatile following the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

68. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

69. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India’s right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Finance Act, 2020 (“**Finance Act 2020**”) had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2021 (“**Finance Act 2021**”), which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

More recently, we cannot predict whether the amendments made pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

70. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant’s demat account with depository

participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

71. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sale of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sale might occur may also affect the market price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of a shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price.

72. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India, has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 456.

73. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.*

Our Restated Consolidated Financial Information for Fiscal 2020, 2021 and 2022, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

74. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.*

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Investor Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for the Offer Price*” on page 119 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*” on page 417. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

75. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

76. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

77. *A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.*

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

78. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder of our Company than as a shareholder of an entity in another jurisdiction.

79. *Our customers may engage in transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organisations also administer similar economic sanctions. We may enter into transactions with customers who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. There can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

80. *Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.*

The U.S. “Foreign Account Tax Compliance Act” (or “**FATCA**”) imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain “foreign passthru payments” made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered “foreign passthru payments”. Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered “foreign passthru payments”. The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address “foreign passthru payments” and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as “foreign passthru payments”. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

81. *U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.*

A foreign corporation will be treated as a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are “passive assets,” which generally means that they produce passive income or are held for the production of passive income.

No assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company’s income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company’s PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares⁽¹⁾⁽²⁾	Up to 31,695,000 Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
(i) Employee Reservation Portion ⁽³⁾⁽⁴⁾	Up to [●] Equity Shares, aggregating up to ₹ [●] million
(ii) Net Offer	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Net Offer comprises of:	
A) QIB Portion⁽⁵⁾⁽⁶⁾	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B) Non-Institutional Portion⁽⁷⁾⁽⁸⁾	Not less than [●] Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
(i) One-third of the Non-Institutional Portion available for allocation to Bidders with an Bid size of more than ₹200,000 and up to ₹1,000,000	Up to [●] Equity Shares
(ii) Two-third of the Non-Institutional Portion available for allocation to Bidders with a Bid size of more than ₹1,000,000	Up to [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares, aggregating up to ₹ [●] million
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	105,650,000 Equity Shares
Equity Shares outstanding after the Offer	105,650,000 Equity Shares
Use of proceeds	Our Company will not receive any portion of the proceeds from the Offer. For further information, see “Objects of the Offer” on page 117.

Notes:

- (1) The Offer has been authorized by a resolution of our Board dated August 1, 2022. The Offer shall be made in accordance with Rule 19(2)(b) of the SCRR.
- (2) The Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, approved the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures – Authority for this Offer” on page 410.
- (3) In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of employee discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000 (net of employee discount, if any)), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see “Offer Structure” on page 431.
- (4) Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
- (5) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 435.

- (6) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law.*
- (7) *Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 435.*
- (8) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with a Bid size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with a Bid size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.*

For details, including in relation to grounds for rejection of Bids, refer to "Offer Structure" and "Offer Procedure" on pages 431 and 435, respectively. For details of the terms of the Offer, see "Terms of the Offer" on page 425.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Consolidated Financial Information as at and for the financial year ended March 31, 2022, the financial year ended March 31, 2021, and the period ended March 31, 2020. The summary financial information presented below should be read in conjunction with “Financial Information – Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 271 and 361, respectively.

Summary of Restated Statement of Consolidated Assets and Liabilities

(All amounts are ₹ in million, unless otherwise stated)

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Assets				
1	Non-current assets			
a.	Property, plant and equipment	4,266.84	3,319.66	2,384.74
b.	Right-of-use asset	441.16	385.95	399.65
c.	Capital Work In Progress	181.76	463.81	508.75
d.	Investment properties	1,068.99	1,020.42	722.21
e.	Goodwill on Consolidation	21.23	69.54	69.35
f.	Other intangible assets	23.78	45.11	48.43
g.	Investment accounted for using equity method	-	38.41	55.76
h.	Financial assets			
	(i) Investments	-	0.16	0.16
	(ii) Trade receivables	92.03	28.73	10.79
	(iii) Loans	23.45	21.66	87.21
	(iv) Other Financial Assets	52.81	50.87	45.04
i.	Non-current tax assets (net)	68.70	79.11	127.72
j.	Deferred tax asset (net)	7.03	11.08	-
k.	Other non-current assets	155.41	303.79	224.68
	Total non-current assets	6,403.19	5,838.30	4,684.49
2	Current assets			
a.	Inventory	3,988.97	3,259.35	2,609.62
b.	Financial assets			
i.	Investments	1,992.52	2,527.36	2,593.94
ii.	Trade receivables	1,013.37	887.08	802.64
iii.	Cash and cash equivalents	117.97	282.34	440.72
iv.	Bank balances other than (iii) above	18.69	23.96	16.97
	Loan	4.50	146.59	40.46
v.	Other financial assets	392.57	259.92	210.75
c.	Other current assets	740.24	714.30	708.96
	Total current assets	8,268.83	8,100.90	7,424.06
	Assets held for Sale	-	16.90	149.40
	Total assets	14,672.02	13,956.10	12,257.95
Equity and liabilities				
	Equity			
a.	Equity share capital	42.26	45.50	48.50
b.	Instruments entirely equity in nature	-	-	-
c.	Other equity	4,873.31	5,350.23	5,223.93
	Total equity attributable to equity holders of the parent	4,915.57	5,395.73	5,272.43
	Non-controlling interests	141.52	53.03	97.39
	Total Equity	5,057.09	5,448.76	5,369.82
Liabilities				
1	Non-current liabilities			
a.	Financial liabilities			

Sr. No	Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	i.	Borrowings	2,485.80	1,609.34	1,403.58
	ii.	Lease liabilities	43.11	29.79	39.11
	b.	Provisions	-	5.22	-
		Deferred Tax Liabilities (net)	75.41	192.55	104.28
	c.	Other non-current liabilities	120.60	101.91	40.51
	Total non-current liabilities		2,724.92	1,938.81	1,587.48
2	Current liabilities				
	a.	Financial liabilities			
	i.	Borrowings	680.11	456.55	2,298.00
	ii.	Lease liabilities	36.08	33.84	32.17
	iii.	Trade payables			
		-Total outstanding dues of micro and small enterprises	353.57	202.02	116.81
		-Total outstanding dues of creditors other than micro and small enterprises	1,465.98	1,220.10	1,179.44
	iv.	Other financial liabilities	227.67	273.84	391.01
	b.	Other current liabilities	4,033.44	4,332.46	1,256.98
	c.	Provisions	90.66	49.37	26.05
	d.	Current tax liabilities (net)	2.50	0.35	0.19
	Total current liabilities		6,890.01	6,568.53	5,300.65
	Total liabilities		9,614.93	8,507.34	6,888.13
	Total equity and liabilities		14,672.02	13,956.10	12,257.95

Summary of Restated Consolidated Statement of Profit and Loss

(All amounts are ₹ in million, unless otherwise stated)

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Income			
	Revenue from operations	22,374.80	13,337.86	10,845.65
	Other income	417.18	321.99	158.98
	Total income (I)	22,791.98	13,659.85	11,004.63
II	Expenses			
	Cost of Material Consumed	14,279.06	7,541.32	5,995.59
	Purchase of Stock-in-trade	1271.34	589.44	338.96
	Changes in Inventories of Stock-in-trade	(392.90)	(208.47)	(180.95)
	Employee benefits expense	1,925.32	1,501.54	1,550.43
	Finance costs	100.51	153.43	240.41
	Depreciation and amortisation expense	607.70	430.43	340.28
	Other expenses	2,942.97	1,966.61	2,270.38
	Exceptional Items	52.07	-	-
	Total expenses (II)	20,786.07	11,1974.3	10,555.1
III	Restated profit before tax (I- II)	2,005.91	1,685.55	449.53
IV	Tax expenses			
	Current tax	540.96	414.87	122.55
	Tax for earlier years	10.22	23.31	(5.85)
	Deferred tax (credit)/charge	(139.04)	39.53	(56.48)
	Total tax expense (IV)	412.14	477.71	60.22
V	Restated profit for the year (III- IV)	1,593.77	1,207.84	389.31
	Add: Share of profit/(loss) of JV and Associates	14.70	(14.80)	(0.84)
	Total Profit	1,608.47	1,193.04	388.47
VI	Other comprehensive income			
	Items that will not be reclassified subsequently to Restated Consolidated Profit or Loss			
	Remeasurements gain/(loss) of defined benefit plans	10.07	(34.89)	49.39
	- Income tax relating to items that will not be reclassified to profit or loss	(2.53)	8.78	(11.52)
	Items that will be reclassified subsequently to profit or loss			
	Change in fair value of investment carried at fair value through other comprehensive income			
	Net gains on cash flow hedges	77.46	184.52	(209.01)
	Income tax relating to above	(23.42)	(46.44)	60.75
	Foreign currency translation reserve	(31.70)	29.65	(5.06)
	Total Other Comprehensive Income /(loss) for the year	29.88	141.62	(115.45)
VII	Restated total comprehensive income for the year (V+VI)	1,638.35	1,334.66	273.02
VIII	Restated earnings per equity share			
	Basic (in ₹)	13.97	10.91	3.48
	Diluted (in ₹)	13.97	10.91	3.48

Summary of Restated Consolidated Statement of Cash Flows

(All amounts are ₹ in million, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021	For the period ended March 31, 2020
A.	Cash flow from operating activities			
	Restated profit/(loss) for the period/year before tax	2,005.91	1,685.55	449.53
	Adjustments for:			
	Depreciation and amortisation expense	607.70	430.43	340.28
	Finance costs	97.25	153.43	205.51
	Net profit / (loss) on disposal of property, plant and equipment	(32.16)	6.68	5.34
	Interest income on financial assets measured at amortised cost	(16.85)	(29.75)	(21.20)
	Fair value gain on financial assets measured at fair value through profit or loss	(93.23)	(109.82)	(72.38)
	Net gain on sale of Investments	(65.63)	(60.47)	(17.47)
	Provision for doubtful loans and deposits	43.84	7.30	-
	Unrealised net foreign exchange differences	(80.11)	(42.01)	240.84
	Exceptional Items	52.07	-	-
	Gain on disposal of subsidiaries	-	(31.93)	-
	Dividend Income	-	(30.19)	(0.08)
	Operating profit before working capital changes	2,518.79	1,979.22	1,130.37
	Working capital movements:			
	Adjustment for (increase) / decrease in operating assets:			
	(Increase)/Decrease in trade receivables	(182.18)	(113.55)	182.05
	Decrease/(Increase) in current and non-current financial assets	10.21	(1.68)	(1.57)
	(Increase) in current and non-current other assets	(19.14)	(38.08)	(209.02)
	Decrease/(Increase) in loans	0.37	(2.25)	(0.35)
	(Increase) in Inventories	(729.62)	(649.73)	(285.83)
	Adjustment for increase / (decrease) in operating liabilities:			
	Decrease in trade payables	389.90	123.05	128.99
	Decrease/(Increase) in current and non-current financial liabilities	25.49	(19.81)	(18.20)
	Decrease/(Increase) in current and non-current other liabilities	(252.84)	3,184.01	(11.31)
	Decrease in current and non-current provisions	46.13	28.55	49.57
	Net cash generated from operations	1,807.11	4,489.73	964.70
	Direct taxes (paid)	(561.74)	(486.95)	(76.06)
	Net cash from operating activities (A)	1,245.37	4,002.78	888.64
B.	Cash flows from investing activities			
	Purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods)	(1,821.91)	(1,702.35)	(1,448.04)
	Proceeds from sale of property, plant and equipment	51.95	372.22	96.88
	Investments in equity instruments, mutual funds and bonds	(5,935.68)	(4,591.80)	0
	Proceeds from current investment in equity instruments, mutual funds and bonds	6,639.90	4,829.55	268.12
	Interest received	16.85	29.75	21.20
	Dividend Income	-	30.19	0.08
	Sale of Subsidiary / JV	165.93	13.60	-
	Loan given to related parties and other (Net)	137.07	(38.78)	(55.32)
	Net cash used in from investing activities (B)	(745.89)	(1,057.62)	(1,117.08)
C.	Cash flows from financing activities			
	Proceeds from long term borrowings	1,770.68	1,256.08	395.81
	Repayment of long-term borrowings	(657.09)	(1,816.92)	-
	Proceeds/(repayment) of Short-term borrowings	502.28	(1,094.50)	394.43
	Repayment of lease liabilities	(50.53)	(41.65)	(32.84)
	Finance costs paid	(94.16)	(150.47)	(236.57)
	Buyback of equity shares (including distribution of tax)	(1,997.27)	(1,220.50)	-
	Redemption of Preference shares on acquisition of shares	(100.00)	-	-
	Dividend Paid	(31.70)	(34.13)	(87.70)
	Interest paid on Lease	(3.02)	(2.97)	(3.84)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021	For the period ended March 31, 2020
	Net cash flow (used in)/from financing activities (C)	(660.81)	(3,105.06)	429.29
	Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	(161.33)	(159.90)	200.85
	Cash and cash equivalents at the beginning of the year	282.34	440.72	235.97
	Effect of currency translation on cash and cash equivalents	(3.04)	1.52	3.90
	Cash and cash equivalents at the end of the year	117.97	282.34	440.72

GENERAL INFORMATION

Our Company was incorporated as ‘Lohia Starlinger Private Limited’ in Kanpur as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 5, 1981 issued by the Registrar of Companies, Uttar Pradesh at Kanpur (“RoC”). Our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on December 19, 1987. Consequently, the name of our Company was changed to ‘Lohia Starlinger Limited’, and a fresh certificate of incorporation dated December 31, 1987, was issued to our Company by the RoC. Thereafter, consequent to the settlement of a dispute with erstwhile collaborator ‘Starlinger & Co. Ges. m.b.H., Austria’, and pursuant to a special resolution passed by our Shareholders on March 2, 2013, the name of our Company was changed to ‘Lohia Corp Limited’ to delete the word ‘Starlinger’ from the name of our Company. Consequently, a fresh certificate of incorporation, dated March 7, 2013, was issued to our Company by the RoC.

Registered Office

The address and certain other details of our Registered Office are as follows:

Lohia Corp Limited

D-3/A, Panki Industrial Estate
Kanpur 208 022
Uttar Pradesh, India

For details of changes in the registered office address of our Company, see ‘*History and Certain Corporate Matters – Changes in the registered office*’ on page 210.

Corporate Office

The address of our Corporate Office is as follows:

Lohia Corp Limited

Lohia Industrial Complex
Chaubepur,
Kanpur 209 203
Uttar Pradesh, India

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

- a) **Registration number:** 005446
- b) **Corporate Identity Number:** U29263UP1981PLC005446

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Uttar Pradesh at Kanpur, which is situated at the following address:

Registrar of Companies, Uttar Pradesh at Kanpur

37/17, Westcott Building,
The Mall, Kanpur-208001,
Uttar Pradesh, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online portal at <https://siportal.sebi.gov.in> in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “*Easing of Operational Procedure – Division of Issues and Listing – CFD*”.

Our Company is registered with the Registrar of Companies, Uttar Pradesh at Kanpur. A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act 2013 would be filed with the RoC and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 would be filed with the RoC at its office (address of RoC mentioned above) and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Board of Directors

The table below sets forth the details of the constitution of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Raj Kumar Lohia	Chairman and Managing Director	00203659	H-1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208 002, Uttar Pradesh, India
Ujjal De	Whole-time Director	00082416	Flat No. 703, T/4, Emerald Garden, Swaroop Nagar 7/102, Kanpur – 208 002, Uttar Pradesh, India
Paritosh Kumar Mukherjee	Whole-time Director	06467351	Flat No. H-1303, NCC Meadows-2, Doddaballapur Main Road, Yelahanka New Town, next to Ramanashree California Resort, Bangalore North, Yelahanka, Bengaluru – 560 064, Karnataka, India
Rajendra Kumar Arya	Whole-time Director	09658071	Flat No.2102, Iconic Tower, Emerald Garden, 7/102, Swaroop Nagar, Kanpur, Kanpur Nagar - 208 002, Uttar Pradesh, India
Anurag Lohia	Non-Executive Director	00205680	3A/88, Azad Nagar, P O - Nawabganj, Kanpur, Kanpur Nagar - 208 002, Uttar Pradesh, India
Naresh Kumar Gupta	Independent Director	00214602	J-32, Sarita Vihar, S.O. Aali, South Delhi, New Delhi – 110 076, Delhi, India
Dinesh Kumar Mittal	Independent Director	00040000	B-71, Sector- 44, Gautam Buddha Nagar, Noida – 201 301, Uttar Pradesh, India
Gaurav Swarup	Independent Director	00374298	White House Gardens, 17A, Alipore Road, Kolkata, - 700 027, West Bengal, India
Basant Seth	Independent Director	02798529	Flat No. 304, Kalpana Tower Society, 3/16, Vishnupuri, Kanpur – 208 002, Uttar Pradesh, India
Madhavkrishna Singhanian	Independent Director	07022433	17, Oak Drive, DLF Chattarpur, South Delhi -110 074, Delhi, India
Keith Reddy Padmaja Reddy	Independent Director	00074933	328/A, Road No. 12, MLA Colony, Banjara Hills, Khairatabad, Hyderabad – 500 034, Telangana, India

For brief profiles of our Directors, please see “*Our Management – Brief profiles of our Directors*” on page 235.

Company Secretary and Compliance Officer for the Offer

Shikha Srivastava is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Shikha Srivastava

Company Secretary and Compliance Officer
11 MIG/16, Near State Bank of India,
Dabouli, Udyog Nagar, Kanpur,
Uttar Pradesh – 208022
E-mail: cs@lohiagroup.com
Tel.: 0512-2593115

Joint Statutory Auditors of our Company

Walker Chandiok & Co. LLP, Chartered Accountants

21st floor, DLF Square, Jacaranda Marg,
DLF Phase II, Gurugram –1220 02, Haryana
Email: tarun.gupta@walkerchandiok.in
Telephone: +91 124 462 8000
Firm registration number:
001076N/N500013
Peer review number: 014158

V. Awasthi & Arvind Shrish Chartered Accountants

C-1, 3rd Floor, Sagar Market,
25/16, Karachi Khana,
Kanpur – 208 011, Uttar Pradesh
Email: cavawasthi@gmail.com
Telephone: 05122390941
Firm registration number:
008099C
Peer review number: 013908

Changes in Statutory Auditors

Other than as disclosed below, there has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of Appointment	Reason for Change
Walker Chandiok & Co. LLP, Chartered Accountants 21 st floor, DLF Square, Jacaranda Marg, DLF Phase II, Gurugram –122002, Haryana Email: tarun.gupta@walkerchandiok.in Telephone: +91 124 462 8000 Firm registration number: 001076N/N500013 Peer review number: 014158	November 20, 2021	Appointment of Walker Chandiok & Co. LLP, Chartered Accountants as the Joint Statutory Auditors of the Company for the five year period from April 1, 2021 to March 31, 2026.
V. Awasthi & Arvind Shrish, Chartered Accountants C-1, 3 rd Floor, Sagar Market, 25/16, Karachi Khana, Kanpur – 208 011, Uttar Pradesh Email: cavawasthi@gmail.com Telephone: 05122390941 Firm registration number: 008099C Peer review number: 013908	September 30, 2019	Re-appointed as the statutory auditor of the Company for the three year period from April 1, 2019 to March 31, 2022.

Investor Grievances

Investors may contact our Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer 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 or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The

Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

ICICI Securities Limited

ICICI Venture House,
Appasaheb Marathe Marg Prabhadevi,
Mumbai - 400 025,
Maharashtra, India
Tel.: +91 22 6807 7100
E-mail: lohia.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Contact Person: Rupesh Khant/ Sumit Singh
SEBI Registration INM000011179

HSBC Securities and Capital Markets (India) Private Limited

52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Maharashtra, India
Tel.: +91 22 2268 1289
E-mail: lohiaipo@hsbc.co.in
Website: www.business.hsbc.co.in/engb/in/generic/ipo-open-offer-and-buyback
Investor grievance e-mail:
investorgrievance@hsbc.co.in
Contact Person: Rishi Tiwari
SEBI Registration: INM000010353

IIFL Securities Limited

10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai – 400 013
Maharashtra, India
Tel.: +91 22 4646 4728
E-mail: lohia.ipo@iiflcap.com
Investor grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Pinkesh Soni/Dhruv Bhagwat
SEBI Registration: INM000010940

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot,
Prabhadevi, Mumbai - 400 025
Maharashtra, India
Tel: +91 22 7193 4380
E-mail: lohia.ipo@motilaloswal.com
Investor Grievance ID:
moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Ritu Sharma/Kirti Kanoria
SEBI Registration: INM000011005

Statement of inter-se allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	I-Sec

S. No.	Activity	Responsibility	Coordinator
2.	Drafting and approval of all statutory advertisement	BRLMs	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	IIFL
4.	Appointment of intermediaries - Registrar to the Offer and advertising agency, including coordination of all agreements to be entered into with such intermediaries	BRLMs	I-Sec
5.	Appointment of intermediaries - Banker(s) to the Offer, Sponsor Bank(s), Monitoring agency, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	MOIAL
6.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> marketing strategy; preparation of marketing collaterals including presentation, FAQs etc. Finalizing the list and division of investors for one-to-one meetings; and Finalizing road show and investor meeting schedule 	BRLMs	HSBC
7.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> marketing strategy; Finalizing the list and division of investors for one-to-one meetings; and Finalizing road show and investor meeting schedule 	BRLMs	MOIAL
8.	Conduct non-institutional marketing of the Offer, which will cover, <i>inter-alia</i> : <ul style="list-style-type: none"> Finalising media, marketing and public relations strategy; Formulating strategies for marketing to Non-Institutional Investors 	BRLMs	IIFL
9.	Retail marketing of the Offer, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; Finalising centres for holding conferences for brokers, etc.; Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and Finalising collection centres 	BRLMs	I-Sec
10.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	MOIAL
11.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	HSBC
12.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	IIFL

Registrar to the Offer

Link Intime India Private Limited

C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India

Tel: + 91 22 4918 6200

E-mail: lohia.ipo@linkintime.co.in

Investor Grievance e-mail: lohia.ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

Legal Counsel to our Company and the Selling Shareholders as to Indian law

IndusLaw

2nd Floor
Block D, The MIRA
Mathura Road
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Legal Counsel to the Book Running Lead Managers as to Indian law

Khaitan & Co

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International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee

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Bankers to our Company

Axis Bank Limited

16/104-A, Civil Lines,
Kanpur - 208001
Telephone: +91 8874201331
Email: kanpur.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Chandra Prakash Singh

Citi Bank N.A.

DLF Square, Ground Floor,
Jacaranda Marg, Block M,
DLF Phase 2, Sector 25,
Gurugram, Haryana – 122002
Telephone: +91 124 418 6915
Email: aamol.nk.gupta@citi.com
Contact Person: Aamol Gupta

HDFC Bank Limited

15/46, Naveen Market,
Civil Lines, Kanpur
Telephone: 0512-2391854
Email: rachit.arora@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Rachit Arora

State Bank of India

Virendra Smriti Complex,
15/54-B, Civil Lines,
Kanpur – 208001
Telephone: 0512-2303697
Email: amt1.05346@sbi.co.in
Website: www.sbi.co.in
Contact Person: Ritesh Shukla

The Hongkong and Shanghai Banking Corporation Limited

Institutional Plot 68,
Sector 44, Gurugram 122002
Haryana, India
Telephone: +91 9560002788
Email: reenas@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Reena Singh

Syndicate Members

[•]

Escrow Collection Bank(s)/ Refund Bank(s)/Public Offer Account Bank

[•]

Sponsor Bank

[•]

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks and mobile applications enabled for the UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, 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 Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com/>, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number, and e-mail address, are provided on the websites of BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, there are no debenture trustees appointed for the Offer.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Appraising Entity

Not Applicable as the Offer only consists of an Offer for Sale.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Joint Statutory Auditors namely, Walker Chandiok & Co. LLP, Chartered Accountants and V. Awasthi & Arvind Shrish, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their: (i) examination report, dated August 27, 2022, on our Restated Consolidated Financial Information; and (ii) their report dated September 29, 2022, on the Statement of possible Special Tax Benefits available to the Company and the Shareholders under the direct and indirect tax laws.

Our Company has received a written consent dated September 29, 2022 from Anil Pariek & Garg, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received a written consent dated September 29, 2022 from M/s Srajan Consultants, Independent Chartered Engineers, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent chartered engineer to our Company.

Our Company has received a written consent dated September 29, 2022 from S.K. Gupta & Co., Company Secretaries, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent company secretary to our Company.

Such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” and the consent thereof shall not be construed to mean an “expert” or consent as defined under the U.S. Securities Act.

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of the English national daily newspaper the [●], and all editions of the Hindi national daily newspaper [●], and the [●] edition of Hindi daily newspaper [●] (Hindi being the regional language of Uttar Pradesh wherein our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/ Offer Closing Date. For further details, see “*Offer Procedure*” on page 435.

All Bidders, other than RIIs and Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis.

For further details, see “*Terms of the Offer*”, “and “*Offer Procedure*” on pages 425 and 435 respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Offer is also subject to (i) final approval of the RoC after the Prospectus is filed with the RoC and; (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for post-Allotment.

For further details on the method and procedure for Bidding, see “*Offer Procedure*” on page 435.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company, and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the

following number of Equity Shares:

(The Underwriting Agreement has not been entered into as on the date of this Draft Red Herring Prospectus. The Underwriting Agreement shall be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amounts are indicative and will be finalised after determination of the Offer Price and actual allocation in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, at its meeting, held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below.

(In ₹, except share data or indicated otherwise)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Offer Price
A.	AUTHORISED SHARE CAPITAL		
	250,000,000 Equity Shares (of face value of ₹ 1 each)	250,000,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	105,650,000 Equity Shares (of face value of ₹ 1 each)	105,650,000	-
C.	PRESENT OFFER IN TERMS OF THE DRAFT RED HERRING PROSPECTUS⁽¹⁾⁽²⁾		
	Offer for Sale of up to 31,695,000 Equity Shares aggregating up to ₹ [●] million	[●]	[●]
	Comprising:		
	Employee Reservation Portion ⁽³⁾ of up to [●] Equity Shares aggregating up to [●] million	[●]	[●]
	Net Offer of up to [●] Equity Shares aggregating up to [●] million	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	105,650,000 Equity Shares (of face value of ₹ 1 each)	105,650,000	[●]
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Offer (as on the date of this Draft Red Herring Prospectus)		Nil
	After the Offer		Nil

⁽¹⁾ The Selling Shareholders have severally and not jointly, confirmed and authorized their participation in the Offer for Sale. The Offer has been authorised by a resolution passed by our Board of Directors at their meeting held on August 1, 2022. Further, our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 28, 2022.

⁽²⁾ Each Selling Shareholder, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with the SEBI ICDR Regulations, and are accordingly eligible for being offered for sale in the Offer in terms of the SEBI ICDR Regulations. Each Selling Shareholder has confirmed and approved its participation in the Offer for Sale. For further details of authorizations received for the Offer for Sale, see “The Offer” and “Other Regulatory and Statutory Disclosures” on page 78 and 410, respectively.

⁽³⁾ Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. For further details, see “Offer Structure” beginning on page 431.

Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see “History and Certain Corporate Matters - Amendments to the Memorandum of Association of our Company” on page 210.

Notes to the capital structure

1. History of equity share capital of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of allotment/buy back/ reduction of equity shares	Nature of allotment	Number of equity shares allotted/(bought back)/(reduced)	Cumulative number of equity shares	Face value (₹)	Issue price/buy-back price per equity share (₹)	Form of consideration for allotment / buy-back	Name of allottees
October 30, 1981	Initial subscription to MoA	20	20	100	100	Cash	10 equity shares to Raj Kumar Lohia and 10 equity shares to Jamuna Devi Lohia
November 23, 1983	Further issue	9,980	10,000	100	100	Cash	5,980 equity shares to Lohia Engineering Works Private Limited and 4,000 equity shares to Maschinen Fabrik Starlinger & Co
September 30, 1985	Further issue	10,000	20,000	100	100	Cash	6,000 equity shares to Jitendra Holdings Private Limited and 4,000 equity shares to Maschinen Fabrik Starlinger & Co
December 30, 1986	Further issue	20,000	40,000	100	100	Cash	12,000 equity shares to Jitendra Holdings Private Limited and 8,000 equity shares to Maschinen Fabrik Starlinger & Co
February 26, 1993*	Preferential allotment	2,500	42,500	100	100	Cash	2,500 equity shares to L.S.L Employees Investment & Finance Limited
February 27, 1993*	Bonus issuance of 10 equity shares for each fully paid-up equity share held by each shareholder, as on February 26, 1993.	425,000	467,500	100	N.A	N.A.	160,000 equity shares to Maschinen Fabrik Starlinger & Company, 160,000 equity shares to Shree Holding Limited, 25,000 equity shares to L.S.L Employees Finance & Investment Limited, 8,000 equity shares to Gopal Chandra Lohia, 8,000 equity shares to Ajay Kumar Lohia, 7,000 equity shares to Raj Kumar Lohia, 7,000 equity shares to Rishab Kumar Lohia, 6,000 equity shares to Anurag Kumar Lohia, 6,000 equity shares to Jitendra Kumar Lohia, 6,000 equity shares to Alok Kumar Lohia, 5,500 equity shares to Amit Kumar Lohia, 5,000 equity shares to Radha Devi Lohia, 5,000 equity shares to Urmila Devi Lohia, 5,000 equity shares to Vijay Kumar Lohia, 5,000 equity shares to Rajni Lohia, 4,000 equity shares to Jamuna Devi Lohia and 2,500 equity shares to Neela Lohia.
Pursuant to a resolution of our Board dated May 29, 1993 and a resolution of our Shareholders dated June 29, 1993, each equity share of our Company of ₹100 each was sub-divided into 10 equity shares of ₹10 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 467,500 equity shares of ₹100 each to 4,675,000 equity shares of ₹10 each.							
December 29, 1993	Allotment to the former shareholders of Lohia Machinery Manufacturers	400,000	5,075,000	10	N.A	Other than cash	141,660 equity shares to Lohia Investments Limited, 740 equity shares to Jitendra Kumar Lohia, 320 equity shares to Gopal

Date of allotment/buy back/ reduction of equity shares	Nature of allotment	Number of equity shares allotted/(bought back)/(reduced)	Cumulative number of equity shares	Face value (₹)	Issue price/buy-back price per equity share (₹)	Form of consideration for allotment / buy-back	Name of allottees
	Limited ("LMML") pursuant to the amalgamation of LMML with our Company**						Chandra Lohia, 280 equity shares to Alok Kumar Lohia, 280 equity shares to Ajay Kumar Lohia, 240 equity shares to Radha Devi Lohia, 100 equity shares to Rishabh Kumar Lohia, 100 equity shares to Lohia Engineering Works Private Limited, 80 equity shares each to Prashant Commercial Holdings Limited, Shree Holdings Limited, Jitendra Holdings Limited, Raj Kumar Lohia, Amit Kumar Lohia, Neela Lohia, Urmila Devi Lohia, Vijay Kumar Lohia, Jamuna Devi Lohia, Rajni Lohia, Anju Lohia and Anurag Kumar Lohia, 20 equity shares to Hargovind Bajaj, 100,000 Equity Shares to Industrie De Construction Bernard Terrat ("ICBT") and 155,300 equity shares allotted to 5,042 public shareholders of LMML.
November 23, 2013	Buy-back of equity shares	(10,215)	5,064,785	10	175 (Buy-back price)	Cash	10,215 equity shares were bought back from 349 shareholders.
March 28, 2014	Reduction in capital	(110,785)	4,954,000	10	175 (Exit price)	Cash	Reduction and consolidation of the capital pursuant to order of the Hon'ble High Court of Allahabad dated March 27, 2014. Pursuant to this reduction, (a) 3,705 shareholders ceased to hold any equity shares in our Company; and (b) 13 shareholders still held equity shares in our Company.
September 29, 2018	Buy-back of equity shares	(104,000)	4,850,000	10	2,500 (Buy-back price)	Cash	Buy-back of 40,500 equity shares from Amit Kumar Lohia, 500 equity shares from Neela Lohia, 18,000 equity shares from Ajay Kumar Lohia, 21,000 equity shares from Alok Kumar Lohia, 9,000 equity shares from Anurag Kumar Lohia, and 15,000 equity shares from Anuja Lohia.
March 3, 2021	Buy-back of equity shares	(300,000)	4,550,000	10	3,300 (Buy-back price)	Cash	Buy-back of 60,000 equity shares from Ajay Lohia, 60,000 equity shares from Alok

Date of allotment/buy back/ reduction of equity shares	Nature of allotment	Number of equity shares allotted/(bought back)/(reduced)	Cumulative number of equity shares	Face value (₹)	Issue price/buy-back price per equity share (₹)	Form of consideration for allotment / buy-back	Name of allottees
					price)		Kumar Lohia, 50,000 equity shares from Raj Kumar Lohia, 40,000 equity shares from Amit Kumar Lohia, 35,000 equity shares from Anuja Lohia, 29,000 equity shares from Anurag Lohia, and 26,000 equity shares from Neela Lohia.
February 14, 2022 [#]	Pursuant to the scheme of amalgamation of Shree Holdings Limited (“SHL”) with our Company, approved by the NCLT, the shareholders of SHL were allotted 4,074,000 equity shares of our Company in proportion of the number of equity shares held by such shareholders in SHL and all the existing shares of SHL, i.e., 4,074,000 equity shares held in our Company, as on the ‘Record Date’, were cancelled and became invalid.	4,074,000	4,550,000***	10	N.A	Other than cash	949,242 equity shares to Raj Kumar Lohia, 478,695 equity shares to Amit Kumar Lohia, 407,400 equity shares to Gaurav Lohia, 407,400 equity shares to Jitendra Kumar Lohia, 372,771 equity shares to Anurag Lohia, 366,660 equity shares to Ajay Lohia, 311,661 equity shares to Shradha Lohia, 305,550 equity shares to Anuja Lohia, 270,921 equity shares to Alok Kumar Lohia, and 203,700 equity shares to Ritu Lohia
March 22, 2022	Buy-back of equity shares	(324,000)	4,226,000	10	5,000 (Buy-back price)	Cash	Buy-back of 114,000 equity shares from Amit Kumar Lohia, 50,000 equity shares from Ritu Lohia, 49,000 equity shares from Alok Kumar Lohia, 48,600 equity shares from Anurag Lohia, 27,400 equity shares from Ajay Lohia, 25,000 equity shares from Raj Kumar Lohia, and 10,000 equity shares from Anuja Lohia.
Pursuant to a resolution of our Board dated June 20, 2022 and a resolution of our Shareholders dated June 25, 2022, each equity share of our Company of ₹10 each was sub-divided into equity shares of ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 4,226,000 equity shares of ₹10 each to 42,260,000 equity shares of ₹1 each.							
August 23, 2022	Bonus issuance of three Equity Shares for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.	63,390,000	105,650,000	1	N.A.	N.A.	16,518,630 Equity Shares to Raj Kumar Lohia, 6,651,000 Equity Shares to Jitendra Kumar Lohia, 6,370,425 Equity Shares to Amit Kumar Lohia, 6,111,000 Equity Shares to Gaurav Lohia, 5,688,900 Equity

Date of allotment/buy back/ reduction of equity shares	Nature of allotment	Number of equity shares allotted/(bought back)/(reduced)	Cumulative number of equity shares	Face value (₹)	Issue price/buy-back price per equity share (₹)	Form of consideration for allotment / buy-back	Name of allottees
							Shares to Ajay Lohia, 5,612,565 Equity Shares to Anurag Lohia, 4,674,915 Equity Shares to Shradha Lohia, 4,433,250 Equity Shares to Anuja Lohia, 3,928,815 Equity Shares to Alok Kumar Lohia, 2,305,500 Equity Shares to Ritu Lohia, 615,000 Equity Shares to Neela Lohia and 480,000 Equity Shares to Gopal Chandra Lohia.

* The challan receipts for the Form 2 filing made by our Company with the RoC in relation to these allotments are not traceable in our records. In relation to this, we have engaged S.K. Gupta & Co., Company Secretaries ("S.K. Gupta"), to conduct a search of the records of the RoC, records maintained on the MCA portal, and the records maintained by the Company ("Inspection"). Pursuant to the Inspection, S.K. Gupta has issued a certificate dated September 27, 2022, confirming that the challan receipts for the Form 2 filing in relation to these allotments are untraceable. For details, see "Risk Factors – Certain secretarial records and documents filed by us with the Registrar of Companies are not traceable." on page 58.

** For more information, please see "Equity Shares issued for consideration other than cash, bonus issues or out of revaluation reserves" on page 100.

*** Pursuant to the scheme of amalgamation of SHL with our Company, 4,074,000 equity shares were allotted to SHL's shareholders. However, all the existing shares of SHL held in our Company i.e 4,074,000 equity shares, as on the 'Record Date', were cancelled and became invalid, therefore, there was no subsequent increase in the cumulative number of shares.

Appointed date for the scheme of amalgamation of SHL with our Company is April 1, 2021.

2. History of preference share capital of our Company

Our Company does not have any preference share capital as on the date of the Draft Red Herring Prospectus.

3. Equity Shares issued for consideration other than cash, bonus issues or out of revaluation reserves

Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash or bonus issues, or out of revaluation reserves since its incorporation:

Date of allotment	Name of allottee	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
February 27, 1993	160,000 equity shares to Maschinen Fabrik Starlinger & Company, 160,000 equity shares to Shree Holding Limited, 25,000 equity shares to L.S.L Employees Finance & Investment Limited, 8,000 equity shares to Gopal Chandra Lohia, 8,000 equity shares to Ajay Kumar Lohia, 7,000 equity shares to Raj Kumar Lohia, 7,000 equity shares to Rishab Kumar Lohia, 6,000 equity shares to Anurag Kumar Lohia, 6,000 equity shares to Jitendra Kumar Lohia, 6,000 equity shares to Alok Kumar Lohia, 5,500 equity shares to Amit Kumar Lohia, 5,000 equity shares to Radha Devi Lohia, 5,000 equity shares to Urmila Devi Lohia, 5,000 equity shares to Vijay Kumar Lohia, 5,000 equity shares to Rajni Lohia, 4,000 equity shares to Jamuna Devi Lohia and 2,500 equity shares to Neela Lohia	425,000	100	N.A	Bonus issuance of 10 equity shares for each fully paid-up equity share held by shareholders as on February 26, 1993.	-
December 29, 1993	141,660 equity shares to Lohia Investments Limited, 740 equity shares to Jitendra	400,000	10	N.A.	The LMML Merger Scheme stated that post-merger, the equity shares of our Company would be	Our Company entered into the scheme of amalgamation to achieve synergies

Date of allotment	Name of allottee	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
	Kumar Lohia, 320 equity shares to Gopal Chandra Lohia, 280 equity shares to Alok Kumar Lohia, 280 equity shares to Ajay Kumar Lohia, 240 equity shares to Radha Devi Lohia, 100 equity shares to Rishabh Kumar Lohia, 100 equity shares to Lohia Engineering Works Private Limited, 80 equity shares each to Prashant Commercial Holdings Limited, Shree Holdings Limited, Jitendra Holdings Limited, Raj Kumar Lohia, Amit Kumar Lohia, Neela Lohia, Urmila Devi Lohia, Vijay Kumar Lohia, Jamuna Devi Lohia, Rajni Lohia, Anju Lohia and Anurag Kumar Lohia, 20 equity shares to Hargovind Bajaj, 100,000 Equity shares to Industrie De Construction Bernard Terrat (ICBT) and 155,300 equity shares allotted to 5,042 public shareholders of LMML.				listed on the U.P. Stock Exchange, Delhi Stock Exchange and BSE (i.e. the exchanges where the shares of LMML were listed prior to the merger). However, since no legal framework existed at that point of time for unlisted companies to list on stock exchanges pursuant to a merger with a listed company, the shareholders of LMML who became our Company's shareholders pursuant to the LMML Merger (apart from the Promoters and certain relatives of the Promoters) achieved exits through alternative routes, including a buy-back of our equity shares in 2013 and a High Court-approved reduction in our Company's share capital in 2014. For more information about the buy-back and reduction of capital of our Company, please see “- History of equity share capital of our Company” on page 95.	of operation.
February 14, 2022	949,242 equity shares to Raj Kumar Lohia, 478,695 equity shares to Amit Kumar Lohia, 407,400 equity shares to Gaurav Lohia, 407,400 equity shares to Jitendra Kumar Lohia, 372,771 equity shares to Anurag Lohia, 366,660 equity shares to Ajay Lohia, 311,661 equity shares to Shradha Lohia,	4,074,000*	10	N.A.	Pursuant to the scheme of amalgamation of Shree Holdings Limited (“SHL”) with our Company, approved by the NCLT, the shareholders of SHL were allotted 4,074,000 equity shares of our Company in proportion of the number of equity shares held by such shareholders in SHL and all the existing shares of SHL, i.e., 4,074,000 equity	See “History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets in the 10 years immediately preceding the date of this Draft Red Herring Prospectus” on page 214.

Date of allotment	Name of allottee	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
	305,550 equity shares to Anuja Lohia, 270,921 equity shares to Alok Kumar Lohia, and 203,700 equity shares to Ritu Lohia.				shares held in our Company, as on the 'Record Date', were cancelled and became invalid.	
August 23, 2022	16,518,630 Equity Shares to Raj Kumar Lohia, 6,651,000 Equity Shares to Jitendra Kumar Lohia, 6,370,425 Equity Shares to Amit Kumar Lohia, 6,111,000 Equity Shares to Gaurav Lohia, 5,688,900 Equity Shares to Ajay Lohia, 5,612,565 Equity Shares to Anurag Lohia, 4,674,915 Equity Shares to Shradha Lohia, 4,433,250 Equity Shares to Anuja Lohia, 3,928,815 Equity Shares to Alok Kumar Lohia, 2,305,500 Equity Shares to Ritu Lohia, 615,000 Equity Shares to Neela Lohia and 480,000 Equity Shares to Gopal Chandra Lohia.	63,390,000	1	N.A	Bonus issuance of three Equity Shares for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.	-

* Pursuant to the scheme of amalgamation of SHL with our Company, 4,074,000 equity shares were allotted to the shareholders of SHL. However, all the existing shares of SHL held in our Company i.e., 4,074,000 equity shares, as on the 'Record Date', were cancelled and became invalid, therefore, there was no subsequent increase in the cumulative number of shares.

4. **Issue of Equity Shares pursuant to schemes of arrangement**

Except as detailed below, our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013:

Date of allotment	Name of allottee	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
December 29, 1993	141,660 equity shares to Lohia Investments Limited, 740 equity shares to Jitendra Kumar Lohia, 320 equity shares to Gopal Chandra	400,000	10	N.A.	Pursuant to amalgamation of LMML with our Company. The former shareholders of LMML were allotted 1 equity share of our Company for every 5	Our Company entered into the scheme of amalgamation to achieve synergies of operation.

Date of allotment	Name of allottee	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
	Lohia, 280 equity shares to Alok Kumar Lohia, 280 equity shares to Ajay Kumar Lohia, 240 equity shares to Radha Devi Lohia, 100 equity shares to Rishabh Kumar Lohia, 100 equity shares to Lohia Engineering Works Private Limited, 80 equity shares each to Prashant Commercial Holdings Limited, Shree Holdings Limited, Jitendra Holdings Limited, Raj Kumar Lohia, Amit Kumar Lohia, Neela Lohia, Urmila Devi Lohia, Vijay Kumar Lohia, Jamuna Devi Lohia, Rajni Lohia, Anju Lohia and Anurag Kumar Lohia, 20 equity shares to Hargovind Bajaj, 100,000 equity shares to Industrie De Construction Bernard Terrat (ICBT) and 155,300 equity shares to 5,042 public shareholders of LMML.				shares held by them in LMML.	
February 14, 2022	949,242 equity shares to Raj Kumar Lohia, 478,695 equity shares to Amit Kumar Lohia, 407,400 equity shares to Gaurav Lohia, 407,400 equity shares to Jitendra Kumar Lohia, 372,771 equity shares to Anurag Lohia, 366,660 equity shares to Ajay Lohia, 311,661 equity shares to Shradha Lohia, 305,550 equity shares to Anuja	4,074,000*	10	N.A.	Pursuant to the scheme of amalgamation approved by the NCLT, the shareholders of Shree Holdings Limited (SHL) were allotted 4,074,000 equity shares of our Company in proportion of the number of equity shares held by such shareholders in SHL	See “History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on page 214.

Date of allotment	Name of allottee	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Benefits accrued to our Company
	Lohia, 270,921 equity shares to Alok Kumar Lohia, and 203,700 equity shares to Ritu Lohia and all the existing shares of SHL, i.e. 4,074,000 equity shares held in our Company, as on the 'Record Date', were cancelled and became invalid.					

** Pursuant to the scheme of amalgamation of SHL with our Company, 4,074,000 equity shares were allotted to the shareholders of SHL. However, all the existing shares of SHL held in our Company i.e 4,074,000 equity shares, as on the 'Record Date', were cancelled and became invalid, therefore, there was no subsequent increase in the cumulative number of shares.*

5. *Issue of Equity Shares under employee stock option schemes*

As of the date of this Draft Red Herring Prospectus, our Company has not issued Equity Shares under the ESOP Scheme.

6. *Issue of Equity Shares at a price lower than the Offer Price in the last year from the date of the Draft Red Herring Prospectus*

Except as disclosed in '- History of equity share capital of our Company' on page 95, our Company has not issued any Equity Shares which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus.

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7. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareho lders (III)	Number of fully paid-up Equity Shares held (IV)	Numb er of Partly paid-up Equit y Share s held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareho lding as a % of total number of shares (calcula ted as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Sharehold ing, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Equity Shares (XII)*		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerializ ed form (XIV)
								Number of voting rights			Total as a % of (A+B+C)			Number (a)	As a % of total Share s held (b)	Number (a)	As a % of total Share s held (b)	
								Class: Equity Shares	Clas s eg: y									
(A)	Promoters and Promoter Group	5	84,272,580	-	-	84,272,580	79.77	84,272,580	-	84,272,580	79.77	-	-	-	-	-	-	84,272,580
(B)	Public	8	21,377,420	-	-	21,377,420	20.23	21,377,420	-	21,377,420	20.23	-	-	-	-	-	-	21,377,420
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	13	105,650,000	-	-	105,650,000	100.00	105,650,000	-	105,650,000	100.00	-	-	-	-	-	-	105,650,000

8. Equity Shares held by the Shareholders holding 1% or more of the paid-up capital of our Company

The Shareholders holding 1% or more of the equity paid-up capital of our Company as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share Capital on a fully diluted basis (in %)
1.	Raj Kumar Lohia	58,602,705	55.47
2.	Amit Kumar Lohia	10,617,375	10.05
3.	Gaurav Lohia	10,185,000	9.64
4.	Ritu Lohia	3,842,500	3.64
5.	Anurag Lohia	3,741,710	3.54
6.	Anuja Lohia	2,955,500	2.80
7.	Shradha Lohia	3,116,000	2.95
8.	Jamuna Devi Lohia	3,000,000	2.84
9.	Jitendra Kumar Lohia	2,925,000	2.77
10.	Ajay Lohia	2,700,000	2.56
11.	Alok Kumar Lohia	2,619,210	2.48
	Total	104,305,000	98.73

The Shareholders holding 1% or more of the equity paid-up capital of our Company as on 10 days prior to the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share Capital on a fully diluted basis (in %)
1.	Raj Kumar Lohia	27,531,050	26.06
2.	Jitendra Kumar Lohia	22,059,630	20.88
3.	Gopal Chandra Lohia	12,257,025	11.60
4.	Amit Kumar Lohia	10,617,375	10.05
5.	Gaurav Lohia	10,185,000	9.64
6.	Ritu Lohia	3,842,500	3.64
7.	Anurag Lohia	3,741,710	3.54
8.	Shradha Lohia	3,116,000	2.95
9.	Jamuna Devi Lohia	3,000,000	2.84
10.	Anuja Lohia	2,955,500	2.80
11.	Ajay Lohia	2,700,000	2.56
12.	Alok Kumar Lohia	2,619,210	2.48
	Total	104,625,000	99.03%

The Shareholders holding 1% or more of the equity paid-up capital of our Company as on one year prior to the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (in %)*
1.	Raj Kumar Lohia	1,126,242	24.75
2.	Amit Kumar Lohia	538,695	11.84
3.	Ritu Lohia	203,700	4.48
4.	Ajay Lohia	406,660	8.94
5.	Jitendra Kumar Lohia	443,400	9.75
6.	Alok Kumar Lohia	310,921	6.83
7.	Anurag Lohia	422,771	9.29
8.	Gaurav Lohia	407,400	8.95
9.	Shradha Lohia	311,661	6.85
10.	Anuja Lohia	305,550	6.72
	Total	4,477,000	98.4

*This shareholding provided takes into account the Appointed Date for the scheme of amalgamation of SHL with our Company, i.e. April 1, 2021.

The Shareholders holding 1% or more of the equity paid-up capital of our Company as on two years prior to filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (in %)
1.	Shree Holdings Limited	4,074,000	84
2.	Raj Kumar Lohia	227,000	4.68
3.	Ajay Lohia	100,000	2.06
4.	Alok Kumar Lohia	100,000	2.06
5.	Amit Kumar Lohia	100,000	2.06
6.	Anurag Lohia	79,000	1.63
7.	Neela Lohia	67,000	1.38
	Total	4,747,000	97.87

9. Except for the Equity Shares to be allotted pursuant to any issue of Equity Shares pursuant to exercise of options granted under the ESOP Scheme, our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or otherwise.
10. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Red Herring Prospectus.
11. ***Details of shareholding of our Promoters and Promoter Group in the Company***
- (i) ***Shareholding of our Promoters and the members of the Promoter Group in our Company***

As on the date of this Draft Red Herring Prospectus, our Promoters hold 84,272,580 Equity Shares, which constitute 79.77 % of the issued, subscribed, and paid-up Equity Share capital of our Company, as set forth in the table below:

Sr. no.	Name of Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of pre-Offer Equity Share capital	No. of Equity Shares	Percentage of post-Offer Equity Share capital
Promoters					
1.	Raj Kumar Lohia	58,602,705	55.47	[●]	[●]
2.	Amit Kumar Lohia	10,617,375	10.05	[●]	[●]
3.	Gaurav Lohia	10,185,000	9.64	[●]	[●]
4.	Ritu Lohia	3,842,500	3.64	[●]	[●]
5.	Neela Lohia	1,025,000	0.97	[●]	[●]
	Total	84,272,580	79.77	[●]	[●]

As on date of this DRHP, none of the members or entities forming part of our Promoter Group (other than our Promoters) hold any Equity Shares.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

(ii) **Build-up of Promoters' shareholding in our Company**

Set forth below is the build-up of our Promoters' equity shareholding since the incorporation of our Company:

Name of the Promoter: Raj Kumar Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
October 30, 1981	Initial subscription to MoA	10	100	100	Negligible*	[●]
February 21, 1985	Transfer of equity shares from Lohia Engineering Works Private Limited	490	100	100	0.05*	[●]
September 20, 1991	Transfer of equity shares from Shree Holdings Limited	200	100	750	0.02*	[●]
February 27, 1993	Bonus issue	7,000	100	N.A	0.66*	[●]
Pursuant to a resolution of our Board dated May 29, 1993 and a resolution of our Shareholders dated June 29, 1993, each equity share of our Company of ₹100 each was sub-divided into equity shares of ₹10 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 467,500 equity shares of ₹100 each to 4,675,000 equity shares of ₹10 each.						
December 29, 1993	Pursuant to amalgamation of LMML with our Company	80	10	Other than cash	Negligible**	[●]
August 31, 1995	Transfer of equity shares from Vijay Kumar Lohia	5,000	10	80	0.05**	[●]
August 31, 1995	Transfer of equity shares from Vijay Kumar Lohia	10,000	10	80	0.09**	[●]
September 10, 1996	Transmission of equity shares from Late Rishab Kumar Lohia	12,060	10	N.A	0.11**	[●]
September 22, 1997	Transfer of equity shares to Lohia Investments Limited	(140)	10	50	Negligible**	[●]
September 5, 2014	Transfer of equity shares from Late Radha Devi Lohia	123,000	10	10	1.16**	[●]
March 3, 2021	Buy-back of Equity Shares	(50,000)	10	3,300	(0.47)**	[●]
February 14, 2022	Pursuant to amalgamation of Shree Holdings Limited with our Company	949,242	10	N.A.	8.98**	[●]
March 22, 2022	Buy-back of Equity Shares	(25,000)	10	5,000	(0.24)**	[●]
Pursuant to a resolution of our Board dated June 20, 2022 and a resolution of our Shareholders dated June 25, 2022, each equity share of our Company of ₹10 each was sub-divided into equity shares of ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 4,226,000 equity shares of ₹10 each to 42,260,000 equity shares of ₹1 each.						
August 23, 2022	Bonus issuance of three Equity Shares	16,518,630	1	N.A	15.64	[●]

Name of the Promoter: Raj Kumar Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
	for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.					
September 22, 2022	Gift of Equity Shares from Jitendra Kumar Lohia pursuant to the Memorandum of Family Settlement dated September 21, 2022 ("MoFS").#	19,134,630	1	N.A	18.11	[●]
September 22, 2022	Gift of Equity Shares from Gopal Chandra Lohia pursuant to MoFS	11,937,025	1	N.A	11.30	[●]
Total		58,602,705			55.47	[●]

*As adjusted for split in the face value of the equity shares from ₹ 100 each to ₹ 1 each.

** As adjusted for split in the face value of the equity shares from ₹ 10 each to ₹ 1 each.

For more information in relation to the MoFS, please see "Our Promoters and Promoter Group – Other Information" on page 262.

Name of the Promoter: Amit Kumar Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
February 21, 1985	Transfer of equity shares from Lohia Engineering Works Private Limited	250	100	100	0.02*	[●]
September 20, 1991	Transfer of equity shares from Shree Holdings Limited	300	100	750	0.03*	[●]
February 27, 1993	Bonus issue	5,500	100	N.A	0.52*	[●]
Pursuant to a resolution of our Board dated May 29, 1993 and a resolution of our Shareholders dated June 29, 1993, each equity share of our Company of ₹100 each was sub-divided into equity shares of ₹10 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 467,500 equity shares of ₹100 each to 4,675,000 equity shares of ₹10 each.						
December 29, 1993	Pursuant to amalgamation of LMML with our Company.	80	10	Other than cash	Negligible**	[●]
September 10, 1996	Transmission of equity shares from Late Rishab Kumar Lohia	25,000	10	N.A.	0.24**	[●]
September 22, 1997	Transfer of equity shares to Lohia Investments Limited	(80)	10	50	Negligible**	[●]
February 12, 2014	Gift from Late Radha Devi Lohia	55,000	10	N.A.	0.52**	[●]
September 29, 2018	Buy-back of equity shares	(40,500)	10	2,500	(0.38)**	[●]

Name of the Promoter: Amit Kumar Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
March 3, 2021	Buy-back of equity shares	(40,000)	10	3,300	(0.38) **	[●]
February 14, 2022	Pursuant to amalgamation of Shree Holdings Limited with our Company	478,695	10	N.A.	4.53**	[●]
March 22, 2022	Buy-back of equity shares	(114,000)	10	5,000	(1.08) **	[●]
Pursuant to a resolution of our Board dated June 20, 2022 and a resolution of our Shareholders dated June 25, 2022, each equity share of our Company of ₹10 each was sub-divided into equity shares of ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 4,226,000 equity shares of ₹10 each to 42,260,000 equity shares of ₹1 each.						
August 23, 2022	Bonus issuance of three Equity Shares for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.	6,370,425	1	N.A.	6.03	[●]
Total		10,617,375			10.05	[●]

* As adjusted for split in the face value of the equity shares from ₹ 100 each to ₹ 1 each.

** As adjusted for split in the face value of the equity shares from ₹ 10 each to ₹ 1 each.

Name of the Promoter: Gaurav Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
February 14, 2022	Pursuant to amalgamation of Shree Holdings Limited with our Company	407,400	10	N.A.	3.86*	[●]
Pursuant to a resolution of our Board dated June 20, 2022 and a resolution of our Shareholders dated June 25, 2022, each equity share of our Company of ₹10 each was sub-divided into equity shares of ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 4,226,000 equity shares of ₹10 each to 42,260,000 equity shares of ₹1 each.						
August 23, 2022	Bonus issuance of three Equity Shares for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.	6,111,000	1	N.A.	5.78	[●]
Total		10,185,000			9.64	[●]

* As adjusted for split in the face value of the equity shares from ₹ 10 each to ₹ 1 each

Name of the Promoter: Ritu Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
February 14, 2022	Pursuant to amalgamation of Shree Holdings Limited with our Company	203,700	10	N.A.	1.93*	[●]
March 22, 2022	Buy-back of equity shares	(50,000)	10	5,000	(0.47)*	[●]
Pursuant to a resolution of our Board dated June 20, 2022 and a resolution of our shareholders dated June 25, 2022, each equity share of our Company of ₹10 each was sub-divided into equity shares of ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 4,226,000 equity shares of ₹10 each to 42,260,000 equity shares of ₹1 each.						
August 23, 2022	Bonus issuance of three Equity Shares for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.	2,305,500	1	N.A.	2.18	[●]
Total		3,842,500			3.64	[●]

* As adjusted for split in the face value of the equity shares from ₹ 10 each to ₹ 1 each.

Name of the Promoter: Neela Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
February 21, 1985	Transfer of equity shares from Lohia Engineering Works Private Limited	250	100	100	0.02*	[●]
February 27, 1993	Bonus issue	2,500	100	N.A.	0.24*	[●]
Pursuant to a resolution of our Board dated May 29, 1993 and a resolution of our shareholders dated June 29, 1993, each equity share of our Company of ₹100 each was sub-divided into equity shares of ₹10 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 467,500 equity shares of ₹100 each to 4,675,000 equity shares of ₹10 each.						
December 29, 1993	Pursuant to amalgamation of LMML with our Company	80	10	N.A.	Negligible**	[●]
September 10, 1996	Transmission of equity shares from Late Rishab Kumar Lohia	40,000	10	N.A.	0.38**	[●]
September 22, 1997	Transfer of equity shares to Lohia Investments Limited	(80)	10	50	Negligible**	[●]
September 29, 2018	Buy back of equity shares	(500)	10	2,500	Negligible**	[●]
March 3, 2021	Buy back of	(26,000)	10	3,300	(0.25)**	[●]

Name of the Promoter: Neela Lohia						
Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value per Equity Share (in ₹)	Issue/ acquisition/ transfer /Buy-back/Exit price per Equity Share (in ₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
	equity shares					
Pursuant to a resolution of our Board dated June 20, 2022 and a resolution of our shareholders dated June 25, 2022, each equity share of our Company of ₹10 each was sub-divided into equity shares of ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 4,226,000 equity shares of ₹10 each to 42,260,000 equity shares of ₹1 each.						
August 23, 2022	Bonus issuance of three Equity Shares for every two existing fully paid-up Equity Shares held by shareholders as on August 20, 2022.	615,000	1	N.A	0.58	[•]
Total		1,025,000			0.97	[•]

*As adjusted for split in the face value of the equity shares from ₹ 100 each to ₹ 1 each.

** As adjusted for split in the face value of the equity shares from ₹ 10 each to ₹ 1 each.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

- (iii) ***Sales or purchases of Equity Shares or other specified securities of our Company by the Promoter Group, or by our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.***

Except as stated below, none of the members of the Promoter Group, or our Directors and their relatives have sold, purchased, acquired or gifted any Equity Shares or other specified securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Transferor	Transferee	Date of transfer/ allotment	Number of Equity Shares	Price per Equity Share (in ₹)
Jitendra Kumar Lohia	Raj Kumar Lohia	September 22, 2022	19,134,630	N.A.*
Gopal Chandra Lohia	Raj Kumar Lohia	September 22, 2022	11,937,025	N.A.*
Anurag Lohia	Jitendra Kumar Lohia	September 12, 2022	5,612,565	N.A.*
Anuja Lohia	Jitendra Kumar Lohia	September 12, 2022	4,433,250	N.A.*

*Such transfers are by way of gifts.

- (iv) There have been no financing arrangements whereby our Promoters, the members of Promoter Group, the directors of our Company and 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 the financing entity in the six months immediately preceding the date of this Draft Red Herring Prospectus.

12. ***Details of Promoters' contribution locked in for 18 months***

- (i) Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked-in for a period of eighteen (18) months from the date of Allotment as the minimum promoters' contribution ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six (6) months from the date of Allotment.
- (ii) Our Promoters have given their consent to include such number of Equity Shares held by them as may

constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time except as may be permitted, in accordance with the SEBI ICDR Regulations. Details of the Promoters' Contribution are as provided below:

Date of allotment/ Transfer of the equity shares [#]	Nature of transaction	No. of Equity Shares allotted/ received*	No. of Equity Shares locked in**	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	% of the fully diluted pre-Offer paid-up capital	% of the fully diluted post- Offer paid-up Capital	Date up to which the Equity Shares are subject to lock-in
Raj Kumar Lohia								
[•]	[•]	[•]		[•]	[•]	[•]	[•]	[•]
Neela Lohia								
[•]	[•]	[•]		[•]	[•]	[•]	[•]	[•]
Gaurav Lohia								
[•]	[•]	[•]		[•]	[•]	[•]	[•]	[•]
Amit Kumar Lohia								
[•]	[•]	[•]		[•]	[•]	[•]	[•]	[•]
Ritu Lohia								
[•]	[•]	[•]		[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]		[•]	[•]	[•]	[•]	[•]

[#] All Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

^{**} Subject to finalisation of Basis of Allotment.

- (iii) Our Company undertakes that the Equity Shares that shall be locked-in for computation of the Promoters' Contribution are not and will not be ineligible in terms of the Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
- The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus: (a) for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved in the transaction, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are otherwise ineligible for computation of the Promoters' Contribution;
 - The Equity Shares offered for the Promoters' Contribution do not include any Equity Shares acquired during the immediately preceding one year from the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
 - Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm;
 - The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other encumbrance; and
 - All the Equity Shares held by our Promoters are in dematerialised form as on the date of this Draft Red Herring Prospectus.

13. *Details of Equity Shares locked-in for six months:*

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (other than the Promoters' Contribution), shall be locked in for a period of six months from the date of Allotment in the Offer, except for:

- (i) the Equity Shares allotted to the employees, whether currently an employee or not, under the ESOP Scheme prior to the Offer.
- (ii) the Equity Shares held by an employee stock option trust or transferred to the employees, whether currently an employee or not, in accordance with the ESOP Scheme.
- (iii) the Equity Shares held by a registered as VCF, category I AIFs, category II AIFs or FVCIs, as applicable. However, such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by such VCF or category I AIFs, category II AIFs or FVCI. It is clarified that for shareholder(s) holding, individually or with persons acting in concert, more than 20% of the pre-Offer shareholding of the Company based on fully diluted basis, provisions of lock-in as specified under Regulation 17 of the SEBI ICDR Regulations shall be applicable, and relaxation from lock-in as provided under clause (c) of Regulation 17 of the SEBI ICDR Regulations shall not be applicable.
- (iv) the Offered Shares, which are successfully transferred as part of the Offer for Sale.

14. *Lock-in of Equity Shares Allotted to Anchor Investors*

There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

15. *Recording on non-transferability of Equity Shares locked-in*

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

16. *Other requirements in respect of lock-in*

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, as per Regulation 16 of the SEBI ICDR Regulations, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, systemically important non-banking finance companies or a deposit accepting housing finance companies, subject to the following:

- (i) with respect to the Equity Shares locked-in as the Promoters' Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company or its Subsidiaries for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer (being a pure offer for sale);
- (ii) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in, may be transferred to and amongst any member of the Promoter Group or to any new promoters of our Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such

transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

Further, the Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired. However, it should be noted that the Offered Shares which will be transferred by the Selling Shareholders pursuant to the Offer for Sale shall not be subject to lock-in.

17. As on the date of this Draft Red Herring Prospectus, our Company has 13 shareholders.
18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus. Further, the Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
19. Neither the BRLMs and nor their respective associates as defined in the SEBI Merchant Bankers Regulations, hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
20. Our Company, the Promoters, the Directors, and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
21. ***Employee Stock Option Scheme***

LCL Employee Stock Option Scheme 2022 ("ESOP Scheme")

Our Company, pursuant to the resolutions passed by the Board on August 27, 2022 and the Shareholders on September 7, 2022 adopted the ESOP Scheme.

The objective of the ESOP Scheme is to reward the Employees for their association, dedication and contribution to the goals of the Company. Our Company also intends to use the ESOP Scheme to attract and retain key talents by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability of the Company. Our Company views employee stock options as instruments that would enable the employees to get a share in the value they create for the Company in the years to come

No options have been granted under the ESOP Scheme, as of the date of Draft Red Herring Prospectus as certified by Anil Pariek & Garg, Chartered Accountants, pursuant to their certificate dated September 29, 2022.

22. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, our Directors, our Promoters or the members of the Promoter Group, shall offer or make payment of any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.
23. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc, as the case may be, other than in connection with any issue of Equity Shares pursuant to exercise of options vested under the ESOP Scheme.
24. Except as disclosed in "*Our Management*" on page 235, none of our Directors or KMPs hold any Equity Shares in our Company.
25. Our Promoters and members of the Promoter Group will not submit Bids, or otherwise participate in this Offer, except to the extent of the Offer for Sale by the Promoter Selling Shareholder.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
27. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to 31,695,000 Equity Shares by the Selling Shareholders; and (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image, provide liquidity to our Shareholders as well as provide a public market for the Equity Shares in India.

Utilisation of the Offer Proceeds by the Selling Shareholders

Our Company will not receive any proceeds from the Offer (“**Offer Proceeds**”). The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. For details of Offered Shares by each of the Selling Shareholders, see “*Other Regulatory and Statutory Disclosures*” beginning on page 410.

Offer expenses

The Offer expenses are estimated to be approximately ₹ [●] million. Other than the listing fees, which shall be borne by the Company and to the extent, the Selling Shareholders are liable to pay, ensure that all costs, fees and expenses relating to the Offer, including the underwriting commissions, procurement commissions, if any, and brokerage due to the underwriters and sub-brokers or stock brokers, fees payable to the SCSBs, BRLMs, syndicate members, legal advisors, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges and any other governmental authority, registrar fees and broker fees (including fees for procuring of applications), bank charges and any other agreed fees and commissions, as applicable, shall be paid by the Selling Shareholders.

The break-up for the Offer expenses is as follows:

Activity	Estimated expenses (in ₹ million)	As a % of total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
(a) regulatory filing fees, including SEBI, BSE and NSE fees, book building software fees, listing fees, etc.	[●]	[●]	[●]
(b) printing and stationery	[●]	[●]	[●]
(c) fee payable to legal counsels	[●]	[●]	[●]
(d) advertising and marketing	[●]	[●]	[●]
(e) other advisors to the Offer (Independent Chartered Accountants, Chartered Engineer, Independent Practicing Company Secretary, Statutory Auditors etc)	[●]	[●]	[●]
(f) miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

⁽²⁾ Selling commission payable to the SCSBs on the portion for RIIs, Eligible Employees and NIIs which are directly procured by the SCSBs, would be as follows:

Portion for RIIs*	[●] % of the Amount Allotted (plus applicable taxes)
Portion for Eligible Employees*	[●] % of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	[●] % of the Amount Allotted (plus applicable taxes)

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

- (3) No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for RIIs, Eligible Employees and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIIs	₹ [•] per valid application (plus applicable taxes)
Portion for Eligible Employees	₹ [•] per valid application (plus applicable taxes)
Portion for Non-Institutional Investors	₹ [•] per valid application (plus applicable taxes)

- (4) Selling commission on the portion for RIIs, Eligible Employees Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs would be as follows:

Portion for RIIs*	₹ [•] per valid application (plus applicable taxes)
Portion for Eligible Employees*	₹ [•] per valid application (plus applicable taxes)
Portion for Non-Institutional Investors	₹ [•] per valid application (plus applicable taxes)

* Based on valid applications.

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIIs and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[•] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIIs, Eligible Employees and Non-Institutional Investors which are directly procured by the Registered Broker or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for RIIs*	₹ [•] per valid application (plus applicable taxes)
Portion for Eligible Employees*	₹ [•] per valid application (plus applicable taxes)
Portion for Non-Institutional Investors*	₹ [•] per valid application (plus applicable taxes)

*Based on valid applications

Processing fees for applications made by RIIs using the UPI Mechanism would be as under:

Members of the Syndicate / CRTAs / CDPs	₹ [•] per valid application (plus applicable taxes)
Sponsor Bank	₹ [•] per valid application (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Monitoring Utilization of Funds

Since the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold by the Selling Shareholders, none of our Promoters, Directors, KMPs, Promoter Group or Group Companies will receive any portion of the Offer Proceeds.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections “Our Business”, “Risk Factors”, “Financial Information – Restated Consolidated Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on pages 177, 39, 271 and 361 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

For further details see “Our Business – Our Competitive Strengths” on page 179.

Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Information. For details, see “Financial Information – Restated Consolidated Financial Information” beginning on page 271.

Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

1. Basic and Diluted Earnings Per Share (“EPS”)

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weightage
Financial Year ended March 31, 2022	13.97	13.97	3
Financial Year ended March 31, 2021	10.91	10.91	2
Financial Year ended March 31, 2020	3.48	3.48	1
Weighted Average	11.20	11.20	

Note: EPS has been calculated in accordance with the Indian Accounting Standard 33 – “Earnings per share”. The face value of equity shares of the Company is ₹ 1.

2. Price Earning Ratio (“P/E”) in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)*
Based on Basic EPS for the financial year ended March 31, 2022	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2022	[●]	[●]

*Will be included in the Prospectus.

3. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

Particulars	P/E Ratio
Highest	75.72
Lowest	75.72
Average	75.72

Notes: The industry high and low has been considered from the industry peer set provided later in this section. For further details, please see the section entitled “- Comparison of Accounting Ratios with Listed Industry Peers” on page 120.

4. Return on Net Worth attributable to the owners of the Company (RoNW), as derived from the Restated Financial Information

Financial Year	RoNW (%)	Weightage
Financial Year ended March 31, 2022	31.53	3
Financial Year ended March 31, 2021	25.22	2
Financial Year ended March 31, 2020	5.22	1
Weighted Average	25.04	

Note: RoNW is calculated as total comprehensive income attributable to the owners of the Company / (total equity (-) non controlling interest)

5. Net Asset Value per Equity Share as derived from the Restated Financial Information

Year Ended	NAV (₹)
As at March 31, 2022	46.53*
After the completion of the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

*After taking into account bonus issue and stock split of the Equity Shares post the balance sheet (absolute) date.

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Consolidated / Standalone	Face value (₹ per share)	Market Capitalization (in ₹ million)	Total Income (in ₹ million)	EPS (₹)		NAV (₹ per share)	P / E	Market Capitalization / Total Revenue	RoNW (%)
					Basic	Diluted				
Lohia Corp Limited	Consolidated	1	NA	22,791.98	13.97	13.97	46.53*	NA	NA	31.53
PEER GROUP										
Lakshmi Machine Works Limited	Consolidated	10	11,815.00	126,219.65	169.47	169.47	1,862.94	69.72	3.90	9.60

*After taking into account bonus issue and stock split of the Equity Shares post the balance sheet (absolute) date.

Notes:

- All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the annual report of the respective companies for the year ended March 31, 2022
- NAV per share is calculated as Net Worth as on March 31, 2022 / Equity Shares outstanding as on March 31, 2022
- P / E ratio is calculated as closing share price on September 27, 2022, quoted on NSE / Basic EPS for the year ended March 31, 2022.
- Return on Net Worth is calculated as Net Profit after tax for the year ending March 31, 2022 / Average of opening and closing Net Worth for the year March 31, 2022.

Note: Market Capitalization is calculated as closing share price on September 27, 2022 quoted on NSE multiplied by number of equity shares outstanding as on March 31, 2022.

Key performance Indicators of our Company

We have set out below some of our key performance indicators as per the Restated Consolidated Financial Information, as of and for the periods mentioned below:

(in ₹ million, other than ratios and percentages)

Key Financial Indicators	Fiscal		
	2020	2021	2022
Revenue from Operations*	10,845.65	13,337.86	22,374.80
Gross Profit ⁽¹⁾	4,692.05	5,415.57	7,217.30
Gross Margin ⁽²⁾	43.26%	40.60%	32.26%
EBITDA ⁽³⁾	871.24	1,947.42	2,349.01
EBITDA Margin ⁽⁴⁾	8.03%	14.60%	10.50%
Restated Profit After Tax for the Year	389.31	1,207.84	1,593.77
Restated Profit After Tax for the Year Margin ⁽⁵⁾	3.59%	9.06%	7.12%
Net cash flows generated from operating activities	888.64	4,002.78	1,245.37
ROE ⁽⁶⁾	7.40%	22.33%	30.34%
ROCE ⁽⁷⁾	6.94%	24.47%	25.62%
Net Debt	738.20	(680.18)	1,134.61

Key Financial Indicators	Fiscal		
	2020	2021	2022
Net Debt / Net Cash	1.67	(2.41)	9.62
Net Debt/ Equity	14.00%	(12.61)%	23.08%
Net Debt/ EBITDA	0.85	(0.35)	0.48
Export contribution	45.08%	31.10%	24.51%
Research and development expense	685.07	286.43	337.39

Note:

- (1) Gross Profit is calculated as revenues from operations less cost of goods sold.
- (2) Gross Margin is calculated as gross profit divided by revenues from operations.
- (3) EBITDA is calculated as profit after tax for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
- (4) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (5) PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.
- (6) ROE is calculated as restated profit after tax for the year/ period divided by average total equity.
- (7) ROCE is calculated as EBIT divided by capital employed, which is total equity plus total debt.

* Sale of material (metals) to vendor is at cost. Sale to vendors included in revenue from operations in Fiscal 2020, 2021 and 2022 was ₹ 256.03 million, ₹ 335.74 million and ₹ 1,066.77 million, respectively.

The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Financial Information – Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 39, 177, 271, and 361, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” beginning on page 39 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Independent Auditor's Certificate on Statement of Possible Special Direct Tax Benefits

To
The Board of Directors,
Lohia Corp Limited,
Lohia Industrial Complex,
Chaubepur, Kanpur – 209203

Proposed initial public offering issue of equity shares of face value of ₹ 1 each (the "Equity Shares") of Lohia Corp Limited, (the "Company"/ "Issuer") through an offer of sale of equity shares by existing shareholders (the "Offer")

1. This report is issued in accordance with the terms of our engagement letter dated 27 May 2022.
2. The accompanying Statement of Possible Special Direct Tax Benefits available to the Company and its Shareholders (hereinafter referred to as **"the Statement"**) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022 (hereinafter referred to as **"Income Tax Regulations"**), has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as on the date of our report which is to be included in the Draft Red Herring Prospectus ('DRHP') is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 28 September 2022 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the **"ICAI"**).
5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the **"SEBI ICDR Regulations"**) and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 28 September 2022 to the Company and its shareholders, in accordance with the Income Tax Regulations as at the date of our report.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.
7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offering.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the

ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

The 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 Offer.

Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available, to the Company and its shareholders, in accordance with the Income-Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders or its material subsidiaries will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits per the Statement have been/would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchanges.

Yours faithfully,

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

For **V. Awasthi & Arvind Shrish**
Chartered Accountants
Firm Registration No. 008099C

Sujay Paul
Partner
Membership No.: 507892
UDIN: 22096314AWQBHX3465

Vivek Awasthi
Partner
Membership No.: 074590
UDIN: 22074590AWNXXWS9216

Place: Mumbai

Place: Kanpur

Date: 29 September 2022

Date: 29 September 2022

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO LOHIA CORP LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME TAX LAWS OF INDIA

Outlined below are certain possible special direct tax benefits available to the Company and its shareholders under the Income-Tax Act, 1961 as amended by the Finance Act, 2022 (**hereinafter referred to as 'the Act'**) read along with applicable Income-Tax Rules, Circulars and Notifications (hereafter referred to as 'Indian Income Tax Regulations'). These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Act and the relevant Indian Income Tax Regulations.

A. Special tax benefits available to the Company

1. Beneficial corporate tax rate - section 115BAA of the Act

Section 115BAA of the Act, introduced vide The Taxation Laws (Amendment) Act, 2019, lays down certain conditions on fulfillment of which domestic companies are entitled to avail a beneficial tax rate of 22% (plus applicable surcharge and cess). The option to apply this tax rate is made available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The beneficial tax regime is subject to a company not availing any of the following deductions / exemptions under the provisions of the Act:

- Section 10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/33ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)(ii) or (iia) or (iii)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- Chapter VI-A other than the provisions of section 80JJAA and section 80M.

The total income of a company availing the beneficial tax rate of 25.17% (i.e., 22% plus 10% surcharge and 4% health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the beneficial tax regime in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable to companies availing this beneficial tax regime.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the beneficial tax regime. Accordingly, all existing as well as new domestic companies are eligible to avail this beneficial tax regime.

The Company has opted for beneficial tax regime under Section 115BAA of the Act and therefore is eligible for a reduced effective tax rate of 25.17% (including applicable surcharge and health and education cess) subject to fulfilment of above conditions.

2. Deduction in respect of inter-corporate dividends – section 80M of the Act

As per the provisions of section 80M of the Act, inserted with effect from 01 April 2021, a domestic company, shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. However, such deduction shall be restricted to the amount of dividend distributed by it to its shareholders on or before the due date i.e., one month prior to the date of furnishing the return of income under sub-section (1) of section 139 of the Act.

3. Deductions in respect of employment of new employees – Section 80JJAA of the Act

As per section 80JJAA of the Act, where a company is subject to tax audit under section 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

4. Deduction of scientific expenditure incurred in respect of own business - Section 35(1)(iv) of the Act

As per the provisions of Section 35(1)(iv) of the Act, domestic companies are allowed deduction in respect of any expenditure of a capital nature on scientific research related to the business carried on by the assessee. The deduction is subject to the conditions prescribed in Section 35(2) of the Act.

B. Special tax benefits available to the shareholders under the Act

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of a domestic corporate shareholder, benefit of deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed in A.2 above).
2. As per section 111A of the Act, short-term capital gains arising from transfer of equity shares on which securities transaction tax (STT) is paid at the time of acquisition and sale, shall be taxed at the rate of 15%. This is subject to fulfilment of prescribed conditions under the Act.
3. As per section 112A of the Act, long-term capital gains arising from transfer of equity shares on which STT is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation). This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,00,000 in a year.
4. As per section 115A of the Act, dividend income earned by a non-resident (not being a company) or by a foreign company, shall be taxed at the rate of 20% subject to fulfilment of prescribed conditions under the Act.
5. As per section 115E of the Act, long term capital gains arising to non-resident Indian from transfer of shares in an Indian company which the assessee has acquired in convertible foreign exchange shall be taxed at the rate of 10% subject to fulfilment of prescribed conditions under the Act.
6. As per section 90(2) of the Act, non-resident shareholders will be eligible to take advantage of the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.
7. Further, any income by way of capital gains, dividends accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is more beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

1. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The possible special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, 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 issue.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India.

4. The Statement is prepared based on information available with the management of the Company and there is no assurance that:
 - the Company or its shareholders will continue to obtain these benefits in future.
 - the conditions prescribed for availing the benefits have been/ would be met with; and
 - the revenue authorities/courts will concur with the view expressed herein.
5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.
6. The above Statement of Possible Special Direct Tax Benefits sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

For and on behalf of the Board of Directors
Lohia Corp Limited

KG Gupta
Chief Financial Officer

Place: Kanpur

Date: 29 September 2022

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS

To,
The Board of Directors,
Lohia Corp Limited
D-3/A, Panki Industrial Estate, Kanpur,
Uttar Pradesh, 208022

Re: Proposed initial public offering issue of equity shares of face value of ₹ 1 each (“the “Equity Shares”) of Lohia Corp Limited, (the “Company”/ “Issuer”)

1. This report is issued in accordance with the terms of our engagement letter dated 27 May 2022.
2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company and its Shareholders (hereinafter referred to as “the Statement”), under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications), (together referred to as “Indirect Tax Regulations” has been prepared by the management of the Company in connection with the proposed offer, which we have initialed for identification purposes.

Management’s Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus (‘DRHP’) is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 28 September 2022. The Management’s responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the “ICAI”). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the “SEBI ICDR Regulations”) and the Companies Act 2013 (‘Act’), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 28 September 2022 to the Company and its shareholders, in accordance with Indirect Tax Regulations as at the date of our report.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.
7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the proposed Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders, fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

The 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 Offer.

Further, we give no assurance that the revenue authorities / courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of 29 September 2022, to the Company, and its shareholders, in accordance with the Indirect Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sujay Paul
Partner
Membership No.: 096314
UDIN: 22096314AWQCPR8368

Place: Mumbai
Date: 29/09/2022

For **V. Awasthi & Arvind Shrish**
Chartered Accountants
Firm Registration No. 008099C

Vivek Awasthi
Partner
Membership No.: 074590
UDIN: 22074590AWOBJG4695

Place: Kanpur
Date: 29/09/2022

Enclosure: Statement of possible special indirect tax benefits available to Lohia Corp Limited and its Shareholders.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO LOHIA CORP LIMITED AND ITS SHAREHOLDERS

SPECIAL TAX BENEFITS AVAILABLE TO LOHIA CORP LIMITED UNDER THE INDIRECT TAX REGULATIONS IN INDIA

1. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

i. Remission of duties and taxes on Exported Products (RoDTEP)

Remission of duties and taxes on Exported Products (RoDTEP) scheme has replaced Merchandise Export from India Scheme (MEIS). Under the scheme, rebate of duty and taxes which is not refunded under any other Scheme will be given in the form of duty credit/electronic scrip. The scheme was notified from 1 January 2022 with the intention to boost exports. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5 percent to 4 percent.

ii. Export Promotion Capital Goods (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty in lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

iii. Advance Authorization

Advance Authorisation is a scheme under FTP that allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also allowed to be imported duty free. The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input -Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product -Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

2. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962

Duty Drawback scheme was introduced as a rebate for customs duty chargeable on any imported materials or excisable materials used in manufacture or processing of goods, manufactured in India and exported.

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

3. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated supplies.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

Possible special benefits for shareholders of Lohia Corp Limited

Shareholders of the Company are not eligible to special tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

Notes:

7. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
8. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a 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.
9. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
10. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. The Company or its shareholders will continue to obtain these benefits in future;
 - ii. The conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. The revenue authorities / courts will concur with the view expressed herein.
11. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of the Board of Directors
Lohia Corp Limited

KG Gupta
Chief Financial Officer

Place: Kanpur
Date: 29 September 2022

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment Of Machines Market For Technical Textile With Focus On Plastic Woven Fabric/Sacks” dated September 26, 2022 (the “F&S Report”) prepared and issued by F&S, appointed by us on April 23, 2022 and paid for and commissioned by our Company for an agreed fee in connection with the Offer. A copy of the F&S Report is available on the website of our Company at <https://www.lohiagroup.com/INVESTOR-RELATIONS>. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be material for the proposed Offer), that has been left out or changed in any manner.

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. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the F&S Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

While preparing its report, F&S has also sourced information from publicly available sources, including our Company’s financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus. For more information, see “Risk Factors – We have commissioned an industry report from Frost & Sullivan (India) Private Limited, which has been used for industry related data in this Draft Red Herring Prospectus.” on page 62.

Global Macro-Economic Overview

Global Real GDP and Growth Outlook

The global economy (real GDP), which is now on the path of steady recovery, has undergone significant stress in the past few years due to extended trade conflicts, the slowdown in investments across the world, followed by COVID-19. Pent up demand, caused by economic stagnation and improvement in the supply situation are now fuelling the recovery of the global economy which is poised to stage its most robust post-recession recovery in 80 years, in 2021. Global GDP is expected to grow at a CAGR of 3.9% by 2025.

Macroeconomic Trends and Analysis of Global Economy

High Inflationary Pressures

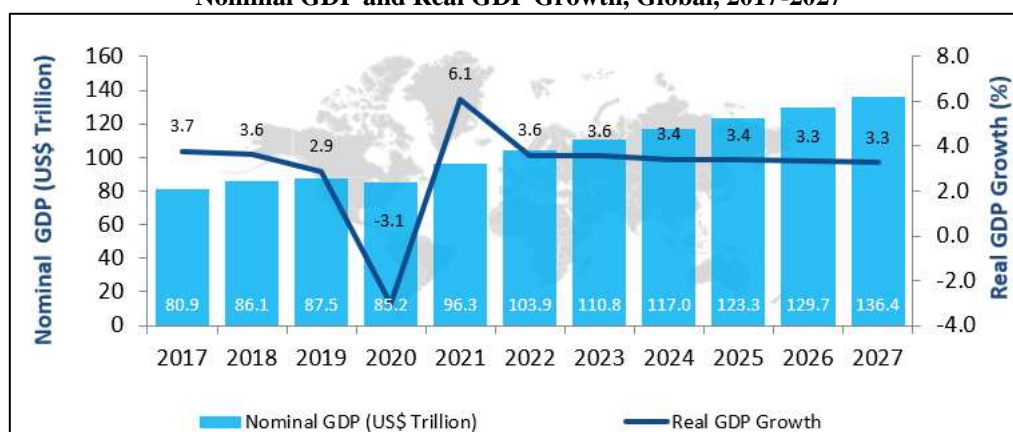
While sizeable fiscal stimulus measures and lower interest rates fueled an uptick in consumer demand in 2021, supply-side disruptions in the form of higher freight costs and semiconductor shortages constrained output over the same period, resulting in surging price pressures. The onset of the Russo-Ukrainian war in 2022 resulted in a sharp increase in global commodity prices and a hike in freight costs, further exacerbating inflationary pressures. China’s zero COVID lockdown policy amid a surge in the viral caseload will also result in a higher build-up of inflationary pressures in the short-term as input supplies are delayed.

Global GDP Growth

The global economy expanded at an average rate of 3.7% in 2017 and 2018 due to strong economic performance in emerging markets across Asia and Europe that resulted in an uptick in investment, manufacturing, and trade. However, growth moderated to 2.9% in 2019 as enduring trade disputes including the US-China trade stand-off dampened manufacturing activity and exports, in addition to slowing investment growth owing to trade policy

uncertainty. In 2020, the global economy contracted by 3.1% due to pandemic containment measures that lowered merchandise and service exports and subdued consumer and business sentiment.

Nominal GDP and Real GDP Growth, Global, 2017-2027



1) Data pertains to each calendar year; Estimates and forecasts start from 2022

Source: International Monetary Fund (IMF) World Economic Outlook, April 2022; Data updated as on 11th May 2022

India Macro-Economic Overview

GDP and GDP Growth

India's real GDP growth has averaged 6.6% in the five years preceding the COVID-19 pandemic in 2020 with a moderation in economic growth since 2016. Economic growth abruptly slowed down to 3.7% in Fiscal 2020 because of disruption due to the implementation of reforms such as the goods and services tax from 2017, demonetization in 2016 and lower consumer demand. In Fiscal 2021, the economy contracted 6.6% due to stringent lockdown measures that impacted both the manufacturing and services industries, pushed up unemployment, and dampened consumer spending.

Real GDP and Real GDP Growth, India, 2017-2027¹



¹ Financial year pertains to the period from April to March; For instance Fiscal 2022 is the period between April 2021 and March 2022; Real GDP is measured in constant prices. Base year for calculating Real GDP growth is Fiscal 2012. Estimates and forecasts start from Fiscal 2022.

Source: Reserve Bank of India, International Monetary Fund (IMF) World Economic Outlook, April 2022; Data updated as on 6th May 2022.

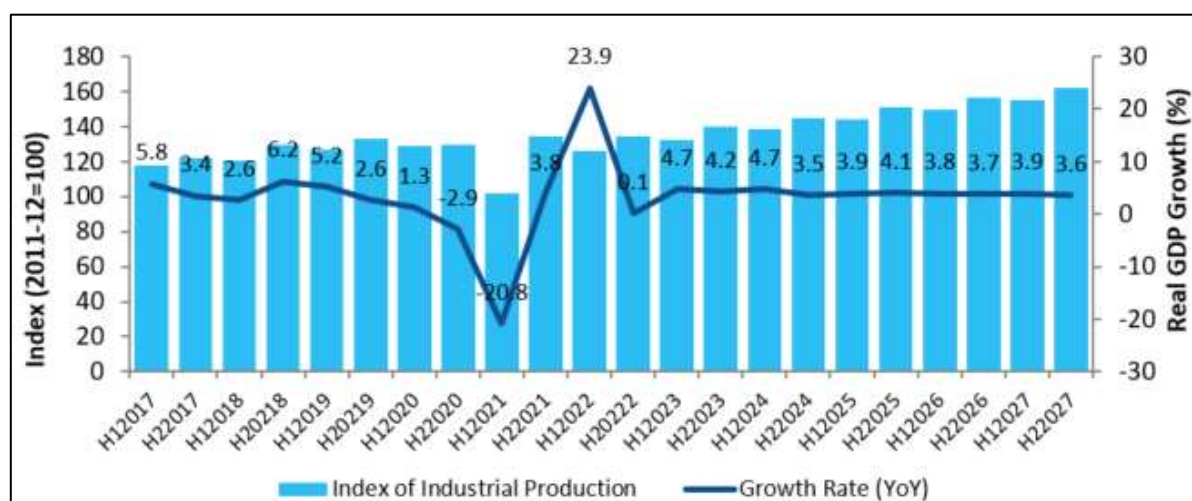
Aided by a lower base, India's real GDP is projected to have expanded 8.9% in Fiscal 2022 due to a recovery in consumer sentiment, gradual reopening on of the economy, and a rebound in manufacturing and service sectors. Higher energy prices and a slowdown in global trade due to the Russo-Ukrainian war will increase downside risks to economic growth in Fiscal 2023. Over the medium-term, India's real GDP is expected to grow at an average rate of 7.0% buoyed by growth of merchandise and services trade, infrastructure and logistics push, and growth in consumption aided by an expanding middle class.

In Fiscal 2023, India is poised to remain the fastest growing major economy with a projected growth above 8% as growth in China moderates to 4.4% and other advanced economies including the US and the EU face strong headwinds to economic growth due to the Russo-Ukrainian war and rapid monetary tightening. Southeast Asian manufacturing powerhouses including Vietnam, Thailand, Philippines, Indonesia, and Malaysia are also expected to register moderate growth between 5% - 7% in the current year. Over the medium-term, as Indian GDP growth gradually moderates to a range between 6% - 7%, other emerging Asian economies including Bangladesh and Vietnam are expected to outperform Indian GDP growth.

Index of Industrial Production (IIP)

The IIP is a composite index measuring monthly changes in production volumes for a basket of key industrial goods including mining, manufacturing, and electricity production during a period of time in comparison to production in the base year of Fiscal 2012. Between Fiscal 2017 and Fiscal 2019, the manufacturing index, which assumes a 77% weightage, grew at an average rate of 4.3% driven by increased production of pharmaceuticals, electronics and optical products, furniture, transport equipment, wearing apparel, and machinery and equipment. Electricity production increased at an average rate of 5.5% over the same period.

IIP, India, 2017-2027



H1 refers to the first semester of the financial year from April to September; H2 refers to the second semester from October to March; For instance, H12017 is the six-month period from April 2016 to September 2016 and H22017 is the six month period from October 2016 to March 2017. The base year for the IIP is Fiscal 2011-12. Estimates and forecasts start from Fiscal 2022. Source: Reserve Bank of India, Ministry of Statistics and Programme Implementation

Government Schemes

The Government of India (“GoI”) has introduced several initiatives and incentives making the industry favourable for growth. These include the Amended Technology Upgradation Fund Scheme (“ATUFS”), under the Ministry of Textiles, which aims to facilitate employment, investment, quality, productivity, as well as import substitution in the textile industry while also indirectly promoting investments in the manufacturing of machinery for textiles, including technical textile. The GoI has also focused on indigenous manufacturing through means such as production-linked incentive schemes for woven fabrics, which has two scheme slabs for providing incentives to woven fabric manufacturers, and the National Capital Goods Policy, 2016, which aims to double the local production of capital goods by 2025.

State Schemes

Following states have been actively promoting technical textile through their textile policies. Set out below are details of such state-wise policies:

Haryana Textile Policy 2019²⁹	<ul style="list-style-type: none"> The Government of Haryana has undertaken special collaboration with IIT Delhi for skill training, entrepreneurship and new product development for 20 entrepreneurs per quarter a) The state will reimburse 25% of cost incurred by the entrepreneur for any such new product development (with a cap of USD 20,000 – per product) b) Provision of capital subsidy of 15% maximum up to USD 33,048 approx. for capital investment for new projects to all categories of technical textiles c) State government shall provide 50% sponsorship to these entrepreneurs and government shall additionally reimburse the recurring expenses incurred by IIT Delhi for running this incubation centre subject to a ceiling of USD 167 per entrepreneur
Gujarat Textile Policy 2018-23³⁰	<ul style="list-style-type: none"> Power tariff offers subsidy up to USD 0.026 per unit Financial assistance through credit linked interest subsidy of 6% for MSME and for large enterprises the subsidy would be 4-6% with an upper ceiling of USD 2 Mn per annum 20% assistance on the cost of machinery with a ceiling of USD 40,000 which will be applicable in each case of energy conservation, water conservation and environment compliance 50% assistance for audit fees with a limit of USD 1,320 For technology upgradation and modernisation, the scheme provides one-time financial assistance of up to 50% of the cost with a limit of USD 33,048
Tamil Nadu Integrated Textile Policy 2019³¹	<ul style="list-style-type: none"> Provision of funds of 9% of project cost for setting up of a technical textile park under SITP 6% additional interest subsidy for technical textile projects in addition to incentives from the central government 100% stamp duty exemption granted Creation of an overseas study fund to identify technical textile markets & products

Maharashtra State Textile Policy 2018-23³²	<ul style="list-style-type: none"> Bolstering up research & technical expertise created by institutes such as IITs, SASMIRA and WRA Up to 40% capital subsidy for industries in technical textiles segment 9% of project cost, up to USD 2.5 Mn, is provided to technical textile parks under SITP The policy also mentions collaboration with leading technical institutes such as IIT- Bombay*
Karnataka New Textile and Garment Policy 2019-24³³	<ul style="list-style-type: none"> The policy envisages creation of centres of excellence for technical textiles Technical textiles projects are given a 15-25% capital subsidy for large enterprises and 20-30% for MSMEs Interest subsidy of 5% per annum on term loans for first five years Reimbursement of power cost paid at USD 0.013 for a period of five years Stamp duty exemption and concessional registration charge rate of USD 0.013 per USD 13.12
Andhra Pradesh Textile and Apparel Policy 2015-20³⁴	<ul style="list-style-type: none"> Interest subsidy shall be capped at 12.5% Power tariff subsidy at USD 0.020 per unit for a period of five years Technical textiles sector will also be eligible to get VAT/CST/SGST concessions 50% financial assistance to enterprises acquiring technology, subject to a maximum amount of USD 33,051 per process/product

Source: Investindia.gov.in

Production Linked Incentive Schemes

Over the course of the last two years, the government has introduced manufacturing incentives for more than 13 categories including electronics, auto components, semiconductors, pharmaceuticals, textiles, and drone manufacturing among others. Respective schemes offer 4%-6% incentives on incremental turnover over a five year period for selected companies. As of April 2022, schemes for semiconductor manufacturing, solar PV modules, white goods (refrigerators, television sets, etc.), specialty steel and drones were still open for applications.

Textile PLI Scheme

The PLI scheme was notified for textile products including manmade fibre (“MMF”) apparel, 14 categories of MMF fabrics, and 10 categories of products of technical textiles in September 2021. The scheme aims to boost India’s manufacturing and export capabilities in the sector with a financial outlay of INR 106,830 million over a five year period. MMF fabrics covered under scheme include woven fabrics containing nylon, polyester, and other manmade fibres. Technical textiles covered under the scheme include defence textiles such as bulletproof vests, fighter aircrafts, and submarine clothing and tents, mobile textiles such as safety airbags, and tyre cords, and protective textiles such as personal protective equipment and fire-retardant fabrics. Also incentivized is the production of smart textiles used in active devices for medical, defense, and special purposes.

Technical Textile Industry

Industry Overview

Definition

Technical textile involves textile materials and products manufactured primarily for their performance and functional properties rather than their aesthetic or decorative characteristics and are used to produce engineered or performance-based products which are used in diverse applications. Other terms used for defining technical textiles include engineering textiles, industrial textiles, invisible textiles, performance textiles, functional textiles, and hi-tech textiles. Technical textiles are used to produce engineered or performance-based products which are used in diverse applications. Technical textiles are used individually to satisfy specific functions such as fire retardant fabric for uniforms of firemen and coated fabric to be used as awnings. As a component or part of another product, they are used to enhance the strength, performance, or other functional properties of that product.

Technical textiles have been slowly but steadily gaining ground due to one or more the reasons such as: functional requirement, health & safety; cost effectiveness; durability; high strength; light weight; versatility; customization; user-friendliness; eco friendliness; logistical convenience etc. Unlike conventional textiles used traditionally for clothing or furnishing, technical textiles are used basically on account of their specific physical and functional properties and mostly by other user industries. Depending on the product characteristics, functional requirements and end-use applications the highly diversified range of technical textile are grouped into 12 segments. (Source: Indian Technical Textile Association)

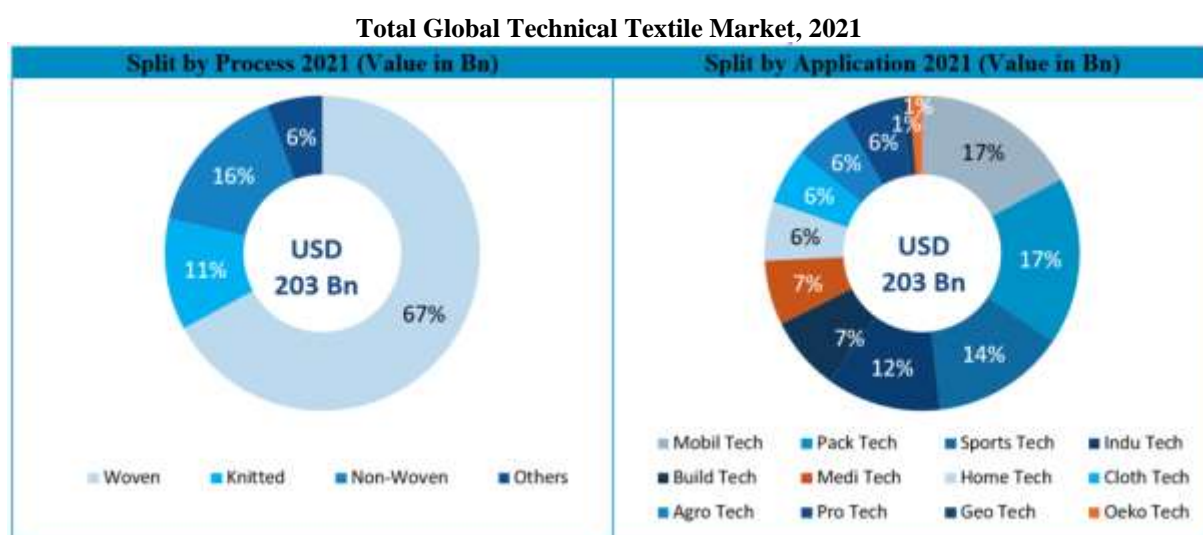
They are manufactured using natural as well as man-made fibres such as Nomex, Kevlar, Spandex, Twaron that exhibit enhanced functional properties such as higher tenacity, excellent insulation and improved thermal resistance. These products find end-use applications across multiple non-conventional textile industries such as healthcare, construction, automobile, aerospace, sports, defense, and agriculture. Taking cognizance of technological advancements, countries are aligning their industries to accommodate technical textiles. This shift is evident in India’s textile sector as well, moving from traditional textiles to technical textiles. (Source: *Invest India*)

Technical Textile – Global Market

The global technical textile market is estimated at USD 203 billion in 2021 and is expected to reach USD 274 billion by 2027 at a CAGR of 5.1% during the forecast period. Asia-Pacific region accounted for the largest share in the technical textile market, at around USD 73 billion in 2021 and is expected to grow at 5.9% till 2027. The European technical textile market size was estimated to be around USD 58.3 billion in 2021 and expected to grow at a CAGR of 5.2% while the North American market was estimated to be at around USD 49.9 billion in 2021 and expected to grow at a CAGR of 4.5%. The rest of the world, comprising Latin America, Middle East and Africa, is estimated to be around USD 21.6 billion in 2021 and expected to grow at a CAGR of 3.8% till 2027.

At the global level, Oekotech, Geotech, Buildtech, Meditech, Protech and Sportech are the six segments that are likely to grow at a relatively higher rate (CAGR > 5%) in terms of the value of technical textiles consumption during the period 2020-25. Mobiltech, Indutech, Meditech, Packtech and Sportech will constitute a major share of the value of the global market for technical textiles.

Global technical textile sector by process is led by woven textiles, with 67.0% market share followed by non-woven with 16.0% share, knitted with 11.0% share and others with 6.0%. The global technical textile market by application is led by Mobiltech with 17.3% market share followed by Packtech with 17.0% and Sportech with 14.0% while rest cover under remaining 52.0%.



Source: Technotex 2020, KPMG Report; Frost & Sullivan Analysis (2021 data)

Global Technical Textile Market – Split by Process, 2021 to 2027 (Values in USD billion)

Process	2021	2022	2023	2024	2025	2026	2027	CAGR (2021-2027)
Woven	136.0	143.0	151.0	158.0	166.0	176.5	188.5	5.6%
Knitted	23.0	24.0	25.0	26.0	28.0	28.0	30.0	4.5%
Non-woven	32.0	33.0	34.0	36.0	37.0	39.0	40.5	4.0%
Others	12.0	12.0	12.0	13.0	14.0	15.0	15.0	3.8%
Total	203.0	212.0	222.0	233.0	245.0	258.5	274.0	5.1%

Source: Frost & Sullivan Analysis

Global Technical Textile Market – Split by Application, 2021 to 2027 (Values in USD Billion)

Process	2021	2022	2023	2024	2025	2026	2027	CAGR (2021-2027)
Mobil Tech	35.0	37.0	39.0	41.0	43.0	45.0	47.0	5.0%
Indu Tech	24.0	25.0	26.0	27.0	29.0	31.0	33.0	5.5%
Sports Tech	28.0	29.0	30.0	31.0	32.0	34.0	36.5	4.5%
Build Tech	15.0	16.0	17.0	18.0	19.0	20.0	21.0	5.8%
Home Tech	12.0	13.0	13.0	14.0	14.0	15.0	16.0	4.9%
Cloth Tech	12.0	12.0	13.0	13.0	14.0	14.0	15.5	4.4%
Medi Tech	14.0	14.0	15.0	16.0	17.0	18.0	19.0	5.2%
Agro Tech	12.0	12.0	13.0	14.0	15.0	16.0	16.5	5.5%
Pro Tech	12.0	13.0	14.0	14.0	15.0	16.0	15.5	4.4%
Pack Tech	35.0	37.0	38.0	39.0	41.0	43.3	48.3	5.5%
Geo Tech	2.0	2.0	2.0	3.0	3.0	3.2	3.2	8.1%
Oeko Tech	2.0	2.0	2.0	3.0	3.0	3.0	2.5	3.8%
Total	203.0	212.0	222.0	233.0	245.0	258.5	274.0	5.1%

Source: Frost & Sullivan Analysis

Global- Raffia Segment Contribution to Technical Textile Market

Plastic Raffia industry is part of the technical textile industry. By application, plastic Raffia fabric falls under Buildtech, Agrotech, Packtech, and Geotech segments. Globally, woven Raffia market is expected to increase at a CAGR of 6.3% from US\$ 59 billion in 2021 and is expected to reach US\$ 80 billion in 2026. At the global level, plastic Raffia constitutes around 30% of the total technical textile market in 2021.

Technical Textile – India Market

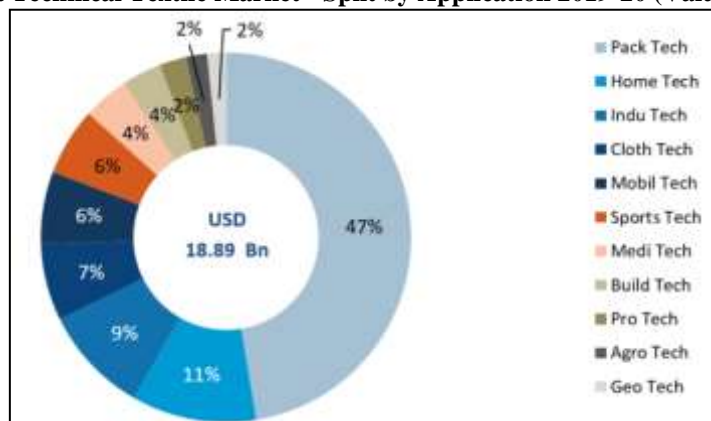
The size of the Indian technical textiles industry was estimated at USD 18.9 billion in Fiscal 2019- Fiscal 2020. The level of penetration of technical textiles in India is at 5%-10% as compared to 30%-70% observed in developed countries. The aim of NTTM is to grow the domestic market at the rate of 15%-20% per annum and take the market size to US\$ 40 billion - US\$ 50 billion by 2024.

Currently the technical textile contributes 17% of the total textile market in India. The share of technical textiles in the total textile industry in India is expected to reach 28% by 2024-2025. The segments likely to grow at the fastest rates (at rates faster than a CAGR of 10%) in the Indian market are Oekotech, Protech, Mobiltech, Geotech, Indutech, Agrotech and Buildtech. Packtech, which has been a mainstay of the domestic technical textile market and is expected to experience a moderated rate of growth. The extent and nature of the success of India's National Technical Textile Mission is likely to change these forecasts depending on the response of the market to interventions made under the Mission.

The Government of India has launched the National Technical Textiles Mission with a financial outlay of ₹ 1,480 million with the aim of positioning India as a global leader in technical textiles. Its implementation period will be for four years (from Fiscal 2020-2021 to Fiscal 2023-24). The mission will facilitate market development, market promotion, international technical collaborations, investment promotions and 'Make in India' initiatives. It also targets to maintain an average annual growth of 10% in exports till 2023-2024.

As per the latest estimates of IIT Delhi, the global technical textiles market is expected to grow at a CAGR of 5.06% between 2020 and 2025 whereas the market in India is likely to grow at a CAGR of 8.25% during the same period. The forecast arrived at by the research team suggests that the market for technical textiles in India will grow in value from ₹ 122,943 million (US\$ 18.9 billion) in 2019-2020 to ₹ 1,82,742 million (US\$ 28.1 billion) in 2024-2025. (Source: *Technical Textile Industry, Baseline Survey, 2020 (IIT, Delhi)*)

Total India Technical Textile Market - Split by Application 2019-20 (Value in Billion)



Source: F&S Analysis, Technical Textile Industry, Baseline Survey, 2020 (IIT, Delhi)

Raffia predominantly fall under Packtech, Buildtech, Agrotech and Geotech applications.

India - Raffia Segment Contribution to Technical Textile Market

Plastic Raffia market is part of the technical textile industry. Plastic Raffia falls under Agrotech, Buildtech, Geotech and Packtech segments predominantly. These four segments account for 54% of the technical textile industry in India i.e. US\$ 10.2 billion market during 2019-2020. Indian plastic Raffia market stood at US\$ 4.34 billion during 2019-2020 and holds a share of around 23% of the total technical textile market in India. Plastic Raffia market constitutes 42.5% within Agrotech, Packtech, Geotech and Buildtech together.

Global – Raffia and Plastic Woven Fabric Machines Market

Global Raffia - Industry Overview

Plastic Raffia industry is one of the prominent segment of plastic processing industry consist of packaging and non-packaging applications. Plastic Raffia industry starts with tape extrusion, winding, weaving, printing and conversion into various types of applications. The conversion is taken place in two types - (1) Packaging which consist of bags, sacks and flexible intermediate bulk containers (“FIBCs”); and (2) Non-packaging, which consist of wrappings, geotextiles, fishnets, tarpaulins etc. Global Market size of Raffia is estimated to be approximately 22,000 KT in volume terms and around US\$ 59 billion in value terms. The market is expected to grow from 22,000 KT in 2021 to 28,731 KT in 2026, at a CAGR of 5.5%. The value market is expected to grow from US\$ 59 billion in 2021 to US\$ 80 billion in 2026, at a CAGR of 6.3%.

The logistics and commerce industry is depending on innovative and sustainable packaging solution. Increasing trade within countries as well as international trade demand for more cost effective and sustainable packaging solutions. Plastic packaging plays a vital role in easy, durable and cost effective packaging solution. At present, Raffia packaging has created its own place in industrial packaging solution which is cost effective, light weighted, easy to handle, durable and recyclable material. Raffia is plastic resin based woven fabric which is further processed to produce woven sacks, FIBC and other industrial and special purpose products. Packaging industry has wide variety of options available like jute sacks, paper bags, flexible packaging like stretch film and cast film and Raffia but every type of packaging has its own advantage as well as disadvantage. Jute bags are sturdy and biodegradable but low availability and high cost, along with jute, paper packaging also faces similar characteristics. Flexible packaging is generally used in stretch wrap applications for food packaging, snacks packaging, electronic packaging, etc. while Raffia is used in woven sacks, FIBCs, tarpaulins, Geotextiles etc. Other packaging solutions are either based on jute or paper are quite expensive, less strength compared to plastic sacks and not suitable for variety of products which requires air to breath the product within packaging. Plastic woven sacks are designed with micro-perforation which enables the air to enter inside the bag without the danger of spillage.

There are companies innovating to produce light weighted sacks with increasing strength and adding other advantages like UV protection, moisture protection etc. Machine manufacturers are contributing in innovation by providing advanced machineries to produce light weighted with high strength woven sacks and bags for industrial packaging. Lohia owns and operates a Technical Training and Research Centre (“TTRC”) for the woven plastic processing industry, the first-of-its-kind globally.

Lohia Corp benefits from its product diversification within technical textiles, as the machinery and equipment they manufacture is not concentrated within a particular end-use industry.

Advantage of Plastic Woven Bags over Jute and Paper Bags

The plastic woven bags are comparatively superior on all aspects comparing to jute and paper bags as listed below:

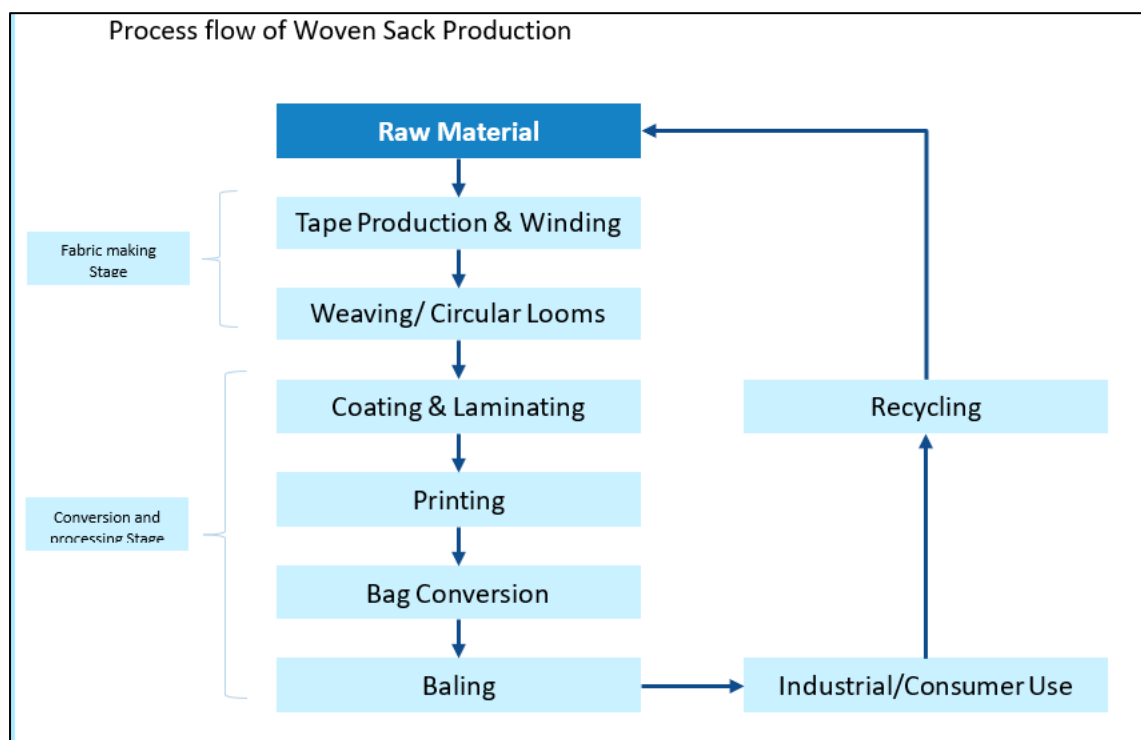
Comparison of Jute, Paper, Plastic Woven bags and Flexible Packaging

Parameter	Jute	Paper	PP Woven Sacks	Flexible Packaging
Seepage	Relatively High	Low	Low	Low
Moisture Prevention	Nil	Nil	Excellent	Excellent
Contamination/Infestation	Very High	Nil	Low to Moderate	Low to Moderate
Organoleptic deterioration	Very High	Moderate	Minimum	Low
Aesthetics	Poor	Good	Good	Good
Availability	Seasonal	Limited	Abundant and Easy	Good
Cost	High	High	Low	Low
Seam Strength	Strong	Strong	Good	Medium
Operational Convenience	Good but Abrasive	Good	Good	Good
Stack Stability	Good	Good	Good	Medium
Drop Test Performance	Fair	Poor	Very Good	Fair

Microbial attack	Very High	High	Nil	Nil
Air borne pollution	Very High	None	None	None
Energy Recovery	Low	Low	High	Medium
Reusability	Good	Nil	Good	Very Low

Source: Article, QTL Bags

Process flow of Woven Sack Production



Tape Production and Winding

Raw material and additives enter into the extruder through loader, it is heated at 190-250 degrees Celcius and sheared by the screw and barrel. After plasticization, the material is extruded at constant pressure to form the film; the molten film enters the cooling water tank which is cut into flat strips by the blade. The flat strip is stretched to produce mono-oriented tape in the hot air oven. The tape is heat set on the hot roller, shrinks at low traction speed, and is treated by the cold roller at low temperature. Finally, tape is wound on to the winders.

Weaving/ Circular Looms

Winding bobbins are attached with creels and shuttle of circular looms for weaving process. Thread from the bobbin in the circular loom's creel stand is woven into tubular cloth. The weaving of Raffia tapes into cloth is carried out in circular looms, which produce circular cloth of the desired width. The process of weaving is automatic and continuous in nature. Multiple circular looms are installed to match the effective output of the Raffia tape manufacturing plant. The cloth produced by each loom is continuously wound on rotating pipes.

Coating and Laminating

Tubular woven sack is being coated or laminated with PE or paper lining in order to protect the packaged good from dust and moisture. Coating fabric also provides for better printability. However non-coated woven sack is preferred for goods which require breathability.

Printing

The PP fabric roll is put through the printer, printed by flexographic printing technology based on the approved design with the customer through a printing mold made of polymer or rubber material. The printing can be done in four to six color schemes with flexible bag sizes.

Bag Conversion

The tubular woven sack is cut into different shapes and sizes to produce bags as per the desired packaging capacity. The pieces are stitched to form a woven sack. FIBC bag-making machines are specialized to produce only FIBC of different features such as bottom empty nozzle, profiles, handles, full top open shapes.

Baling Process

Baling press is a power press, screw or hydraulic, employed for compressing woven fabrics in all their varieties, into bales which are handy for transportation. Hydraulic baling press can reduce all packaging material to a fraction of its original volume. Hydraulic baling press machine contains an exceptional large loading aperture and can compress large quantities of woven bags, Jumbo bags etc.

Recycling

Post industrial waste like Raffia bags, tapes, jumbo/FIBC bags-fabrics, start-up small lumps, slit film tapes, loom waste, coated /laminated bag and fabric, PP straps are recycled into plastic pallets and reusable in tape extrusion machinery.

Plastic Usage Trends

Replacement of Single-use Plastics

India: The Plastic Waste Management Amendment Rules, 2021 will replace the existing rules on plastic waste management which were notified in 2016 and amended in 2018. The draft rules of 2021 have proposed to prohibit manufacture, import, stocking, distribution and sale of certain single-use plastics from January 1, 2022. In the three-stage ban, the first category of single use plastic items proposed to be phased out are plastic sticks used in balloons, flags, candy, ice-cream and ear buds, and thermocol that is used in decorations. The second category, proposed to be banned from July 1, 2022, includes items such as plates, cups, glasses and cutlery such as forks, spoons, knives, straws, trays; wrapping and packing films used in sweet boxes; invitation cards; cigarette packets; stirrers and plastic banners that are less than 100 microns in thickness. A third category of prohibition is for non-woven bags below 240 microns in thickness. This is proposed to start from September 30, 2022.

Trends and Initiatives in India

India

Production Linked Incentive for Woven Fabric – There are two scheme slabs for providing incentives to woven fabric manufacturers. The first slab, with ₹ 3,000 million investment and ₹ 6,000 million turnover in first year of operations will attract an incentive of 15% and the following year have a reduced incentive by 1%. The second slab with ₹ 1,000 million investment and ₹ 2,000 million turnover will attract an incentive of 11% with decrement of 1% from successive years for five years. (Source: Ministry of Textile)

Insufficient jute availability in the country and Industry Overview – Government estimated a requirement of 4.6 million jute bales for food grains packaging during the crop season 2022-2023 but the jute industry will fall short in meeting the requirement. In November and December 2021, shortage has led to jute bags being replaced by plastic bags as jute mills were not able to meet the requirement. The jute mills are able to supply 3.2 million bales annually against the requirement of 4.6 million jute bales for foodgrain packaging. The jute industry was facing the rising cost of raw jute which was ₹ 7,000 per quintal in December 2021 while the government ceiling price was ₹ 6,500 per quintal as fixed in September 2021. After a review of ceiling prices, the government has decided to lift the ceiling price of raw jute with effect from May 20, 2022. This will help the jute industry to maintain profitability but increase in jute sack prices will pave the way for woven sacks and bags to increase their market share, owing to their advantages and low prices.

The demand for jute is limited to the government sector, while there is negligible demand from the open market. The government has made it mandatory to use jute sacks for 100% food grain packaging while 20% is reserved for sugar packaging. In India, there are 92 jute mills and 0.5 million jute product manufacturers. If there is change in government policy to allow open market to participate in procurement process, then jute sacks, owing to their high cost, will easily be replaced by the plastic woven sack industry due to low prices. Global demand for jute is arriving from Europe, US and Japan amounting to a market of approximately US\$ 80 million, which is growing at a CAGR of approximately 10%. (Source: *Business Standard & Financial Express*)

Innovations in Plastic Woven Fabric Conversion

FIBC

Modified Atmospheric Packaging: The agriculture sector was facing issues with storage, transportation and packaging of grains and vegetables for long distances while maintaining taste, color and smell, along with protection from mold, insect infestation and rancidity. The pharmaceutical sector is also facing challenges with sensitive medicine which is subject to atmospheric conditions. FIBCs are designed to operate with a range of special liners and feature a rapid gas flushing and vacuuming system, enabling customers to modify the internal atmosphere of the FIBC.

Flame Retardant FIBC: These bags have specific chemicals mixed into the resin during manufacturing that give the bulk bags flame-retardant properties. There are even options to procure halogenated bags with even more advanced flame-resistant properties. These type of FIBCs are used for transportation in the chemical and pharmaceutical industry.

Tamper Proof and Security Bags: Tamper evident bags are specially designed to make tampering and damage evident upon visual inspection. These tamper evident bulk bags are designed to provide security for organizations that regularly ship sensitive or critical materials, as well as those with a history of tampering or damage by third-party shippers. The security features include specialized patterning of woven sack, seamless stitching, security eyelets on spouts and double walled spouts. These types of bags are used when someone has a history of tampered packages or would like to protect their package from tampering.

UV Resistant Bags: UV resistant bags have specialized polymers added to the bag's resin during manufacturing that make them particularly resistant to harmful UV rays emitted by the sun. This makes them ideal for outdoor use and gives them extended life outdoors. These types of bags are specially required for chemical packaging where molecules are susceptible to UV degradation.

Woven Sacks

Pinch Closure Bags: Companies are producing pinch open bags for easy opening. These bags are produced, with on one side pinch closure and with the other side open for filling. After filling, the open side is sewed to seal the packaging and pinch closure is used by customers to open the bag. These types of bags are generally used for pet food packaging, pulse and rice packaging.

Block Bottom Valve Bags: Block bottom sacks are made without adhesives from coated polypropylene woven fabric. Block bottom valve bags are used for packaging of cement and other building materials, dry granular materials and chemicals/petrochemicals. Block bottom valve bags are durable, save material and reduce transit loss.

Other Innovations

Pond Liners – Hot Liquid Rated Geomembrane: Pond liners with high temperature, hot liquid-rated geomembrane are a blend of special resins and additives based liner fabric which can withstand high temperatures to provide hydrostatic strength and long-term durability. These pond liners are generally used in hot fluid discharge, brine ponds, bioreactors, hot lixivate landfills, geothermal ponds and tailing dams.

Lumber Wraps: Lumber wrap is a high strength fabric consisting of a reinforcing polyethylene scrim laminated to kraft paper on the back and coated with polyethylene on the upper side. This product is designed for effective packaging of lumber while in storage or transit.

Geogrids: A geogrid is defined as a geosynthetic material consisting of connected parallel sets of tensile ribs with apertures of sufficient size to allow strike-through of the surrounding soil, stone, or other geotechnical material. Geogrids are a proven solution for pavement reinforcement on road and highway projects and greatly extend the lifespan of the pavement. Geogrids reduce pavement thickness by up to a third without impacting performance, which lowers installation and maintenance costs.

Roof Underlayment: Synthetic roofing underlayment are designed for sloped roof applications under the primary roof covering. Roof underlayment are manufactured with skid-resistant polymer coating underneath to use under primary protectors like tiles, metal, slate, asphalt.

House Wraps: House wraps are essentially used in North America and Europe and in some parts of Asia. House wraps prevent air leakage, control draughts, improve indoor air quality and protect wall systems.

Silt Fence: Silt fences are a temporary barrier of geotextile fabric used to prevent erosion of silt and stop other sediments from polluting nearby streams, rivers, drains, and sensitive environments.

Ground Cover: Woven ground cover fabrics are used for suppressing weeds in gardens, outdoor rows, greenhouses, orchards and nurseries. These fabrics or ground covers are UV treated and are used for above-ground applications. However they can also be used in the ground for soil stabilization.

Geotextile: Geotextile is a heavyweight fabric that incorporates a special weave pattern to enhance thickness, flatness and tear properties. It has a one-sided, laminated, non-woven geotextile to reduce slip risks in dry and wet conditions. The coating is designed to improve toughness and abrasion resistance.

End-use Industries of Woven Sacks

Woven sacks are used in applications ranging across cement, food grain, fertilizers, chemical, carry bags, among others.

Cement: The woven sack consumption is directly linked with cement production. Cement logistics requires packing of cement into 50kg woven sacks as well as in FIBC. Globally, around 4.4 billion metric tons of cement is produced and China accounts for 55% market share in cement production. Raffia consumption for cement packaging is estimated to be 7,700 KT in 2022.

Fertilizers: Globally, three nutrients are prominently used in fertilizers viz nitrogen, potassium and phosphate. Nitrogen based fertilizers are preferred globally as urea is the biggest source of nitrogen, while other nutrients are potassium and phosphate. Around 633 million tons of fertilizer are being produced, which is dominated by nitrogenous fertilizers as per the Food and Agriculture Organization of the United States of America. Raffia consumption for chemicals and fertilizers is estimated to be 1,378 KT in 2022.

Foodgrain: It is another large sector which requires packaging in bulk quantity. Global cereal production has increased from 2.69 billion tons in 2017 to 2.8 billion tons in 2021 at a CAGR of 0.8%. It includes major crops such as wheat, rice and coarse cereal as per the Food and Agriculture Organization of the United States of America. Raffia consumption for foodgrains is estimated to be 5,599 KT in 2022.

Agriculture Produce: Under agriculture produce, corn production, pulse production, vegetables production, oil seeds production are included. Agriculture produce is also similar to food grain. The packaging needs for these products are lower compared to foodgrain, as leno sacks are lighter in weight. Raffia consumption for agriculture produce in addition to foodgrain, is estimated to be 4,479 KT in 2022.

Infrastructure: It includes all construction material except cement which includes wall putty, POP, calcium chloride and other materials which requires flexible packaging. It is around 15% of cement consumption in the construction industry based on discussion with industry experts. Infrastructure includes developmental work as well as housing construction which will drive the demand for Raffia market. The housing industry is showing positive trends for the coming years after recovery from COVID-19. Raffia consumption for infrastructure products apart from cement, is estimated to be 1,155 KT in 2022.

Geotextile: Geotextiles are used in civil construction projects for soil fills to improve soil characteristics. Geotextiles make poor soil more manageable, enabling construction in places that would otherwise be unsuitable. Geotextiles are ideal materials for many infrastructure works, such as roads, harbors, landfills, drainage structures,

and other civil projects. There are various geotextiles that are available in the market, like geosynthetics, geogrids, geomembranes.

Wrappings: Woven fabric is used in multiple applications such as lumber wrap, house wrap and wholesale package wraps for protection while in transit. Lumber wrap and house wrap application is largely found in North American and European countries for protection from snow and rains.

Others: There are various other applications such as geotextile, wrapping, shopping carry bags, fabric use, tarpaulins, ground covers, fishnets. Raffia consumption for other applications like carry bags, liners, among others, is estimated to be 1,689 KT in 2022.

Major Demand Centers for Woven Fabrics

China being the largest woven sack consumer with highest cement production accounting to 55% share in global production (*Source: IEA*). China is also the center for infrastructural requirement with a large population base as well as a global manufacturing hub. China is the largest wheat, rice, maize, potatoes producer globally due to its large population base and corresponding requirement of food and grains to feed its large population. Correspondingly, China's requirement for fertilizers is also the highest in the world due to its high agricultural production within the country. China is modernizing its cement production, and the government has set up a national standard, defining types and specifications of bags used for packaging cement.

One of the three bag types permitted in the Chinese Standard GB/T 9774-2020 'Sacks for Packing Cement', which was officially released in October 2020, are block bottom valve bags made of woven polypropylene tape fabric. Cement companies have been given a transition period until March 31, 2022 to adapt to the new standard.

India also has a large cement production with 8% global share (*Source: IEA*), and is an agrarian economy with approximately 50% employment in agriculture sector contributing in the demand of woven fabrics in terms of sacks, geotextile, tarpaulins etc. India is the world's second largest producer of sugarcane, wheat, rice and potatoes which creates the need for higher fertilizers.

United States is the largest corn and soyabean producer which requires large amount of woven sacks of small packaging as well as FIBC packaging for export purpose. The fertilizer's requirement is also in line with agriculture output and even showing an increasing trend over last 5 years. USA is 4th largest cement producer with 2% global market share and production of around 92 million tons in 2021. (*Source: USGS*)

Brazil is the largest sugarcane producer and second largest potato producer and third largest corn producer (*Source: FAOSTAT*). The packaging needs for agriculture is high due to its large production base and fertilizer production is also going in-line with agriculture production. Brazil is also having significant cement production with 1.5% global production share.

Middle East Middle East and Africa market is majorly producing chemical products or agriculture products. Gulf countries are concentrated with chemical and fertilizer producers while African countries are more depend on agriculture output. Chemical production contributed 25.7% as GDP in GCC countries in which Qatar is leading the way while KSA and UAE are the largest contributors in terms of volume and value. Major demand for woven fabric is generated largely from the chemical and agriculture sectors.

Europe In terms of cement production, there are fragmented capacities across countries, only Russia has significant cement production capacity of 80 trillion tons per annum and production of 56 trillion tons in 2021 as per US geological survey 2022. Russia alone contributes to around 1.2% of global cement production. In terms of fertilizer production, Europe contributes to around 23% of global fertilizer production as per Food and Agriculture Organization of United States 2020. In terms of agriculture, Europe has produced 136 MMT of wheat, Ukrainian corn production stood at 25 MMT during 2022, as compared to corn production in Brazil, of 116 MMT during 2022 as per survey conducted by USDA.

Asia (Excluding India and China) In Asia, countries like Indonesia, Japan, Malaysia, Vietnam and Thailand are major consumption center for Raffia products. These countries are rich in agriculture production, forestry products, improving construction activities and house of global petrochemical companies.

Latin America Latin America countries have tropical climate which leads to abundance of forestry products and agriculture production like spices, corn, wheat, sugar, amongst others, which require heavy duty packaging for exports like woven sack, lumber wraps and FIBC.

Global availability of woven fabric machineries

Global leader Starlinger has a presence in more than 135 countries, supplying their tape extrusion, looms, bag conversion with printing machineries and coating machine. Lohia Corp, Starlinger and Windmoeller & Holscher caters to majority of Europe and American market. Starlinger and Windmoeller & Holscher have limited presence in Asian market but companies like Lohia Corp and Chinese companies have a good grasp of the Asian market.

Lohia Corp is one of the leading manufacturers globally of machinery and equipment used in the production of technical textile, in particular for manufacturing PP and HDPE woven fabric and sacks (“**Raffia industry**”), with a global market share of 17.5% market across all Raffia machinery and more than 28.7% market share for machines used for PP/HDPE fabric making.

Lohia Corp is the market leader in India for providing end-to-end solutions for the Raffia industry with a market share of more than 80% in terms of value and volume, in the machine segment up to the plastic woven fabric stage in Fiscal 2022 in India.

In the processing and conversion machineries segment, Lohia currently has approximately 20% to 25% market share in India, and it is presently dominated by players such as JP Extrusiontech (Private) Limited, Ankleshwar; Navrang Machinery Private Limited, Ahmedabad; Polymma (H.K.) Co. Ltd., China, Pea Shin Machinery Industry Co., Ltd., China; Arm Strength Industrial Company, Ahmedabad; RT Wovensack Machinery Solutions, Ahmedabad; Blacksmith Woven Conversion Pvt Ltd, Ahmedabad; Golden Jason Machinery Industry Co. Ltd., Taiwan; Botheven Machinery, Taiwan; Star Flex International, New Delhi, among others.

Labour Availability

Plastic woven sack production process requires both skilled as well as unskilled labour. Skilled labour is required to operate and supervise the machinery function while unskilled labour is required to load-unload the material, handling woven sack output, amongst others. The labour intensity of these processes makes it suitable for labour intensive countries which impacts the overall cost of production. India and China alone contribute to around 40% of global population with low labour rates. African and Latin American countries are also developing in nature and have low-cost labour for such industries. While in contrast, European and North American countries are facing challenges in terms of labour cost in producing woven sacks. USA specifically focuses on importing woven sacks from India and China due to low-cost advantage.

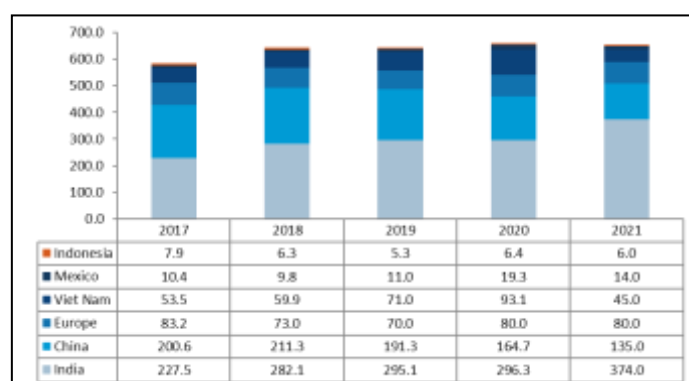
Raffia Woven Fabric Market

The global flat tape yarn woven fabric production was approximately 22 million metric tons in 2021 which has grown at around 4% in last 5 years. 2020 (March – July) has been witnessed low demand for Raffia products due to lockdown and migrant labour issues. The situation persisted for around five months, then, there was rebound in demand for Raffia products due to improved industrial production, construction and agricultural activities.

Raffia Woven Fabric Trade Scenario

The Raffia packaging bags are further divided into woven sacks and FIBCs. The trade of woven sacks shows major production and major consumption centers around the globe that is dependent on imports. China and India are the major FIBC exporter accounting to more than 70% of total exports while Vietnam and Turkey are exporting significant quantity.

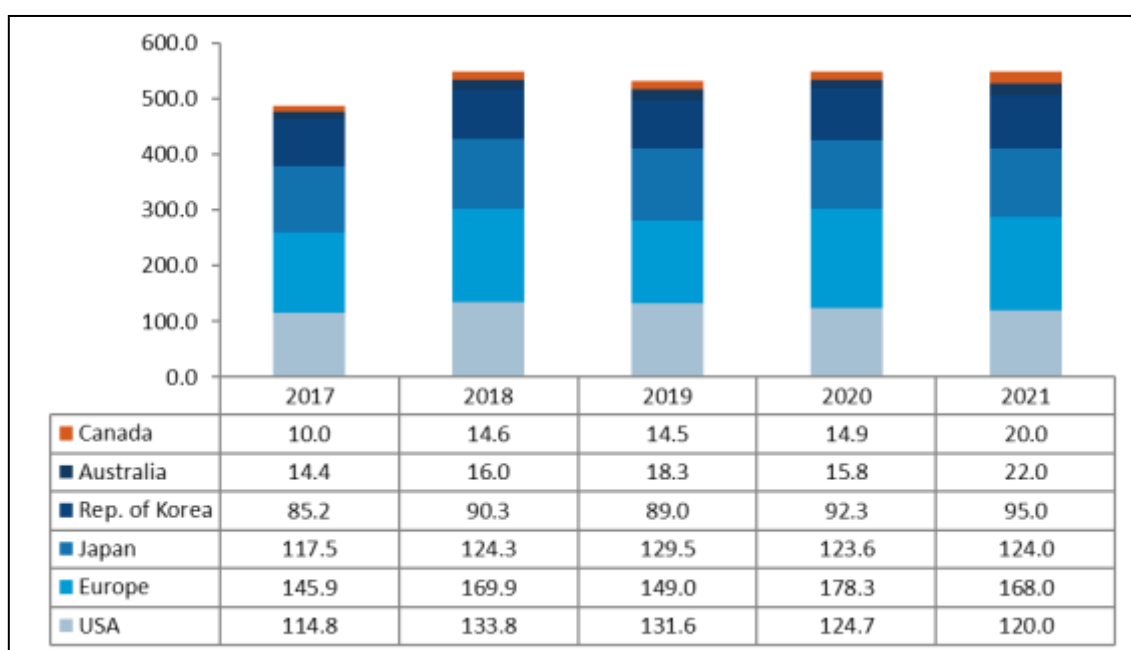
Top FIBC and FIBC Fabric Net Exporter Countries: 2017 to 2021, KT



Source: UN Comtrade

USA, Japan and Republic of Korea are the major importers of FIBCs, and account for 40% of total imports globally.

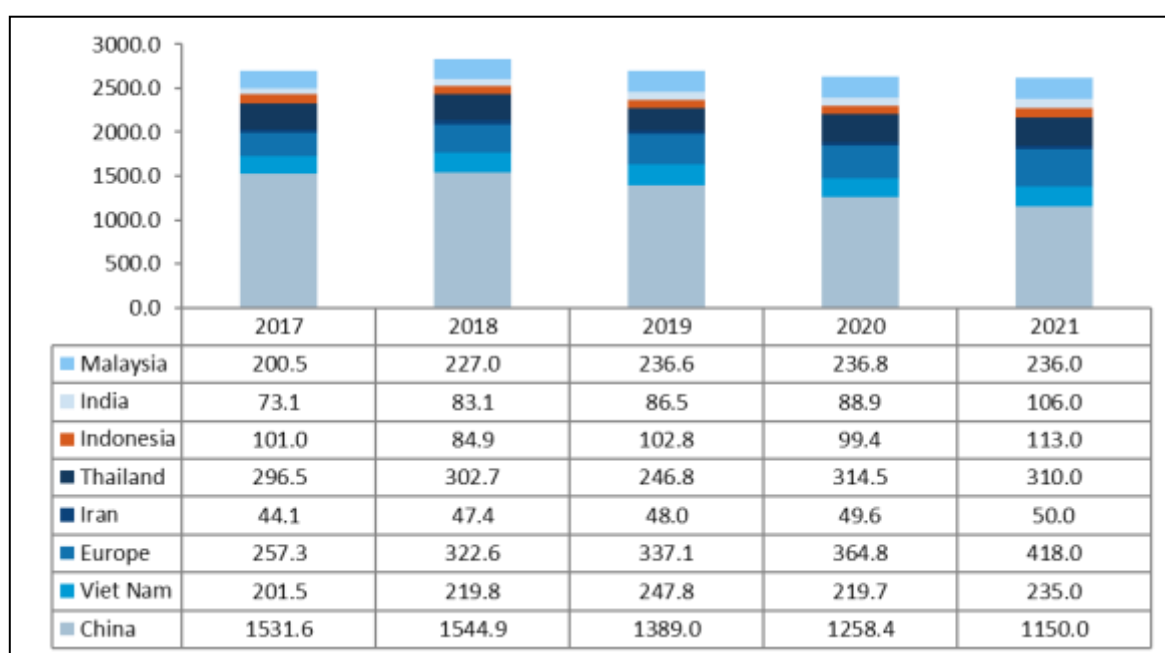
Top FIBC and FIBC Fabric Net Importer Countries: 2017 to 2021, KT



Source: UN Comtrade

Woven sacks have significant trade in comparison to FIBC. China is the largest exporter of woven sack accounting for approximately 35% of global exports while top 10 exporters accounting for more than 80% global exports. Vietnam, Turkey, Thailand and Malaysia are also exporting significant volume of woven sacks.

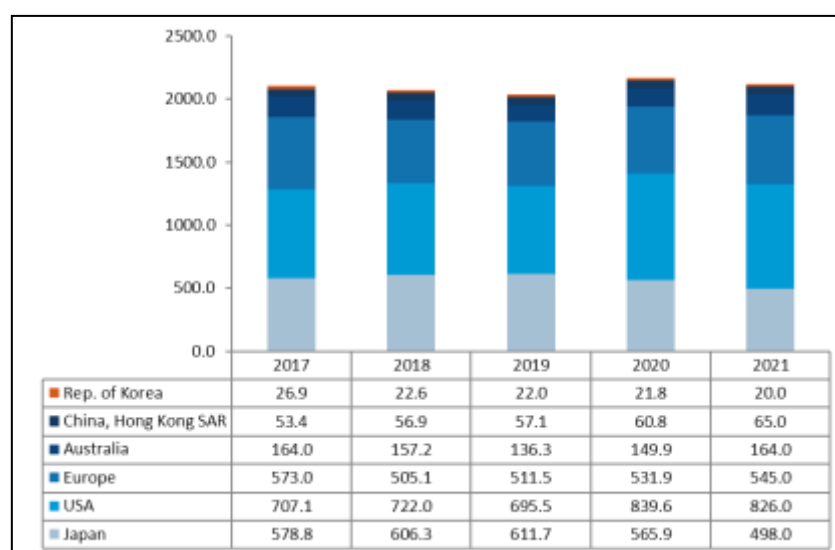
Top Woven Sack and Fabric Net Exporter Countries: 2017 to 2021, KT



Source: UN Comtrade

USA, Japan the largest importers holding more than 50% of total woven sacks import globally. Top 10 imports of woven sacks account for 65-70% volume imported during 2021.

Top Woven Sack and Fabric Net Importer Countries: 2017 to 2021, KT

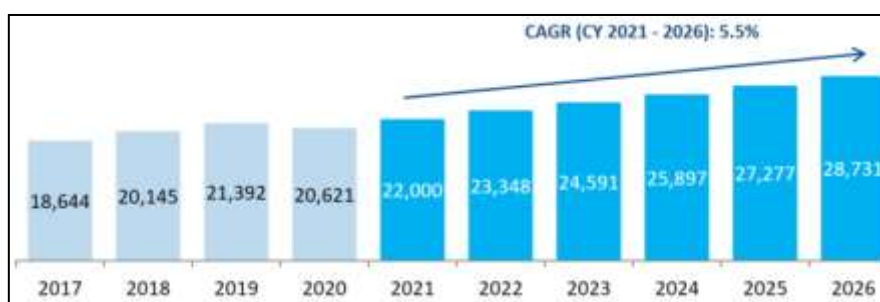


Source: UN Comtrade

Global Woven Raffia Market

Global woven Raffia market is estimated to be around 22,000 KT during 2021 and projected to reach 28,731 KT at a CAGR of 5.5% by 2026. In 2020, there has been a slowdown in packaging industry owing to sluggish demand and low industrial output across globe due to COVID-19 outbreak.

Total Global Woven Product (Raffia) Market volume from 2017-2026 (KT)

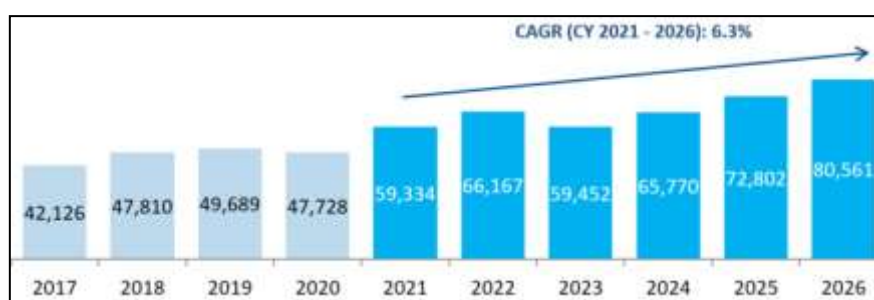


Source: Frost & Sullivan Analysis and ICIS

1) Base year is 2021. Data from 2022- 2026 are estimates/ forecasts

Global woven Raffia market was USD 59,334 million in 2021 and projected to reach USD 80,561 million by 2026 at a CAGR of 6.3%. The value based growth is owing to increasing price as well as growth in demand. There is a drop in total value market in 2023 due to expected drop in prices of crude oil which will lower the PP and HDPE prices, hence value of woven fabric will drop in 2023.

Total Global Woven Product (Raffia) Market value from 2017-2026 (USD million)



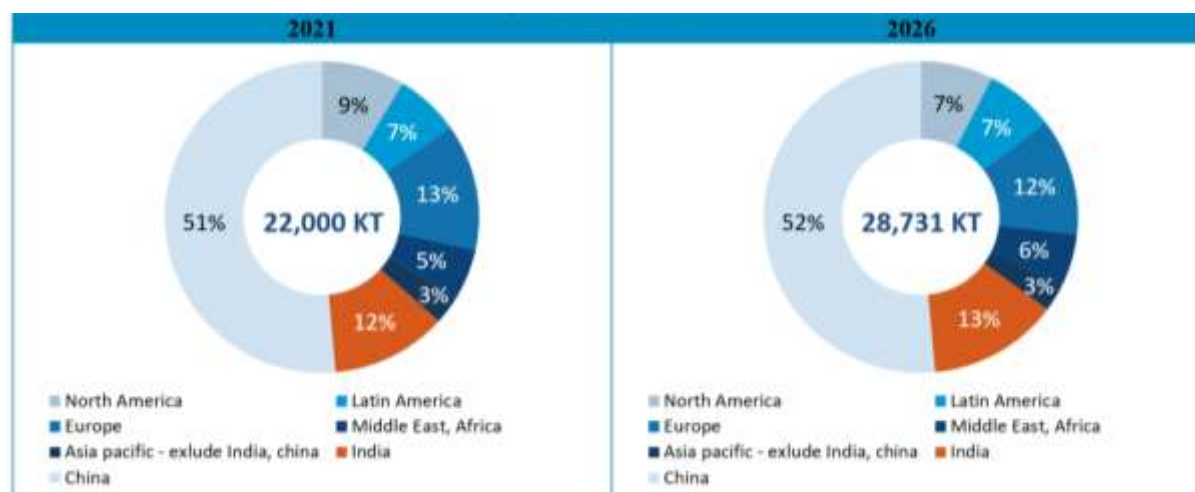
Source: Frost & Sullivan Analysis

1) Base year is 2021. Data from 2022-2026 are estimates/ forecasts

Regional Split of Woven Raffia Market

China is the largest consumer of woven Raffia. China is the largest cement manufacturer holding 55% of global cement production share, and is also the second largest corn producer as well as largest populated country, and they require large amounts of cement and other building material for expansion of infrastructure. North America and Europe are also large importers of woven bags. North America being largest corn manufacturer and large polymer production base require significant quantity of woven sacks and other non-packaging materials.

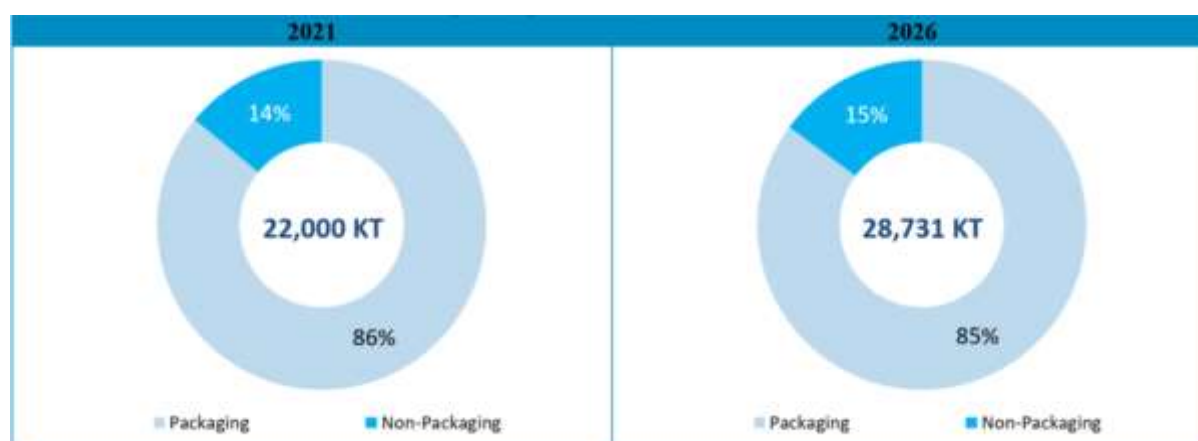
Raffia Market Forecast, Split by Region, By Volume, Global, 2021-2026



Woven Raffia Market by Process

Packaging has the maximum market share while non-packaging is expected to gain traction in the forecast period. Packaging consists of woven sacks and FIBCs while non-packaging includes wrappings, tarpaulins, geotextile and special purpose applications. Packaging and non-packaging segments is expected to grow at a CAGR of 5.3% and 6.8% from 2021- 2026.

Raffia Market split by process, By Volume, Global, 2021-2026



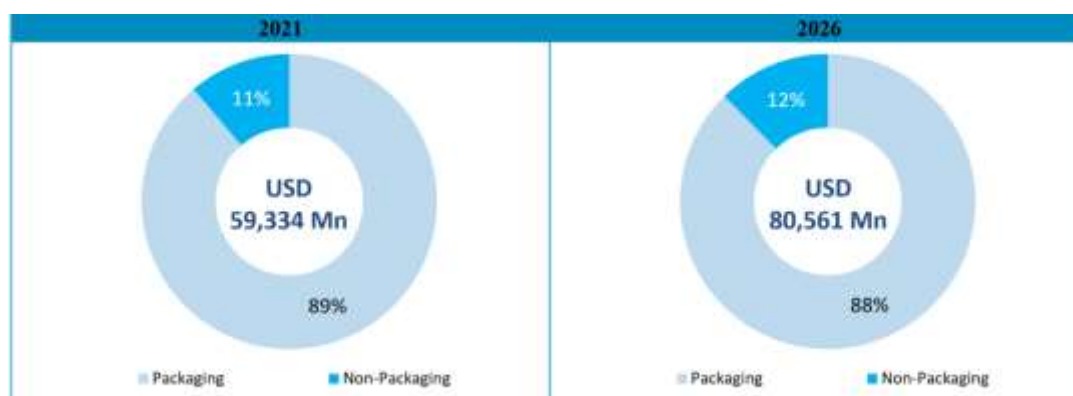
Source: Frost & Sullivan Analysis

Packaging market holds larger share in value terms because of high value products such as FIBCs while non-packaging includes geotextile, tarpaulins, wrappings, pond liners, roof covering etc. Non-packaging sector is expected to growth at high CAGR, outpacing the packaging market. Non-packaging industry, especially geotextile, is high value market.

Application Split of Woven Raffia Market

In terms of application, cement was the largest application and China was the largest producer. Globally, 4.4 billion tons of cement is produced out of which 55% is produced in China, and India is the second largest producer with only 8% share. Cement industry globally held 35% of Raffia market in 2021. The second largest application is in foodgrain and agriculture produce which together accounts for 46% market share. Globally around 2.8 billion tons of food grain is produced which includes wheat, rice and coarse cereals. Alongside, there is equivalent vegetable, pulses and oil seeds production, with fertilizers being the fourth largest application of woven sacks.

Raffia Market split by process, By Value, Global, 2021-2026



Source: Frost & Sullivan Analysis

PP vs HDPE (Raffia Grade)

PP and HDPE woven sacks are light in weight and have more advantages than conventional bags. PP/HDPE woven sacks laminated with LDPE/PP liner have wider applications. HDPE woven sacks are very strong and can withstand much higher loads, because HDPE strips' elongation at break is about 15-25% as compared to 30% of jute.

Characteristics	PP	HDPE
Density (g/cm ³)	approximately 0.9	Approximately 0.952
MFI (g/10 min)	3.4	0.90
Tensile Strength (MPa)	34	34.5/37.5
Elongation at Break (%)	10	900/950
Temperature Tolerance	Can withstand autoclaving conditions	Cannot withstand autoclaving conditions
Thermal Coefficient of expansion (Kj/m ²)	3.0 – 30.0	No Break

Polyethylene (PE) plastic is flexible, durable, and tear-resistant. These three characteristics are each a necessity in terms of packaging heavy-duty items within poly bags, especially for industrial companies which often utilize polyethylene storage bags for large, heavy items, such as industrial machining parts.

Key growth Drivers

Woven sacks are mainly used for packaging of cement, food grains and fertilizers. Double side print is preferred in PP woven sacks. Technical specifications in PP woven sacks involve UV (ultraviolet) protection, water, and dust-proof designs. Manufacturers are developing flexible and high strength PP woven sacks. These sacks are suitable for the packaging of sugar, animal feeds, barley and salt, among others.

Global - Key Areas where Woven Sacks are growing:

Use of heavy-duty PP woven sacks for packing whole grains, cement: Woven sacks are being publicized as customizable, economical, and durable sacks that are being used for the transportation of products and for storage in large quantities. Apart from FIBC, agriculture, and food applications, stakeholders are tapping revenue opportunities in storage applications for detergents, spices, and construction materials. Manufacturers in the woven sacks market are increasing their production capabilities for heavy-duty PP woven sacks that are being used for packing raw materials such as whole grains, cement and stone chips, and sugar, among other products. These sacks are being printed and customized as per client demands. PP woven sacks are attractive to its end users due to its low cost and durability, which help to store products and raw materials for longer periods of time.

Reusable, Highly Economical Woven Sacks: The storage of seeds and chemicals is catalyzing the demand for woven sacks. Such trends are contributing to the growth of the woven sacks market. Manufacturers in the woven sacks market are increasing the availability of reusable, highly economical, and highly durable woven sacks. The manufacturing of premium quality woven sacks begins with converting the raw materials into tapes, which ultimately aids in reaching the final product. Once the process of conversion is completed and tapes are made, they are weaved in the machine to convert them into woven fabric. Manufacturers in the woven sacks market are taking into consideration customer requirements to enable extrusion coating processes. They are practicing control over various manufacturing processes such as flexo printing, cutting, stitching, and packing.

Woven fabric for tarpaulin, geotextile and ground covering applications: With increasing disruption in global weather, the uncertainty of food grain spoilage has increased, therefore demand for tarpaulin has increased to save the agriculture produce from extreme heat and rain while storing as well as while transporting. There are specific applications of lumber wraps in Latin America where woods are available in ample quantity and the local economies are depend of forest products. To safeguard forest products, lumber wraps are in high demand due to their economical and versatile nature. Increasing construction activities across the globe is driving the demand for geotextile products. Roof underlayment woven fabric acts as secondary protector.

Shopping Bags, carry bags: With the ban of single use plastic in many countries, polyethylene carry bags will no longer exist in the market, customers will be forced to take their own bags from home or shopping centers will provide woven bags to their customers as already started by a retail store in Germany.

Global - Overview of Plastic Woven Fabric Machines Market

Introduction: Plastic Woven Fabric Machines

A plastic woven fabric machine is a kind of mechanical equipment which mainly uses PP (Polypropylene) or HDPE (High Density Polyethylene) as raw materials to weave different type of packaging and non-packaging materials. Packaging was classified into plastic woven bags, FIBC/jumbo bags and non-packaging was further classified into wrapping, geotextile, tarpaulin, amongst others. The industry is in growth stage, and it is consolidated at global level. The top three players (Starlinger, Lohia Corp and Windmoeller) possess 51.4% market share.

Plastic Woven Fabric Machines Market, Market Measurements, Global, 2021



Major Types of Equipment:

- (1) Tape extrusion / stretching lines
- (2) Winders
- (3) Circular looms
- (4) Lamination machines
- (5) Coating machines
- (6) Printing machines
- (7) Bag conversion / FIBC conversion machines
- (8) Spin draw wind line for PP multifilament
- (9) Recycling machines
- (10) Winders for high performance fibres
- (11) Others

Global: Plastic Woven Fabric Machines Market Forecast

Plastic Woven Fabric Machines Market Forecast, By Value, Global, 2017-2026 (US\$ million)



Source: Frost & Sullivan Analysis

1) Base year is 2021. Data from 2022- 2026 are estimates/ forecasts

Globally, the market for plastic woven fabric machines was estimated to be US\$ 1,380 million in 2021, and is expected to reach US\$ 1,790 million in 2026, at a CAGR of 5.3%. Increasing investments across global infrastructure projects (cement, construction) and increasing usage of Raffia bags across different user segments (food and beverage, chemicals, fertilizers, agriculture) supported the machinery market growth from 2021-2026.

Plastic Woven Fabric Machines Market Forecast by Product Segment, By Value, Global, 2017-2026 (USD million)



Source: Frost & Sullivan Analysis

Total Global Plastic Woven Machinery Market - Split by Product Segment/Category from 2017-2026 (values in USD million)

	Historical				Base Year	Forecast					
Product Segment/Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	CAGR (FY 2021 - 2026)
Tape Extrusion/	328.6	334.1	345.8	341.9	372.6	387.5	403.7	421.7	441.2	454.0	4.0%

stretching Lines											
Winders	130.2	135.1	139.6	144.7	145.4	151.6	158.2	165.4	173.2	180.0	4.4%
Circular Looms	496.0	520.4	545.3	539.2	565.8	595.5	620.4	648.2	678.1	710.0	4.6%
Lamination & Coating	24.8	25.7	29.3	28.9	31.7	33.0	35.9	37.5	39.2	42.0	5.8%
Printing Machines	24.8	25.7	26.6	26.3	30.4	31.6	34.4	35.9	37.6	41.0	6.2%
Bag Conversion/ FIBC Conversion Machines	62.0	64.3	66.5	65.8	69.0	71.8	74.8	78.1	81.7	88.0	5.0%
Spin draw wind line for pp multifilament	13.6	15.4	18.6	21.0	27.6	30.0	34.0	38.0	42.0	47.0	11.2%
Recycling machines	14.9	19.3	14.6	15.8	16.6	15.8	19.4	18.7	19.6	24.0	7.7%
Winders for high performance fibres	11.2	12.9	12.0	13.2	13.8	14.4	15.0	15.6	18.0	20.0	7.7%
Others	133.9	132.4	131.7	118.4	107.6	118.8	124.2	141.2	158.2	183.8	11.3%
Total	1,240.0	1,285.0	1,330.0	1,315.0	1,380.0	1,450.0	1,520.0	1,600.0	1,689.0	1,790.0	4.4%

Source: Frost & Sullivan Analysis

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Plastic Woven Fabric Machines Market Forecast by Region, By Revenue, Global, 2017-2026

	Historical				Base Year	Forecast				
Product Segment/Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Latin America	73.5	76.4	79.4	82.6	86.4	90.5	94.9	99.6	104.9	110.8
MENA	43.4	38.6	39.9	39.5	41.4	43.1	44.9	46.9	49.0	51.3
Sub Saharan	24.8	32.1	33.3	32.9	34.5	35.9	37.4	39.1	40.9	42.8
Russia & CIS Countries	117.8	115.7	119.7	131.5	124.2	129.2	134.6	140.6	147.1	153.9
Asia pacific - exclude India, China	161.2	179.9	172.9	197.3	193.2	200.9	216.8	226.5	236.9	248.0
- India	118.0	129.0	144.0	156.0	248.0	278.0	312.0	352.0	402.0	462.0
- China	396.8	398.6	425.6	420.8	428.1	459.2	478.4	500.0	530.0	562.0
Others	304.5	314.7	315.3	254.5	224.2	213.3	201.2	195.4	178.2	159.3
Total	1240.0	1285.0	1330.0	1315.0	1380.0	1450.0	1520.0	1600.0	1689.0	1790.0

Source: Frost & Sullivan Analysis

Plastic Woven Fabric Machines Market Forecast by Region, By Revenue, Global, 2017-2026 (USD million)



China being the largest market for woven fabric consumption, holds 55% share in global cement industry followed by India with 7% share. China's cement industry has large packaging needs, which is catered to by the woven sack industry. China is the world's second largest corn producer as well as top chemical manufacturer,

both of which require woven sack and FIBC packaging. Apart from domestic requirements, China is the largest woven sack and FIBC exporter to Asian countries, USA, African countries and Latin America. With these capabilities to fulfill domestic and export needs, China has become the hub of woven sack production backed by the availability of machinery. China imports large amounts of machinery from India and Europe along with domestic machine manufacturers.

India being the second largest market for woven sack machines, is backed by the fact that India is largest FIBCs exporter. India is fulfilling domestic demand for FIBC and woven sack along with exporting as well. In India, Lohia Corp has largest share for woven fabric machine followed by JP extrusion. Domestic demand for woven sacks is spurred by growing fertilizer production, steady growth in agriculture and large cement production.

Latin America predominantly depends on agriculture and forest products. Cement production is not that much prominent in Latin America as there few chemical industries who requires woven sacks but largely required by agriculture industry for food grain packaging, agriculture output packaging like vegetable, beans, corn and oil seeds.

MENA and Sub-saharan region also depends on agriculture output and serves as a base for petrochemical industries in MENA region, which requires woven sacks for polymer and other chemicals like caustic soda flakes. Comparing to India and China, MENA region has miniscule demand for woven sacks.

Since the early 1970s, global players like Starlinger, Lohia Corp, Windmoller & Holscher are supplying high-quality machines for woven plastic packaging production. These players have complete range of machines and ancillaries to produce the woven sacks. Many players in developing economies like India and China are also entering the machine manufacturing industry, based on increased demand in woven sacks seen by these countries. In line with demand for woven sacks, the woven sack machinery is also growing in a few geographies like developing countries of ASEAN, Africa rather than developed countries like of Europe and North America.

Global Tape Extrusion Machinery Imports - 2017-2026 (Value in USD million)



Base year is 2021. Data from 2022- 2026 are estimates/ forecasts

Global Tape Extrusion Machinery Exports - 2017-2026 (Value in USD million)



Base year is 2021. Data from 2022- 2026 are estimates/ forecasts

Europe and Asia-Pacific are the largest regions followed by North America and Latin America for tape extrusion machinery exports. In Asia-Pacific, India, Indonesia, Malaysia and Korea are the major tape extrusion importing

countries while China and Japan are the exporting countries in Asia-Pacific. Latin American countries are growing rapidly in terms of exports. Europe is the largest exporter of tape extrusion machinery, especially Germany and Austria.

Global Circular Looms Exports – 2017-2026 (Value in USD million)



Base year is 2021. Data from 2022- 2026 are estimates/ forecasts

Global Circular Looms Imports - 2017-2026 (Value in USD million)



Asia-Pacific and Europe are the two prominent regions with high import and exports taken place. The major importing countries are India, Turkey, Vietnam, Indonesia, Netherlands etc while top exporting countries are Germany, Austria, China, Japan, Italy etc.

Global - Plastic Woven Fabric Machines Market - Competitive Overview

Global plastic woven fabric machinery market is fragmented. There are around 20 players are actively participating in the market. The global market is dominated by players from Europe, India and China. These 3 regions are the major exporter of plastic woven fabric machines across the globe. China and Taiwan have more than 12 suppliers who are actively supplying different types of plastic woven fabric machineries for domestic (China) and global market.

Key players for global market include Starlinger, Lohia Corp, Windmoeller & Hoelscher, Yongming Machinery, Tianfeng Plastic Machinery, New Liaoyuan Machinery, ATA Machinery, Hengli Machinery, JP Extrusiontech etc.

Global Machine Manufacturer Ecosystem – Overview

Key Region/ Countries	INDIA	EUROPE	CHINA
	Lohia Corp, JP Extrusiontech, Technology Plastomech, Cirwind	Starlinger, Windmoeller & Holscher	Changzhou Hengli Machinery Co., Limited.; Yongming Machinery, Tianfeng Plastic Machinery, ATA Machinery
Material	PP/HDPE		

Europe: Machinery and equipment manufacturing is the core business activity for over 175 thousand enterprises across the Europe. Germany is a global leader for equipment ecosystem. With global machinery trade share of almost 16%, Germany leads the machinery and equipment industry. However in woven sack segment, the companies like, Starlinger and Windmöller & Hölscher are the leading players in woven sack equipment manufacturing.

Starlinger is the global leader in woven sack equipment manufacturing. Its corporate beginnings in Austria go back to 1835. In 1955, with the development of new winders specially designed for man-made fibers, Starlinger was a pioneer in this field.








China: China is a leading economy. In 2010, China became the world’s largest exporter. Economic reforms began with the phasing out of collectivized agriculture. It expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, the creation of a diversified banking system and stock markets, rapid private sector growth, and opening to foreign trade and investment. China has implemented these reforms gradually to ensure stability.

The economic scale of the Chinese industry is massive and receives substantial active support from the Chinese government, including intensive funding to modernize manufacturing equipment. Yanfeng Plastic Machinery, Yongming Machinery, Tianfeng Plastic Machinery, and ATA machinery are the leading players from China.

India: The progress of industrialization since 1951 has been a striking feature of the economic development of the country. India has consistently improved its Global Innovation Index (“**GII**”) rankings since 2015. It has moved up 5 places since last year to rank 57th out of 126 countries, while coming first for ICT service exports. The fourth industrial revolution in India, which fuses physical, digital and biological spheres, is transforming global production systems. India is one of the leading exporter of woven sack machineries. Key manufacturers like Lohia Corp., J P Extrusiontech (Private) Limited, Technology Plastomech Private Limited, Cirwind etc. have grown over the years and are flourishing with time.

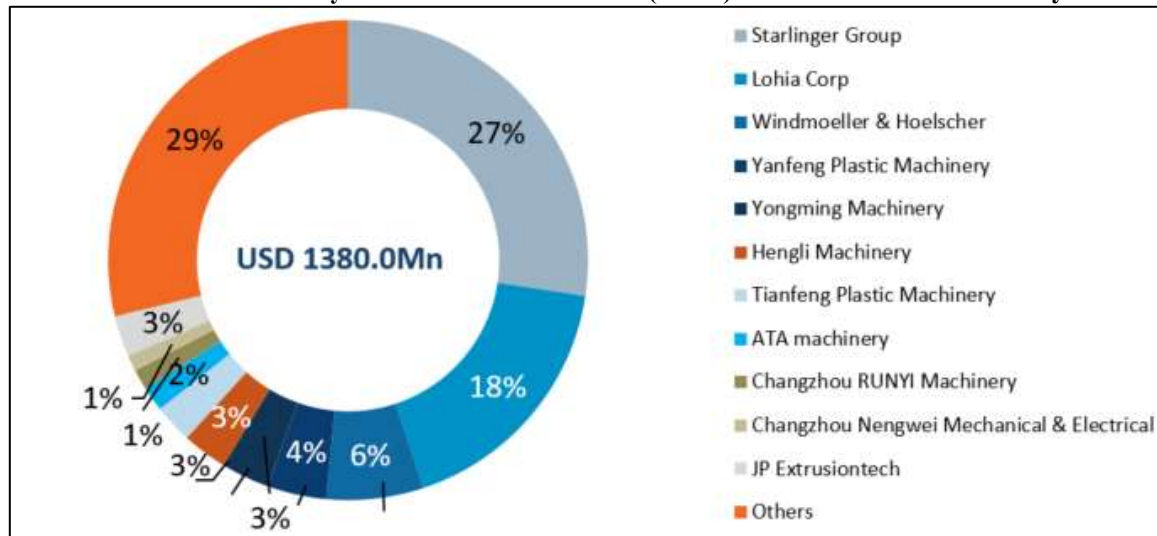
Global – Competitive Structure

Plastic Woven Fabric Machines Market- Competitive Structure, Global, 2021

 Number of Companies in the Market	20+ players are actively participating in the market
 Key Competitive Factors	Global presence, Product performance, Technical expertise, After sales support, Quick delivery
 Key Product Supply	Tape Extrusion/Stretching Lines, Winders, Circular Looms, bag Conversion/FIBC conversion Machines, Lamination/Coating Machines, Printing and Recycling Machines
 Major Market Participants	Starlinger, Lohia Corp, Windmoeller & Hoelscher, Lohia Corp, Hengli Machinery, Tianfeng Machinery
 Market Share of Top 3 Competitors	~51.4% (Starlinger, Lohia Corp, Windmoeller & Hoelscher) – in value terms across all machine types
 Other Notable Market Participants	New Liaoyuan Machinery, ATA Machinery, JP Extrusiontech
 Other Developments	Asia is emerging as key export destination for plastic woven fabric machineries

Key player's market share

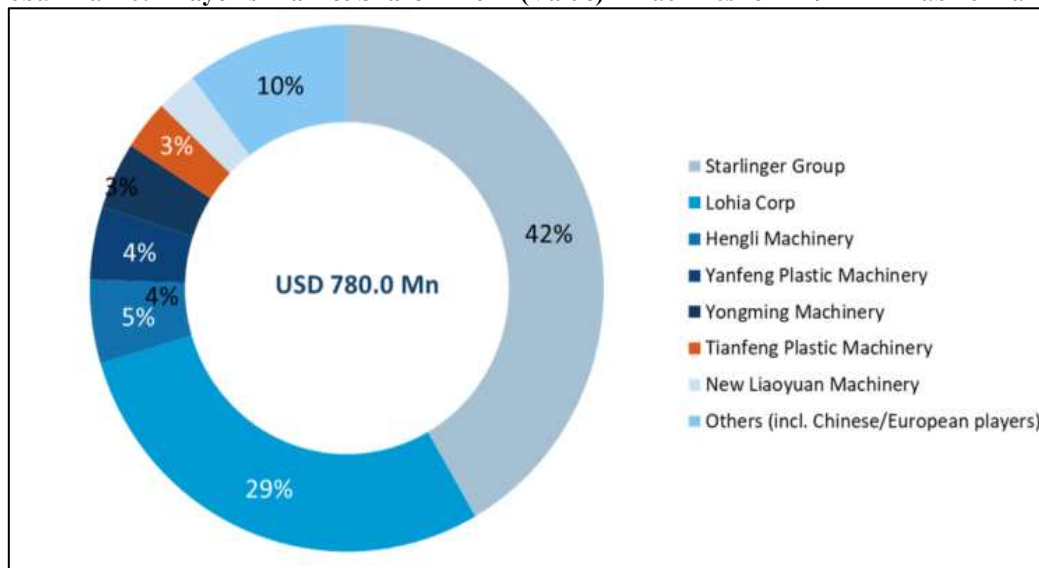
Global Market- Player's Market Share in 2021 (Value)- Across all Raffia machinery



Source: Frost & Sullivan Analysis

The overall market is USD 1,380 million across all machines. Top 3 players (Starlinger and Lohia Corp, Windmoeller & Hoelscher) have more than 51.4% market share in value terms across all machineries in the global market. European players like Starlinger dominate the market earlier but may not continue to do so since players from developing Asian nations are catching up and becoming more competitive and also technologically advanced. Along with globally established players such as Starlinger & Company, Austria; Windmüller & Hölscher, Germany, Lohia Corp hold a leading position in the manufacture of machines for the Raffia industry in terms of revenue in 2022.

Global Market- Player's Market Share in 2021 (Value) - Machines for PP/HDPE Fabric Making



After Starlinger, Lohia Corp is the second largest player with a revenue of USD 242.0 million in Fiscal 2022. Lohia has a strong presence in the global market and reputable brand name among major customers. Globally, the company possesses 17.5% market across all Raffia machinery and more than 28.7% market share for machines used for PP/HDPE fabric making.

Machinery supplier comparison

Few top players in the industry are Lohia Corp Limited, Windmoeller & Holscher, Changzhou Hengli Machinery Co. Limited, Starlinger Packaging, JP Extrusiontech Private Limited, Technology Plastomech Private Limited, Cirwind Group and Changzhou Yongming Machinery manufacturing Co., Limited among others.

Product – Technical Specification Comparison

Equipment Supplier	Material Support	Tape Stretching lines	Tape winding Machine	Circular Looms/ Weaving		Extrusion Coating and Laminating	
		Capacity (kg/Hr.)	Winding Speed (m/min)	Shuttles/ Machines (max)	Weft insertion rate (max. picks/min) @ 6 Shuttles	Operating Speed (m/min) max	Melt Capacity (kg/hr.) Max
Lohia Corp Limited.	PP/HDPE/ LDPE	Max 900	70-600	upto 12	1100	200	750
Windmoller & Holscher	PP	Max 750	550	upto 8	1100	250	500
Changzhou Hengli Machinery Co., Limited.	PP/HDPE	Max 1000	600	6	1200	200	NA
Starlinger	PP/HDPE/ LDPE	Max 750	600	10	1200	220	420
JP Extrusiontech	PP/HDPE	Max 900	-	8	1100	150	720
Technology Plastomech	PP/HDPE	Max 750	-	-	-	180	350
Cirwind Group	PP/HDPE	Max 400	300	12	960	-	-
Yongming	PP/HDPE	Max 600	500	12	1080	220	-

Source: Frost & Sullivan Analysis

At the machine level, we observe only specific differences in technical parameters. The key players have already established themselves in the market, and are focusing more on improving their equipment performance. Lohia Corp is a pioneer in this field and is focusing on improving their equipment performance at all levels and thereby increasing their customer satisfaction.

Lohia Corp provides the entire value chain machineries, starting from tape extrusion to bag conversion to recycling machineries. Lohia provides high speed high productivity tape extrusion line with max speed of 900 kg/hr. Conversion is currently the most innovative area by machine manufacturers, providing different solutions like automated bag conversion, block bottom bags conversion, FIBC conversion machines. As of March 31, 2022, the total extrusion capacity sold by Lohia was 6.84 million metric tons. Between 1984 to 2022, Lohia had sold around 85,000 circular weaving looms, around 2000 tape extrusion lines, and around 550,000 winders. As of March 31, 2022, Lohia sold highest volume of machines in the Raffia industry. Globally, Lohia machines process more than 3 million Tons of Raffia annually.

Key Players – Global Market

In addition to machines for the Raffia industry, Lohia Corp is the leading manufacturer in India for spin-draw-wind machines (LOFIL) for PP multifilament yarn. Other global suppliers of spin-draw-wind machines are JIAMEI Technology, China; Jiangxi Donghua Machinery Co., Ltd, China; Chuangda Plastic Industry Co., Limited, China; SML, Austria, Polymma, Hong Kong.

Spin-Draw-Wind machine for PP Multifilament Yarn

Overview

A filament yarn is made from one or more continuous strands called filaments where each component filament runs the whole length of the yarn. Those yarns composed of one filament are called mono filament yarns, and those containing more filaments are known as multi filament yarns. For apparel applications, a multi filament yarn may contain as few as two or three filaments or as many as 50 filaments.

Spin-Draw-Wind Lines are used to produce multifilament yarn specifically FDY (Fully Drawn Yarn). Spin-Draw-Wind Lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications. The machine is capable of producing medium to high tenacity air intermingled yarns for sewing threads, webbings and slings, braids and ropes and a variety of technical textiles.

Key Players – Global Market

In addition to machines for the Raffia industry, Lohia Corp is the leading manufacturer in India for spin-draw-wind machines (“**LOFIL**”) for PP multifilament yarn. Other global suppliers of spin-draw-wind machines are JIAMEI Technology, China; Jiangxi Donghua Machinery Co., Ltd, China; Chuangda Plastic Industry Co., Limited, China; SML, Austria, Polymma, Hong Kong.

Application areas

Yarn produced from spin-draw-wind machine find its applications in geogrids, geotextile, protective wears for medical use, fishing nets, leisure and sports wears, packtex and home furnishing applications. Spin Draw Wind Machine is used to produce FDY/POY (Partially Oriented Yarn) yarn based on various polymers like PP, PET, PA, etc. The yarn production starts with spinning pumps press the polymer melt through micro-fine spinnerets under extremely high pressure. The filaments created are then bundled into threads, drawn over godets and wound using a winder. The market for spin draw wind machine is highly fragmented based on number of manufacturers while demand is highly concentrated in Asia specifically in India, China, Bangladesh and Middle East followed by North America and Europe. In India, the machines are used by Shubham Polyspin Limited, RDB Rasayans Limited, and Plastene India Ltd.

High performance fibers overview

Carbon Fiber

Carbon fiber (“**CF**”) is a material consisting of fibers that are 92% or greater carbon. Each CF filament has a diameter ranging between 5 microns to 15 microns. Numerous parallel filaments are typically grouped together into what is referred to as a CF tow. Small tow material properties, including higher tensile strength and higher modulus when laid or woven into a composite, are superior to large tow and consequently predominately used in industries such as aerospace where high performance is demanded. However, small-tow fibers are costlier than high tow fibers. Carbon fibers are used primarily as reinforcing agents in high-performance composites with synthetic resin matrices such as epoxies, polyimides, vinyl esters, phenolics, and certain thermoplastics. The CF provides the strength and stiffness to the composite, while the matrix material maintains fiber alignment and transfers structural load among the fibers. Structural members made from these composites can be designed to have twice the strength and more than twice the fatigue resistance of steel; they can be twice as stiff as aluminium at half the weight. Lower weight equals improved performance in multiple applications among diverse markets. CF competes in high-performance polymeric composites mainly with glass and aramid, and, to a lesser extent, boron fibers. Because they cost more than glass fibers, CFs are used mainly in applications requiring high stiffness properties exceeding the tensile modulus of glass or aramid fibers.

Applications

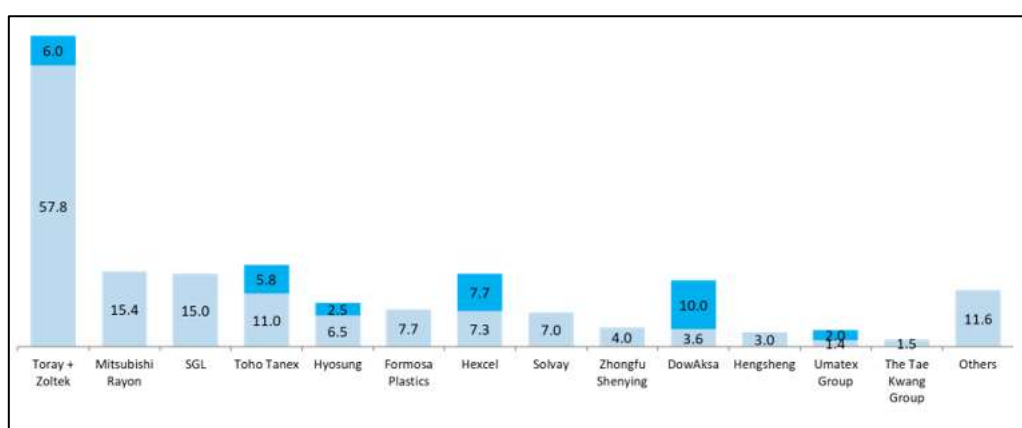
CF is majorly used in aerospace components, high-end automotive components, wind energy and high pressure vessels. The market is highly concentrated in the hands of few manufacturers like Toray Plastic, which has around 36% market share in terms of capacity followed by SGL, Toho Tanex, Mitsubishi Rayon, Formosa Plastics, Hexcel and many small Chinese manufacturers. CF is manufactured starting from acrylonitrile which is converted into precursor, and then finally CF. (Source: Technical Report, Oak Ridge National Laboratory)

Competitive Landscape

The acquisition of Zoltek by Toray in 2014 resulted in their having the largest CF capacity with 42,600 tons in 2015. Compared to 2014, according to announcements from Toray, Zoltek's capacity has been reduced by 1,900 tons or lower. With an estimated total global capacity of 130,900 tons of carbon fiber on the basis of Polyacrylnitrile (PAN) and Pitch, the Toray/Zoltek share encompasses around one third of the global CF market. The industry is expanding its capacity to cater to increasing demand from automotive and wind turbine application. Toray is investing in expanding capacity by 6KT in 2023 while Hyosung has also invested in expanding CF capacity by adding fourth line of 2.5 KT by 2023 and aiming to expand capacity upto 24 KT by 2028. The company want to become the third largest carbon fibre producer with 10% global market share. Mitsubishi Rayon is also continuously adding capacity since 2015 from 10.1 KT to 15.4 KT in 2019 and continues to add capacity.

Global Market

Global CF demand was 58 KT in 2015 which has increased at a CAGR of 11.5% to reach 100 KT in 2020. The substantial increase has been witnessed from automotive and wind applications after aerospace and defense segment.



Aramid Fiber

Overview

Aramid fibers are made from aromatic polyamides which are long polymeric chains and aromatic rings. They are structures in which six carbon atoms are bonded to each other and to combinations of hydrogen atoms. In aramid fibers, these rings occur and reoccur to form the fibers. They were initially used to reinforce automobile tires. Since then, they have also found other uses like bullet proof vests. As high strength applications, their use in power boats is not uncommon. Aramid fibres have high tensile strength, high modulus and low weight. Impact-resistant structures can be produced from aramid. The density of aramid fibers is less than that of glass and graphite fibers. They are fire resistant apart from being high temperature resistant and also unaffected by organic solvents and fuels but their resistance in acid and alkaline media is poor. They are supple and allow themselves to be woven into matrices by simple processes. Aramid fibers have a negative coefficient of thermal expansion in the fiber direction and the failure of aramid fibers is unique. When they fail, the fibers break into small fibrils, which are like fibers within the fibers. This unique failure mechanism is responsible for high strength.

Competitive Landscape

Major players of aramid fibers are dupont de numerous (USA), Teijin Ltd.(Japan), Yantai Tayho Advanced Materials Co., Ltd.(China), Hyosung Corp. (South Korea), Toray Industries, Inc. (Japan), Kolon Industries Inc. (South Korea), Huvis Corporation (South Korea), Kermel (France), China National Bluestar (Group) Co., Ltd. (China), and SRO Aramid (Jiangsu) Co. Ltd. (China).

Global Market

Total market in volume terms is around 60 KT in 2021, while in value terms is around USD 3.9 billion in 2021 and expected to grow at 7.9% during 2021 to 2026.

Glass Fiber

Overview

Over 95% of the fibers used in reinforced plastics are glass fibers, as they are inexpensive, easy to manufacture and possess high strength and stiffness with respect to the plastics with which they are reinforced. Their low density, resistance to chemicals, insulation capacity are other bonus characteristics, although the one major disadvantage in glass is that it is prone to break when subjected to high tensile stress for a long time. It remains break-resistant at higher stress-levels in shorter time frames. This property mitigates the effective strength of glass especially when glass is expected to sustain such loads for many months or years continuously. In terms of supply and demand, global glass fiber capacity was 12.8 billion pounds in 2019 and is currently running at 91% utilization.

Trends

To fulfill the increasing demand for glass fiber in various applications, companies are trying to grow both organically and inorganically. In 2019, Jushi USA put its alkali-free fiber production line into operation with an annual capacity of 96,000 tons and a total investment of USD 350 million, whereas Nippon Electrical Glass acquired the remaining PPG USA fiberglass operations in 2017-18 with a value of USD 550 million.

Global Market

In 2019, the output of glass fiber in mainland China reached 5.27 million tons, accounting for more than half of the world's total output. China has become the world's largest glass fiber producer. According to data from Zhuo Chuang Information, from 2009 to 2019, the global glass fiber output showed an overall upward trend. In 2018, the global glass fiber output was 7.7 million tons, and it reached about 8 million tons in 2019, a year-on-year increase of 3.90% compared to 2018.

High Tenacity Monofilaments

Overview

Tenacity is the term used to measure the strength of fiber/yarn. It is usually defined as the ultimate or breaking force of the fiber (in gram-force units) divided by the linear density (denier). Monofilament yarns are synthetic thread or yarn composed of a single strand rather than twisted fibers. Fishing line, 3D printing filaments, and trimmer wire are common examples of monofilaments. Monofilament yarns are produced using the same process as all other filament extrusion, given the same material.

Competitive Landscape

Major players producing monofilaments are Toray Monofilaments (Japan), Superfil (India), Perlon (Multiple sites), Ruichang Special Monofilament (China), Ri-Thai (Taiwan & Vietnam), Nantong NTEC Monofilament Technology Co., Ltd (China), Nantong Eheng New Material Technology Co.,Ltd (China), Guxiandao (China), Wuxi Jintong High Performance Fibre Co., ltd (China), Centuryenka (India), Salud Yarn (China), Teijin Frontier Inc. (USA), AFA Iplik (Turkey), Monosuisse (Switzerland), S R Filament (India), etc.

Applications

Monofilaments are used in technical applications including screen printing, filtration, meshes, conveyor belts, spacer fabrics and paper machine clothing, as well as special applications. Monofilaments are produced from various base resins like polypropylene, polyethylene, nylon, polyamide etc.

Global Market

Global market size of monofilaments is estimated to be around USD 490 Mn in 2021 and expected to grow at a CAGR of 5.5% during next 5 years. Perlon and Toray are the leading players in monofilament industry with market share of around 40-45% of global market.

India – Raffia and Plastic Woven Fabric Machines Market

India– Raffia (Woven Sacks) Market

India is second globally in terms of population. But the penetration of woven product in India is relatively low compared to other developing/developed countries. Increasing investments across different industries focuses on innovative packaging and increasing awareness of plastic woven packaging products will drive the market growth in future.

India Raffia Market – Overview

In India, the flat tape yarn woven sack industry is popularly known as the ‘Raffia’ industry. The industry is more than 50 years old. Prior to the plastic woven sacks, majority of the packaging was done in jute sacks. The shortage of jute sacks and demand for alternatives in bulk packaging resulted in the rapid development of plastic woven sack industry. Today, PP sacks enjoy a good market share in India and is likely to continue to do so as such in the coming years. The Indian Raffia industry has a nationwide spread, with more than 1,270 units in small and medium scale enterprises. The industry enjoys the reputation of making an important economic contribution to the country’s growth. Recently, the growing awareness on sustainability and environment protection has also resulted in a need for reusable and recyclable packaging sacks of high quality and performance.

In India, the growth in Raffia industry is desirable since it contributes to nearly the entire packaging solutions of bulk commodities like cement, fertilizer, agricultural and horticulture products, chemicals, polymers and building construction materials. The growth in the above-mentioned sectors is directly proportional to the growth of Raffia market in India.

Even though Jute is grown in eastern region and is used as packaging material its availability is limited and not much growth has taken place for several decades. Keeping up with the global trend, the India Raffia industry has too achieved phenomenal growth in the last two decades.

Key Industry Drivers

Rise in Trade Activities increase the demand for Raffia Market in Chemicals segment: India’s overall exports (merchandise and services combined) in January 2022* are estimated to be USD 61.41 billion, exhibiting a positive growth of 36.76% over the same period last year and a positive growth of 38.90% over January 2020. Overall imports in January 2022* are estimated to be USD 67.76 billion, exhibiting a slower rate of growth of 30.54% over the same period last year and a positive growth of 30.19% over January 2020. The GoI’s Make-in-India initiative promotes India as a manufacturing hub and investment destination. This initiative creates huge potential for exports of select products to select countries in line with India’s export capability and import demand.

Majority of manufacturers are adopting Raffia (woven sacks) for import and export activities, to not only transporting construction materials, but also chemical products. In India, Raffia bags are made of polypropylene resin, and used for transporting and storing different types of food products, chemicals, fertilizers, iron ore and other minerals etc. India’s specialty chemical companies are expanding their capacities to cater to the rising demand from domestic and overseas. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for the significant growth of the woven sacks market.

Jute Mills struggle to meet the increasing packaging demand in food grain packaging: Jute Millers are facing difficulties in procuring the raw material at notified prices, labor shortage and they are unlikely to meet gunny bag demand arising in the market in the recent years. During the COVID-19 pandemic, the sector was affected by raw material shortage and supply chain disruptions. Traditional packaging material Jute was not able to meet the demand because of lockdown. The old jute industry was distressed in 2021 with unprecedented rise in raw jute price, closure of manufacturing units and job losses, failed to meet demand for food grain packaging in 2021. Non-availability of Jute due to various reasons has spurred the demand for HDPE/PP woven bags. It is expected the HDPE/PP woven bags will meet the emerging demand and despite Jute Packaging Materials Act (“JPMA”) the use of plastic woven bags has become inevitable.

Increasing momentum towards usage of sustainable solutions and move towards circular economy: PP has many eco-friendly properties that set it apart from other plastics. It uses very little energy in its production process, it degrades at a much faster rate and it can be recycled and reused to make new products allowing it to contribute to

the circular economy. HDPE/PP woven bags are much lighter and save almost 3 to 5 times of packaging material as compared to jute bags. The lower material weight obviously would save significant amount of energy during manufacture of raw materials and conversion into bags.

Typically jute bags would require almost 50% more energy and paper bags about 300% more energy compared to plastic woven bags and it require very insignificant amount of water compared to jute and paper bags. Similarly, the consumption of chemicals for synthetic bags is negligible as compared to jute and paper bags. The lighter weight of the synthetic bags provides significant saving of fuel and therefore energy during transportation. It is expected PP/HDPE will remain as a most suitable packaging solutions and it is a vehicle for sustainable development, and is fully renewable and recyclable.

Government focus on increasing investments in Infrastructure projects: The Indian economy is set to become US\$ 5 trillion economy by 2025, with manufacturing sector contributing US\$ 1 trillion or 20% of India's GDP. India Raffia sector is expected to get a boost with Gol's resolve to spend over ₹ 100,000 million, till 2025 on infrastructure alone.

Growth Potential: The demand for Raffia from cement industry is estimated to be 928 KT and expected to grow at a CAGR of 11%. Food and agriculture sector is estimated to consume around 742 KT and expected to grow at a 5.8% while infrastructure is estimated to have a demand of 232 KT with expected CAGR of 9% and chemicals and fertilizers are having demand of around 742 KT with expected CAGR of 7.5%.

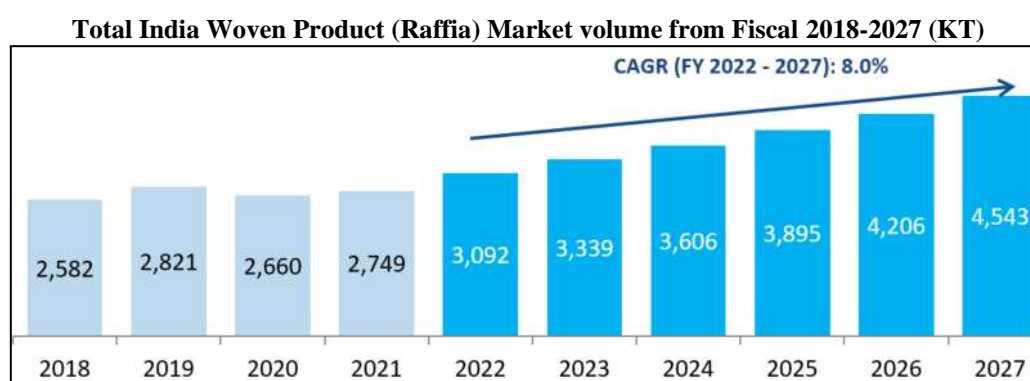
Emerging Opportunities

Extended Producer Responsibility Guidelines/ Ban on Single-use Plastic: From July 1, 2022, India has banned the usage of single-use plastic products. According to the Central Pollution Control Board ("CPCB"), 30 single-use plastic items have been listed by the government body under the Ministry of Environment. The ban also extends to the sale, stocking, distribution and export of such plastic products. Ban on single-use plastic brought some uncertainty among plastic processors. However, as plastic woven sacks/ Raffia products are designed to be used for multiple times, the current ban is considered to be an opportunity for the Raffia industry, especially the Raffia products are fully reusable and recyclable. The small Raffia bags are expected to replace the plastic carry bags provided by the food chains or other retail clothing stores.

India has made good growth in exports of PP woven bags to Europe, competing with strong and well established suppliers from China and other South East Asian countries. Eventually, today PP/HDPE woven fabric manufacturers had started going up the value chain and commenced exports of FIBC (Jumbo bag) to Europe competing with Turkey who were much ahead, compared to other exporting countries.

India Woven Raffia Market Forecast

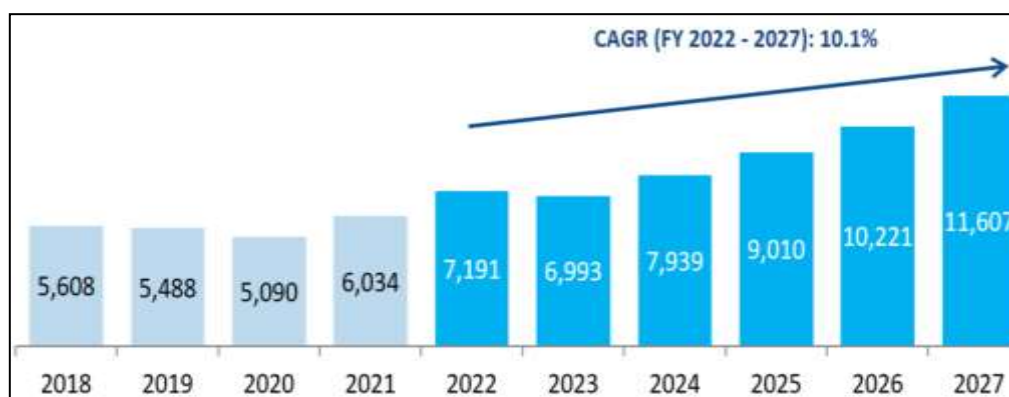
India woven Raffia market is estimated to be around 3,092 KT during Fiscal 2022 and projected to reach 4,543 KT at a CAGR of 8.0% by Fiscal 2027. During Fiscal 2021, there has been a slowdown in growth rate owing to sluggish demand and low industrial output due to COVID-19 outbreak. The COVID impact to the industry was less when compared to other industrial segments. As of March 31, 2022, India is the second largest consumer of PP Raffia globally.



Source: Frost & Sullivan Analysis and ICIS

India woven Raffia market was USD 7,191 million in Fiscal 2022 and projected to reach USD 11,607 million by Fiscal 2027 at a CAGR of 10.1%. The value based growth is owing to increasing price as well as growth in demand. Increasing Raffia woven bags adoption across different end-user sector drive the market demand. There is drop in total value market in 2023 due to expected drop in prices of crude oil which will lower the PP and HDPE prices, hence value of woven fabric will drop in 2023.

Total India Woven Product (Raffia) Market value from Fiscal 2018-2027 (USD million)

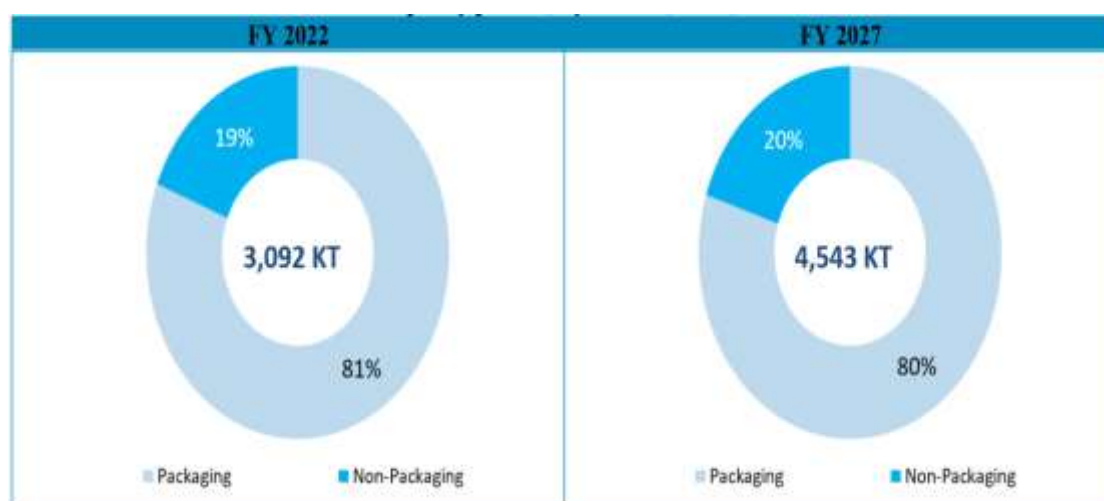


Source: F&S Analysis

Woven Raffia Market by Process

Packaging has the higher market share in India. Packaging consists of woven sacks and FIBCs while non-packaging includes wrappings, tarpaulins, geotextile and special purpose applications. Packaging segment is expected to grow faster in the forecast period. Packaging is expected to grow at a CAGR of 7.7% and non-packaging segments is expected to grow at a CAGR of 9.1% from Fiscal 2022-2026 (in value terms).

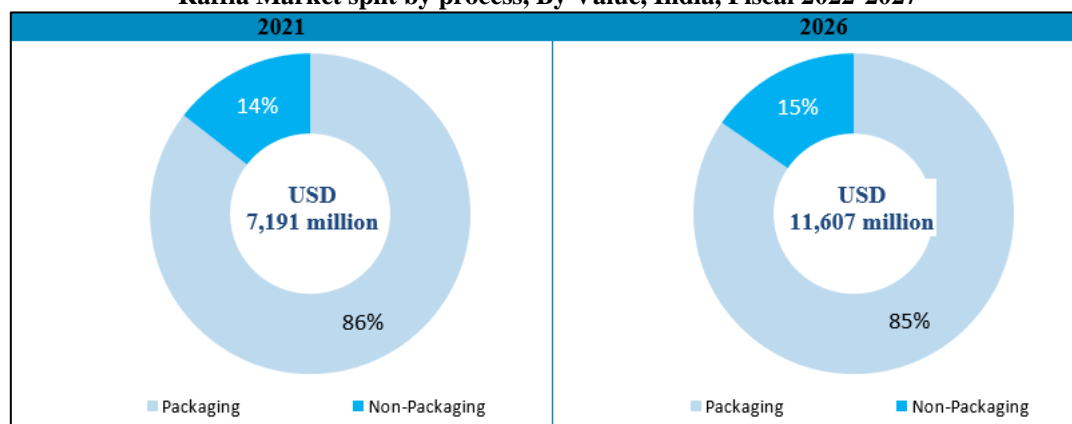
Raffia Market split by process, By Volume, India, Fiscal 2022-2027



Source: Frost & Sullivan Analysis

Non-Packaging: In India, geosynthetics segment which includes geotextiles, geomembranes and other geo-engineering products, is a relatively new entrant in Raffia industry. Although, this segment is in nascent stage, in recent years has shown rapid growth and popularity, particularly in pond lining sector.

Raffia Market split by process, By Value, India, Fiscal 2022-2027



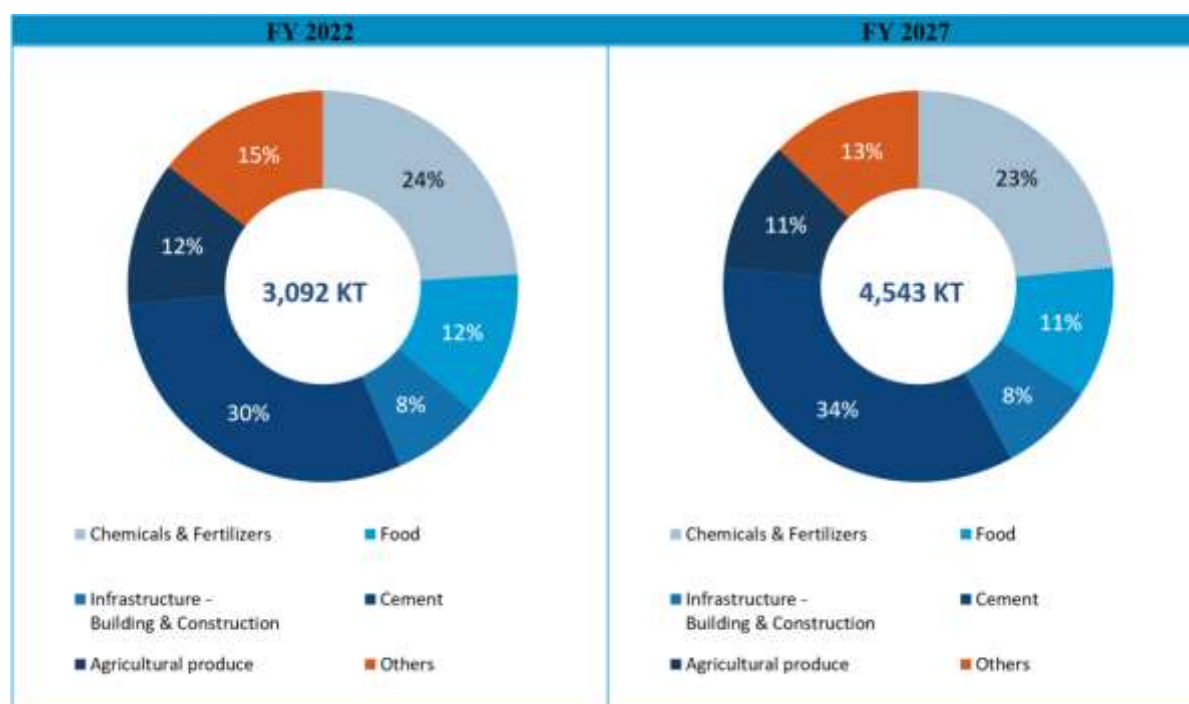
Source: Frost & Sullivan Analysis

Application Split of Woven Raffia Market

In India, cement industry is the largest user of PP woven sacks. It has around 30% market share in terms of value. The entire cement packaging segment is served by polypropylene woven sacks due to its higher stiffness, adaptability for hot cement packaging and better dimensional stability at higher temperatures.

Currently, India is the second largest cement producer in the world after China. With the GoI providing a boost to various infrastructure and irrigation projects, housing facilities and road networks, the cement industry in India is currently growing at a pace of 8% as per industry estimates. Packaging is becoming an important branding message in cement sector. Presently, the cement manufacturers are using similar packaging sack for costlier premium products along with grey cement to position them in the market.

Raffia Market split by Industrial usage, By Volume, India, Fiscal 2022-2027



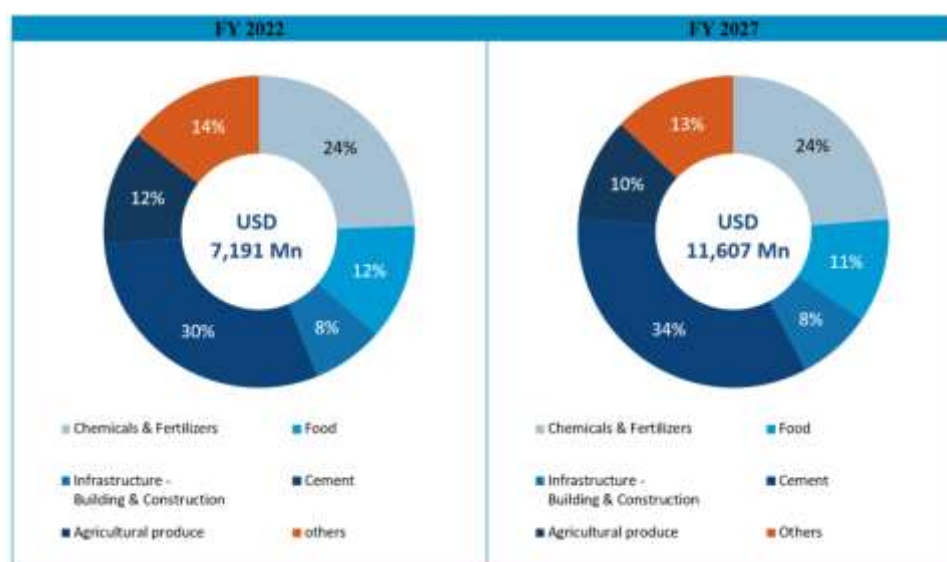
Source: Frost & Sullivan Analysis

The other factors which are driving this change in cement packaging are better quality and consistent end-use performance, possibility to reduce loss of cement during handling, transportation and storage and the increased compliance with government policies of large public interest related to health, safety, pollution-control and environmental protection including reuse and recycling of discarded sacks.

Another significant segment in the Indian Raffia market is the chemicals and fertilizer packaging segment. It has around 24% market share in Fiscal 2022. This Raffia segment is expected to register a growth of around 7.5% for next 5 years. Laminated HDPE bags are predominantly used for packing fertilizers owing to better outdoor stability of HDPE than polypropylene. With easy availability of UV stabilizers and suitable master batches at lower cost, recently, PP made inroads into this sector and its share is growing as faster production rates are possible for PP woven sack manufacturing.

Another important segment for Raffia is the packaging of food grains, sugar and agriculture product packaging. This sector is presently coming under JPMA act and has seen relatively higher growth in last decade, mainly due to the end-use advantages of PP/HDPE woven sacks, easy availability, lower cost versus jute sacks. India is one of the largest producers of commodities like food grains, sugar, fruits, vegetables and tea. With varied crop patterns, localized production of commodities, safe and hygienic storage, transportation and distribution and protection against wastage, packaging becomes of utmost importance. Huge losses have been observed in agriculture produce in India. Wastage varies from 5 to 35% depending on nature of crops.

Raffia Market split by Industrial usage, By Value, India, Fiscal 2022-2027



Source: Frost & Sullivan Analysis

India Raffia Industry – Emerging Product Segments

Open mesh leno sacks: They are widely used for packing of various agricultural products such as onions, potato, garlic, carrot, ginger, orange, pineapple other fruits and vegetables. Leno bags are permeable and allow the air to pass through the sack which help to keep the product fresh. With their low weights and cost-efficient nature, leno bags provide a superior packaging alternative to other materials.

Polymer packaging sacks is yet another segment of India Raffia industry which is growing at fast pace. Recently, all domestic polymer producers have voluntarily started procurement of ISI marked, BIS (Bureau of Indian Standards) compliant packaging sacks to ensure high level of bag quality and consistent end-use performance.

Non – Packaging: Geosynthetics segment which includes geotextiles, geomembranes and other geo-engineering products, is a relatively new entrant in Raffia industry. Polypropylene woven geotextiles of various types such as tape-by-tape; tape-by-multifilament yarn and tape-by-monofilament are extensively used for soil embankments and soil erosion control in construction of irrigation works, roads, railways, ports, mines, buildings and more. Having the functions of reinforcement, drainage and layer separation, PP woven geotextile is one of the most popular and fast-growing segments. Polypropylene is the predominantly used raw material for production of

geotextiles. It represent the other largest group of geosynthetics. Geomembranes produced from Raffia fabrics provide higher strength, longer service life, most economical method of storing water.

Although, this segment is in nascent stage, in recent years has shown rapid growth and popularity, particularly in pond lining sector. Other growing applications of Raffia are packaging sacks for animal feed, fodder, chemicals, sand, minerals, seeds, nuts, and many more products of mass consumption. Raffia tape yarns also find there use in wrapping fabrics, tarpaulins, raschel knit shade net fabrics, webbings, lifting slings, ropes, twines, stitching threads, etc.

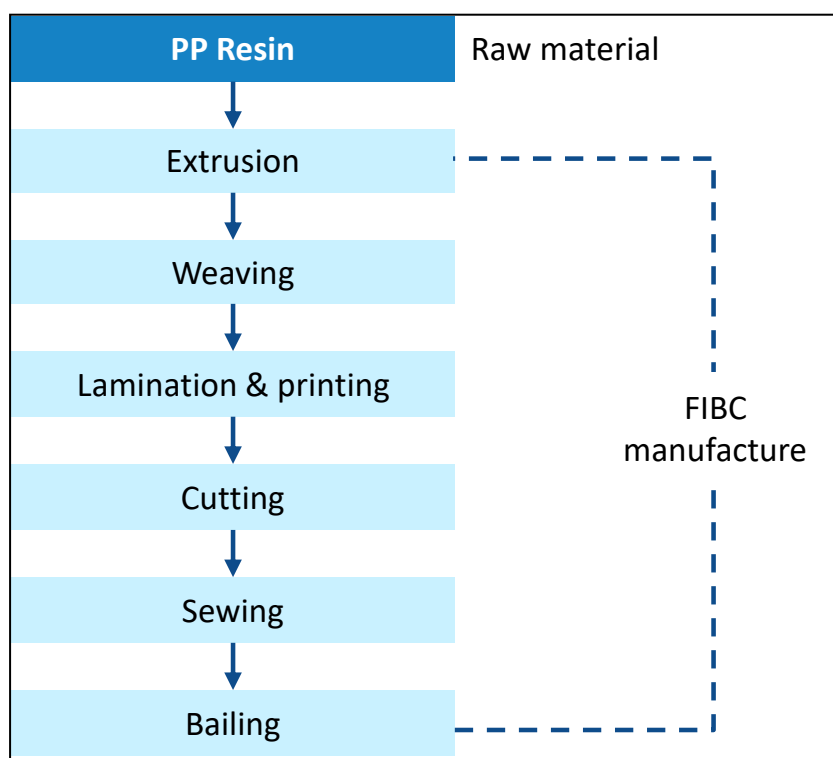
Pond Lining: Interestingly, innovative development of pond liner in which Maharashtra has taken a lead is likely to change water problem for farming community. Pond lining business has huge potential to grow in arid and semi-arid states like Rajasthan, Karnataka, Andhra Pradesh, Telangana and Odisha. Another innovative idea of developing collapsible pipe for water distribution is likely to have far reaching consequences.

India - Industrial Bulk Packaging Market

The Indian economy is expected to register a strong growth (7-10%) over the next seven years (barring a period of lackluster economic activity in the initial phase of the forecast period). Thus, the rise in consumer spending and increasing urbanization are expected to augur well for the growth in demand for a wide range of products from a diverse set of industry products such as chemicals, pharmaceuticals, food and beverages, and building and construction.

Moreover, increasing capacity additions, especially in specialty chemicals as well as in industrial chemicals and petrochemicals, are expected to create avenues for growth in the industrial bulk packaging market over the forecast period. FIBC segment contributes around 60% (in terms of units) of the industrial bulk packaging market in India. (Source: Frost & Sullivan Analysis) FIBCs segment is expected to outpace that in steel as well as plastic drums owing to shifting preferences toward FIBCs that help materialize cost and logistical efficiencies.

Materials for industrial bulk packaging market: FIBC production process overview, Global 2022



Source: Frost & Sullivan Analysis

- PP is used in the manufacture of FIBCs. Relatively lower cost, high strength, and superior chemical properties, such as resistance to chemicals, render it an ideal material for production of flexible packaging products including FIBCs.

- Furthermore, more than two-thirds of the global FIBC output is accounted for by APAC and India, whereas North America and Europe composed nearly one-fifth of the total global FIBC output in the same year.

FIBC Segment in India

FIBC Overview

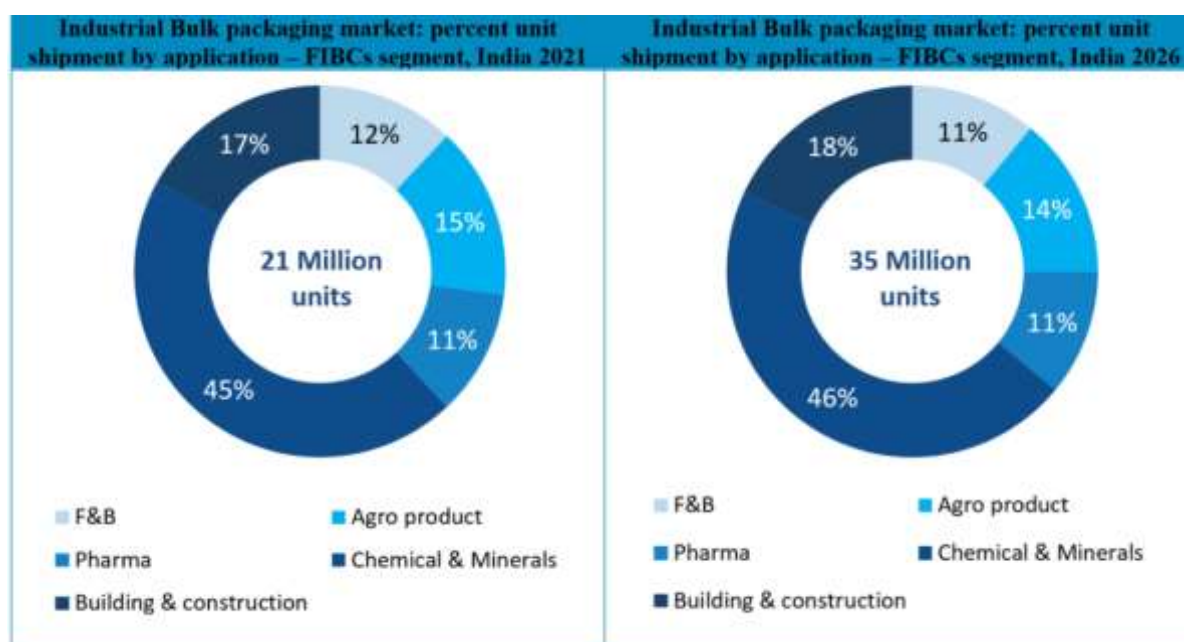
FIBCs, also known as jumbo bags, are one of the most cost effective and ideal types of packaging for shipping and storing dry bulk products. Made up of either tubular or flat polypropylene (“PP”) woven fabrics, these fabrics can be coated or uncoated and vary in terms of weights depending upon the requirements of the safe working load (“SWL”) or safety factor (“SF”) of up to 1,800 kg. They are commonly used to store dry and flowable products such as grains, seeds, salts, chemicals, sands, clays, cement, and others. FIBC majorly finds application in various end-use industries including food, chemical, pharmaceutical, building and construction, mining, and others. (Source: Baseline Study, IIT Delhi, 2020)

Primary FIBC markets are the United States of America, European countries, Japan, China, India, Korea, Africa and others. Indian manufacturers include Flexituff Ventures International Limited, Isbir Mewar Bulk Bag Private Limited, Rishi FIBC Solutions Private Limited, Emmbi Industries Limited, Kanpur Plastipack Limited. and Alpine FIBC Private Limited. Based on the estimates provided by Indian producers, the estimated consumption of FIBC in India is ₹ 3,778 million during 2019-20 and is expected to increase at a CAGR of 4% and reach ₹ 4,596.51 million by 2024-25. India has captured about one-third of the share of the world trade of FIBC even as the size of Indian market is about 13% of the world market.

India is the largest exporter of FIBCs and exported more than 210 million units of FIBCs to countries across the globe in 2021. Growing steadily and taking significant strides since early 2000, the Indian FIBC industry has demonstrated its excellence to become one of the largest manufacturers and exporters in the world. India accounts for nearly a quarter of the global FIBC output.

Majority of India’s output is exported to international markets, and the domestic demand accounts for a small share of the total domestic output. However, with increasing preference for alternatives to small woven sacks, the demand for FIBCs has been growing at a rapid pace in the country. The use of FIBCs for construction applications, along with that for chemicals and minerals applications, is expected to dominate the overall market.

FIBC Segment, Unit shipment by application: India, 2021 -2026



Source: Frost & Sullivan Analysis

Key Growth Factors

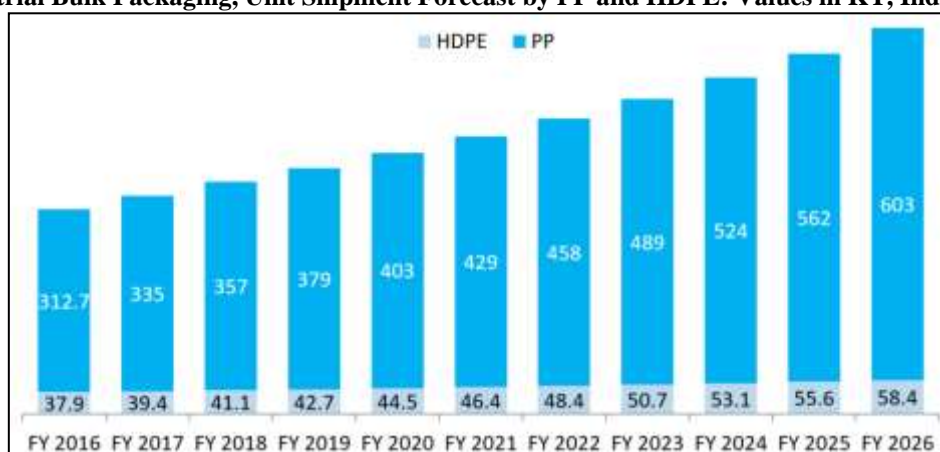
FIBC gained prominence in the Indian packaging industry during the last decade and registered good growth on account of growing export of minerals, chemicals and polymer products which use FIBC for bulk packaging. The export of FIBC has increased consistently and at a higher rate when compared with other flexible packaging products. The Indian FIBC industry is growing rapidly and has overtaken Turkey to become the world's second largest producer after China.

It has been observed that the growth of the industries including food and horticulture due to the increase in production and trade of horticulture products and chemicals, have boosted the demand for flexible bulk packaging. Additionally, the low-cost of shale gas, that is used as a major feedstock for the manufacturing chemicals, is inducing players in the chemical and fertilizer sectors to enhance the production of chemicals, which also increases the demand for FIBC bags. Moreover, the increased need to reduce the overall weight of bulk packaging and transporting materials will also drive the demand for FIBC containers in several other industrials sectors such as construction and boost its market growth in the coming years.

Major Trends and Unit shipment forecast

One of the major trends that will gain traction in the FIBC containers market in the coming years is the usage of bio-based raw materials. The increased awareness towards the usage of synthetic plastics will induce manufacturers to develop eco-friendly plastics which are easy to recycle. FIBC manufacturers, in turn, boost the demand for FIBC bags.

Industrial Bulk Packaging, Unit Shipment Forecast by PP and HDPE: Values in KT, India, 2021

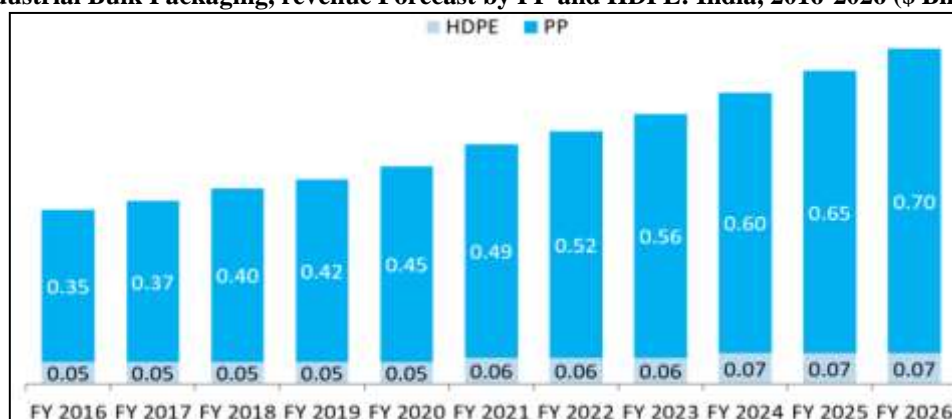


Source: Frost & Sullivan Analysis

1) Base year is Fiscal 2020. Data from Fiscal 2021- Fiscal 2026 are estimates/forecasts;

While the demand for steel and HDPE is expected to register a steady growth, the consumption of PP is expected to register nearly 1.5 times the growth in steel and HDPE consumption.

Industrial Bulk Packaging, revenue Forecast by PP and HDPE: India, 2016-2026 (\$ Billion)



Source: Frost & Sullivan Analysis

Base year is Fiscal 2020. Data from Fiscal 2021- Fiscal 2026 are estimates/forecasts;

The robust growth in demand for FIBCs from both domestic and international markets is expected to propel the consumption of PP in the country.

Future of FIBC in India

India is the largest exporter of FIBCs to the global market, with major supplies to North America, Europe and Australia. The domestic FIBC industry has recorded an admirable growth in the last two decades. The major factors contributing to this growth are the local availability of raw materials including specialty high tenacity grades, efficient machinery with latest technology, skilled manpower specially for the FIBC fabrication process, stringent quality norms, and the long reputation of supply of high quality FIBCs to the global market. As labour cost is going up in India, there is a possibility of shifting small bag packing, suitable for manual handling, towards more mechanized packaging, requiring FIBC usage, which is prevailing in developed countries. Considering the expectation of high growth in domestic market for packaging for various applications and India's strong presence of export of FIBC in US and Europe market, as well as the export of small bags and fabrics, the Raffia industry is likely to show sturdy growth in the coming year.

Overview of Plastic Woven Fabric Machines Market in India

Introduction: Plastic Woven Fabric Machines

A plastic woven fabric machine is a kind of mechanical equipment which mainly uses PP (Polypropylene) or HDPE (High Density Polyethylene) as raw materials to weave different type of packaging and non-packaging materials. Packaging was classified into Plastic woven bags, FIBC/Jumbo bags and Non-packaging was further classified into wrapping, geotextile, tarpaulin etc. The Raffia machinery market is in growth stage and it is highly consolidated in India.

Plastic Woven Fabric Machines Market, Market Measurements, India, Fiscal 2022

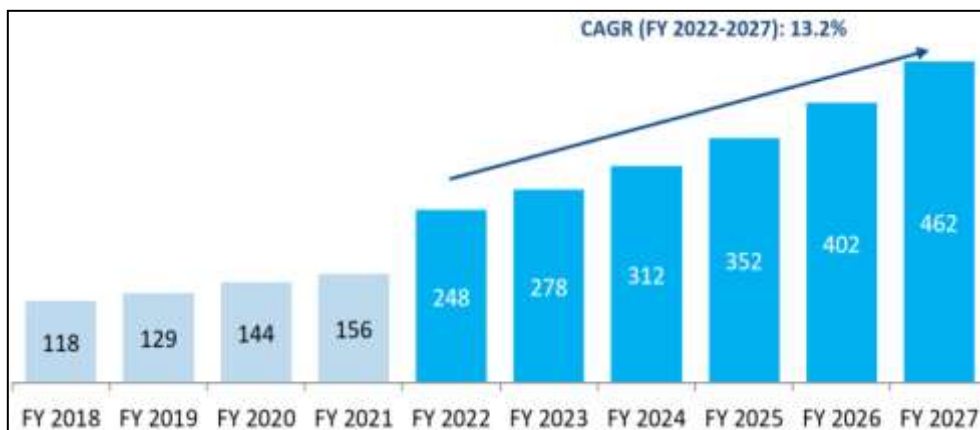


Source: Frost & Sullivan Analysis

Raffia machinery manufacturers are focusing on industrial IoT (“**IIOT**”), since it is believed that the future of industrial manufacturing is both mechanical and digital. The shift in the industrial manufacturing ecosystem towards global software platform providers is likely to be one of the biggest growth drivers for machine engineering in the next 10 years. To be prepared and adaptable to these disruptions, companies like Lohia Corp intend to continuously improve and develop their digitization of their machines with IIOT. Lohia will continue to improve upon and advance the Lohia IoT Gateway hardware, which is compatible with, and is being deployed in, our computerized tapeline and Blokomatic machines since 2022 to make them IoT enabled. With this upgrade, all data can be fetched at rates of up to 100 values per second, including sensor, input, output and inverter data, amongst others. Lohia's plans for the digitisation of our machinery and equipment include improvements to gateway hardware by switching to different embedded hardware platforms thereby resulting in reducing our hardware costs.

India: Plastic Woven Fabric Machines Market Forecast

Plastic Woven Fabric Machines Market Forecast, By Value, India, Fiscal 2018-2027 (USD million)

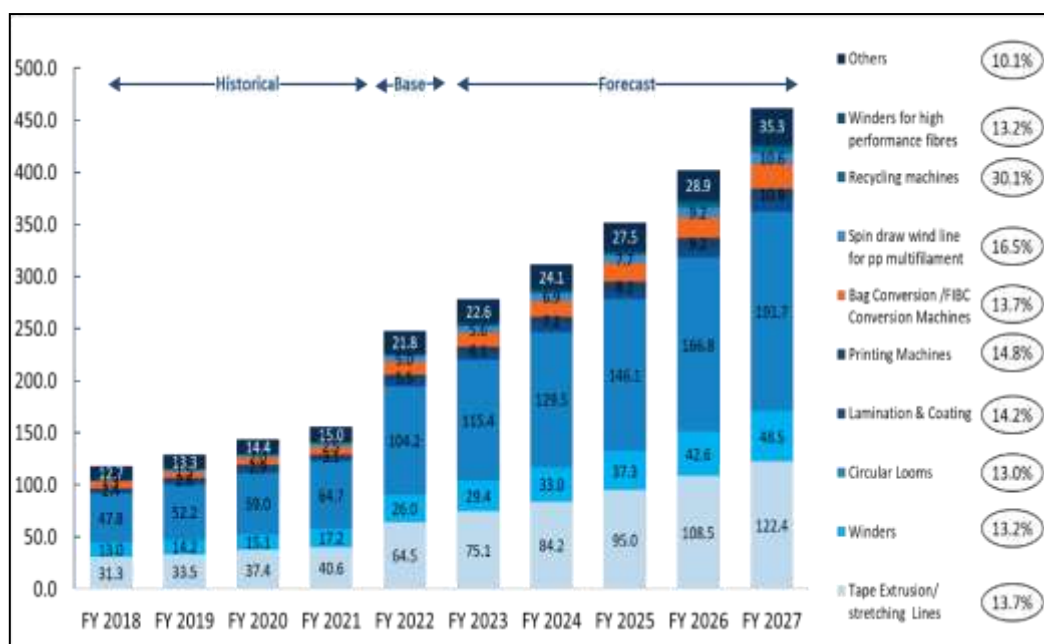


Source: Frost & Sullivan Analysis

In Fiscal 2022, the total market for plastic woven fabric machines in India amounted to about USD 248.0 million at a growth rate of 59.0%. It is expected to reach USD 462.0 million in Fiscal 2027 at a CAGR of 13.2% from Fiscal 2022-2027. Increasing investments in infrastructure projects (cement, construction) and increasing usage of Raffia bags across different user segments (food and beverage, chemicals, fertilizers, agriculture) supported the machinery market growth from Fiscal 2022-2027.

India- Plastic Woven Fabric Machines Market Forecast by Product Segment, (USD million)

	Historical				Base Year	Forecast					
Product Segment/Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	CAGR (FY 2022-2027)
Tape Extrusion/stretching Lines	31.3	33.5	37.4	40.6	64.5	75.1	84.2	95.0	108.5	122.4	13.7%
Winders	13.0	14.2	15.1	17.2	26.0	29.4	33.0	37.3	42.6	48.5	13.2%
Circular Looms	47.8	52.2	59.0	64.7	104.2	115.4	129.5	146.1	166.8	191.7	13.0%
Lamination & Coating	2.4	3.7	4.3	3.4	5.7	6.4	7.5	8.4	9.6	11.1	14.2%
Printing Machines	2.4	2.6	2.9	3.1	5.5	6.1	7.2	8.1	9.2	10.9	14.8%
Bag Conversion /FIBC Conversion Machines	5.9	6.5	7.2	7.8	12.4	13.9	15.6	17.6	20.1	23.6	13.7%
Spin draw wind line for pp multifilament	1.3	1.5	2.0	2.5	5.0	5.6	6.9	7.7	9.2	10.6	16.5%
Recycling machines	0.6	0.6	0.7	0.8	1.2	1.4	1.6	1.8	4.0	4.6	30.1%
Winders for high performance fibres	0.7	0.8	0.9	0.9	1.7	2.2	2.5	2.5	2.8	3.2	13.2%
Others	12.7	13.3	14.4	15.0	21.8	22.6	24.1	27.5	28.9	35.3	10.1%
Total	118.0	129.0	144.0	156.0	248.0	278.0	312.0	352.0	402.0	462.0	13.2%



Source: Frost & Sullivan Analysis

Recycling machines

Recycling machines are expected to grow at higher rate. Key Companies like Lohia Corp and Starlinger focus on this product segment and introduced the new products.

Lohia Corp - The primary focus is on optimizing the recycling process for their customers in the Raffia industry. Lohia Corp strongly believes given the current climate change concerns and the global focus on sustainability, recycling, reusing, and repurposing materials like single-use, non-biodegradable plastics, this market is relatively untapped and allows for exponential growth. The recycling market is projected to grow at a CAGR of approximately 30% over the next 5 years. In addition to this, Lohia is also focused on continuing its innovation efforts, particularly in developing and digitizing its machinery and equipment, including its recycling machine, RECLAMAX. RECLAMAX reuses wastage and reduces the environmental impact. The future focus is to optimize the size of RECLAMAX so that small to mid-size customers can reprocess their production wastage efficiently.

Starlinger - Turned its focus towards Chinese market, and presented its entire machine range for the production of sustainable woven plastic packaging and recycling of post-consumer and in-house plastic scrap.

Plastic Woven Fabric Machines Market - Competitive Overview

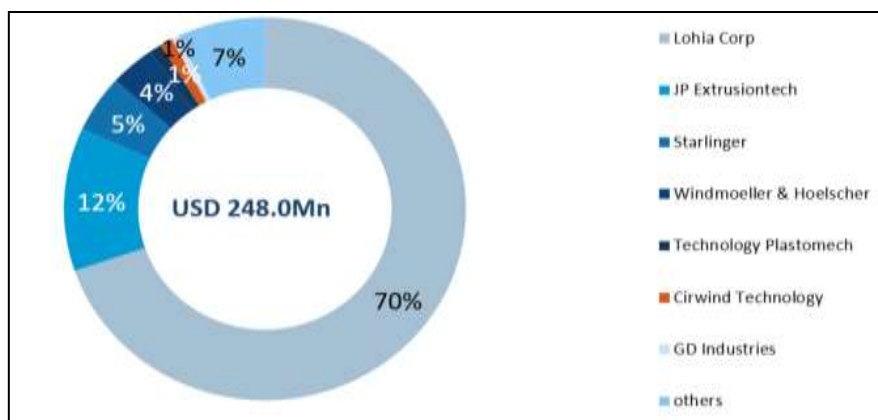
India plastic woven machinery market is highly consolidated. There are around 7 players are actively participating in the market. The Indian market is dominated by Lohia Corp. In India, Lohia Corp is the undisputed market leader in the Raffia machinery segment for the manufacturing of PP and HDPE woven fabrics and sacks. The company has more than 80% market share (both in terms of value and volume) in the machine segment up to the plastic woven fabric-making stage. In addition to this, they have currently a 20-25% market share in the processing and conversion machineries segment for the woven plastic processing industry in India. Other key players include Lohia JP Extrusiontech, Starlinger, Windmoeller & Hoelscher, Technology Plastomech, Cirwind Technology, GD Industries. Top 3 players (Lohia Corp, JP Extrusiontech and Starlinger) are having more than 86.7% market share in value terms across all Raffia machineries.

Plastic Woven Fabric Machines Market- Competitive Structure, India, Fiscal 2022

 Number of Companies in the Market	7+ players are actively participating in the market.
 Key Competitive Factors	Technical expertise, After sales support, Quick delivery, Product performance and Relationship with the customer
 Key Product Supply	Tape Extrusion/Stretching Lines, Winders, Circular Looms, bag Conversion/FIBC conversion Machines, Lamination/Coating Machines, Printing and Recycling Machines
 Major Market Participants	Lohia Corp, JP Extrusiontech, Starlinger
 Market Share of Top 4 Competitors	~86.7% (Lohia Corp, JP Extrusiontech, Starlinger, Windmoeller & Hoelscher) – in value terms across all machine types
 Other Notable Market Participants	Windmoeller & Hoelscher, Technology Plastomech, Cirwind Technology, GD Industries, Armstrong, Hengli Machinery
 Other Developments	Role of Chinese players in the Indian market is limited. Export of machineries from India has increased in the last decade.

Key player's market share

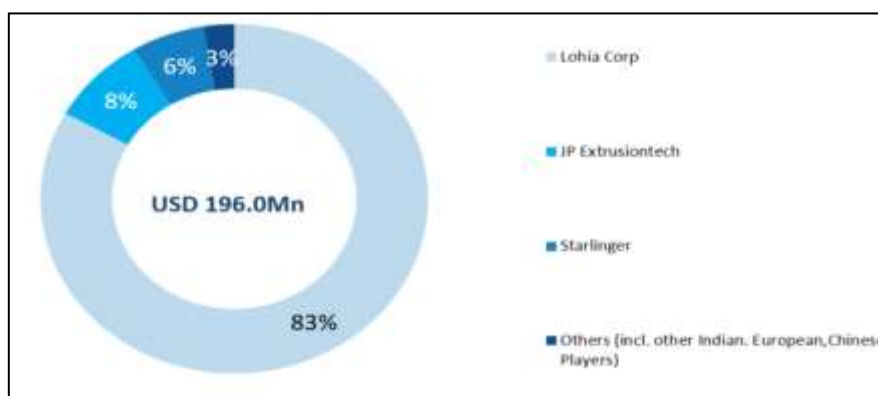
India Market- Player's Market Share in 2021 (Value)- Across all Raffia machinery



Source: Frost & Sullivan Analysis

India Raffia machinery market size is USD 248.0 million across all machines. Lohia Corp is having around 70% market share in value terms across all machineries. Other key players in the market are JP Extrusiontech and Starlinger.

India Market- Player's Market Share in 2021 (Value) - Machines for PP/HDPE Fabric Making



Source: Frost & Sullivan Analysis

Lohia Corp is the undisputed market leader for manufacturing of machineries up to PP/HDPE fabric making stage. It has around 83% market share. Lohia Corp is the reputed brand name in the global Raffia industry. As of March 31, 2022, the total extrusion capacity sold by Lohia was 6.84 million metric tons. Lohia had sold over 84,218 circular weaving looms, over 1,989 tape extrusion lines, and over 547,972 winders. As of March 31, 2022, Lohia sold the highest volume of machines in the Raffia industry. Globally, Lohia machines process more than 3 million tons of Raffia annually.

Lohia Corp offers services from concept to commissioning, throughout the lifecycle of their machinery and equipment, and are also a solutions provider for the Raffia industry, with a comprehensive suite of products, including equipment for tape extrusion lines, winders, circular loom, coating and lamination lines, printing machine, conversion machine, multifilament yarn machine, recycling machines, twister winder and monofilament extrusion lines, amongst others.

Lohia Corp's 'concept to commissioning' model involves a three pronged-process, with (i) consultancy, which includes feasibility studies, plant layout assessment, equipment selection and designing layout; (ii) training, which includes process guidance, troubleshooting, operational and technical training; and (iii) engineering, which includes fully integrated engineering solutions, from equipment specification, technical documentation, machine installation, knowledge of quality certification to after sales service.

For Raffia machinery, service is an important aspect. Delivering world-class solutions to companies in the technical textile industry may address only one portion of clients' requirements. Companies can achieve 100% client satisfaction if they offer a best-in-class support system to deliver impeccable results. In the Raffia machinery industry only few companies have the global presence and capabilities to service their customers. Lohia possesses a strong sales network where they have five national offices in India and five overseas offices to serve their customers. The sales and service team is located across different locations around the globe. It has unmatched expertise in terms of delivering products and service support for customers across the globe. Lohia's installation and training process are designed to commission the machines in under two weeks, with dedicated support from the engineers. Lohia is having more than 100 technical experts for E&C and technical support. Lohia clearly understood the importance of supplying spare parts and accessories for providing end-to-end customer solutions resulting in customer satisfaction. Lohia Global Solution ("LGS"), a division of Lohia Corp, was established to offer a one-stop solution for all spare parts needs and accessories for machinery operating in the Raffia Industry. In addition to this, they engage in customized service agreements with customers, involve in regular onsite training, conducting preventive maintenance clinics. Lohia is working towards the aspiration of a one-day response time globally and focuses on delivering the maximum value to customers by providing constant support.

Lohia Corp's existing position as one of the market leaders for manufacturing technical textile machinery puts them among a limited number of players who are well placed to capitalise on the global growth in demand for technical textile products. Lohia's in-house product development showcases their innovation and research strength, and their expertise in manufacturing wide range of plastic woven machineries to support multiple end user applications. Through this process, Lohia Corp have either made applications for, or have already been granted, patents in more than 30 countries as of March 31, 2022. Lohia Corp is among the top 50 Indian brands based on Patent Co-operation Treaty PCT filings in the last three years.

Lohia Corp is manufacturing wide range of winders and has acquired Leesona Corp, USA, in 2019 which is a company over 100 years old, manufacturing winders and rewinders for high performance fibres like carbon fibre, PAN Precursor (for carbon fibre), glass fibre, aramid fibres, etc.

Lohia Corp – Strategic Positioning

Lohia Corp is a technology-oriented, end-to-end solution provider for technical textiles with a focus on the flexible woven (PP/HDPE) Raffia industry. Lohia provides comprehensive solutions and manufactures quality, technologically advanced machinery and equipment for the technical textiles industry. Products manufactured are used across several industries for different packaging applications, such as packing cement, fertilizer, polymer, food grain, minerals, shopping bags, leno bags, FIBCs, container liners etc. They are also utilized in non-packaging applications, such as wrapping fabric, roof underlayment, lumber wrap, pond liner, tarpaulin, geotextile, geogrid, ground cover, carpet backing, ropes, twines etc.

In India, Lohia Corp is the market leader in the machinery segment for the manufacturing of PP and HDPE woven fabrics and sacks it has more than 80% market share (both in terms of value and volume) in the machine segment up to the plastic woven fabric-making stage. In addition to this, they have currently a 20-25% market share in the

processing and conversion machineries segment for the woven plastic processing industry in India. Lohia Corp has increased its market share across all major markets when compared to competitors operating at the global level.

Lohia Corp's end-to-end solutions to Raffia industry, new acquisitions, and innovative product offerings through continuous investment in R&D provide market leadership.

In 2008, Lohia Corp introduced a double stage stretching 'duotec' technology globally and in 2010, Lohia introduced Loom Nova 6 with 1,100 ppm weft insertion speed becoming the first company to do so. Lohia was also the first to launch a valve-making machine for pillow type valve bags, 'Valvomatic', for the cement industry in 2013 and Blokomatic, a Valve Bottomer machine with a production capacity of 120 bags per minute.

Lohia Corp's LOFIL range of spin-draw-wind lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications such as upholstery and liners used in suitcases or backpacks. They recently introduced the Lofil 160 Duos. Lohia Corp developed their printing machine, Prismaflex, for tubular fabric printing with a maximum line speed of up to 120 meters per minute (mpm), with six printing units. Lohia developed their own high performance screen-changer 'RACE' for tapeline machines, which enables processing of up to 100% recycled material

Lohia Corp also designs and manufactures inverters, customised machine controllers and motors along with other products for their circular weaving machine and winders. Lohia Corp's unique patented hot air trapping device for tapelines allows for energy saving at the extruder heating and was awarded the National Innovation Award in the category of Machinery Innovation. Lohia Corp has the strong ability to provide industry-first solutions when compared to competitors' and its innovative technology focus is a true example of the optimum provision of performance value to customers.

As of March 31, 2022, the total extrusion capacity sold by Lohia was 6.84 million metric tons. Between 1984 to 2022 Lohia had sold over 84,218 circular weaving looms, over 1,989 tape extrusion lines, and over 547,972 winders. As of March 31, 2022, this is the highest volume of machines sold by any manufacturer in the Raffia industry. Globally Lohia machines process more than 3 million tons of Raffia annually.

As of March 31, 2022, Lohia has been granted 26 patents in India and has applied for 58 patents that are currently at various stages of approval in India. Lohia Corp has also made more than 55 International Applications under the Patent Cooperation Treaty, each of which is further extended to specific foreign countries, depending on the relevant level of business interest in the respective countries. Through this process, Lohia Corp. have either made applications for, or have already been granted, patents in more than 30 countries as of March 31, 2022.

Lohia Corp has a strong product roadmap that based on diversification across different verticals in the technical textiles industry. In 2019, it acquired the Israeli company, Light and Strong Limited, specializing in aerospace and military carbon fiber and glass fiber composite components production, to become a leading supplier for global original equipment manufacturers in aerospace and defense.

To improve the customer purchase experience, Lohia Corp set up a new customer experience center named Lohia Packaging Solutions ("LPS") in 2019 in Kanpur, Uttar Pradesh. It is a live experience center for prospective customers to see, learn and experience the latest technology for Raffia production. The center has a complete range of machines for the Raffia industry which *inter-alia* includes tape extrusion lines, winders, circular looms, lamination/coating machines, printing machines, and conversion machines including Blokomatic. The unit also has a recycling machine. Typically, LPS acts as a live demo center for showcasing Lohia Corp's product features, and equipment performance to prospective customers. It also facilitates future R&D efforts.

In addition to this Lohia Corp own and operates the TTTC at Kanpur for the plastic woven fabric industry. It started in 2012 as an independent division of the group and has emerged as the global destination for training requirements in all disciplines of the Raffia industry. TTTC is the first of its kind technical training and research center of international repute dedicated to the woven sack industry. TTTC offers structured training for operators and supervisors, customized training for managers, promoters, entrepreneurs, as well as training for technicians from foreign customers and has a well-equipped hostel on-site for trainees.

The campus is a state-of-the-art infrastructure including a testing laboratory and workshop equipped with all kinds of Raffia machinery. TTTC's plastic woven bag test laboratory has been granted NABL accreditation as per ISO/IEC 17025:2005 to assess the quality of all kinds of woven bags as per BIS specifications. TTTC has been

engaged by woven sack manufacturing units from different countries in SAARC, Africa, Middle East, South East Asia, and GCC as their “Training Partner”. With these initiatives, Lohia Corp offers a superior customer purchase experience, putting customers’ needs and satisfaction ahead of everything else.

Lohia has customers across more than 90 countries. Lohia has a strong sales network where they have five national offices in India and five overseas offices to serve their customers. Their network in these locations allows them to service and grow in these markets more efficiently. The sales and service team is located across different locations around the globe. Lohia Corp believes that customer proximity and strong local market support are key to its continued success. Proximity to new customer groups will provide them with a strategic advantage in ensuring cost effectiveness, quicker delivery and faster turnaround times.

Lohia’s installation and training process are designed to commission the machines in under two weeks, with dedicated support from the engineers. Lohia has more than 100 technical experts for E&C and technical support.

Lohia Corp strongly believes given the current climate change concerns and the global focus on sustainability, recycling, reusing, and repurposing materials like single-use, non-biodegradable plastics, this market is relatively untapped and allows for exponential growth. The recycling market is projected to grow at a CAGR of 20% - 30% over the next five years. In addition to this, Lohia is also focused on continuing its innovation efforts, particularly in developing and digitizing its machinery and equipment, including its recycling machine, RECLAMAX. RECLAMAX reuses wastage and reduces the environmental impact. The future focus is to optimize the size of RECLAMAX so that small to mid-size customers can reprocess their production wastage efficiently.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled “Forward-Looking Statements” on page 26 for a discussion of the risks and uncertainties related to those statements and also the sections entitled “Risk Factors”, “Industry Overview”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 39, 131, 271 and 361, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” on page 271.

Unless the context otherwise requires, in this section, references to “we”, “us” and “our” refer to Lohia Corp Limited on a consolidated basis while “our Company” or “the Company”, refers to Lohia Corp Limited on a standalone basis.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment Of Machines Market For Technical Textile With Focus On Plastic Woven Fabric/Sacks” dated September 26, 2022 (the “F&S Report”) prepared and issued by F&S, appointed by us on April 23, 2022 and paid for and commissioned by our Company for an agreed fee in connection with the Offer. A copy of the F&S Report is available on the website of our Company at <https://www.lohiagroup.com/INVESTOR-RELATIONS>. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be material for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “Risk Factors – Risk Factors – We have commissioned an industry report from Frost & Sullivan (India) Private Limited, which has been used for industry related data in this Draft Red Herring Prospectus.” on page 62. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 21.

Overview

We are one of the leading manufacturers globally of machinery and equipment used in the production of technical textile, in particular for manufacturing polypropylene (“PP”) and high density polyethylene (“HDPE”) woven fabric and sacks (“Raffia”), with a global market share of 17.5% across all Raffia machinery and more than 28.7% for machines used in PP/ HDPE fabric making. (Source: F&S Report) We are the market leader in India providing end-to-end manufacturing solutions for the Raffia industry with a market share of more than 80% in terms of value and volume, in the machine segment up to the plastic woven fabric stage in Fiscal 2022. (Source: F&S Report) In addition to machines for the Raffia industry, we are the leading manufacturer in India of spin-draw-wind machines (“LOFIL”) for PP multifilament yarn (Source: F&S Report) that is used in upholstery (furnishing fabrics, curtains, among others), filter fabrics, liners (used in suitcases, backpacks, among others) fishing nets, sports nets, decorative laces and as sewing yarn in various applications in the Raffia industry. We also manufacture winders and rewinders for high performance fibres such as carbon fibre, glass fibre and artificial grass. Products manufactured using our machines are used across several industries as packaging application, such as packing of cement, fertilizer, chemicals, polymer, food grain, minerals, shopping bags, leno bags, FIBCs and container liners. They are also utilised in non-packaging applications, such as wrapping fabric, roof underlayment, lumber wrap, pond liner, tarpaulin, geotextile, geogrid, ground cover, carpet backing, ropes and twines.

Incorporated in 1981 as a joint venture between the Lohia group, through Lohia Engineering Works, and Maschinenfabrik Starlinger & Co. GmbH, Austria, we sold our first product, circular looms, in 1983 and expanded our product portfolio thereafter by introducing tape extrusion line under technical collaboration with Windmöller & Hölscher (Germany) in 1984. We manufacture a comprehensive suite of machinery and equipment such as tape extrusion lines, winders, circular loom, coating and lamination lines, printing machine, conversion machine, multifilament yarn machine, recycling machines, twister winder and monofilament extrusion lines, amongst others. As of March 31, 2022, we supplied our products to over 90 countries. We provide end-to-end solutions for the entire ecosystem of woven plastic, offering services from concept to commissioning, throughout

the complete lifecycle of our machinery. We supply machinery and equipment through a global sales network, and, as of March 31, 2022, in addition to our four sales offices in India and one corporate office, which also performs sales and marketing functions in India, we have five international offices located in Brazil, Russia, Thailand, UAE and USA, as well as exclusive sales agents in 22 countries across continents, including regions such as Latin America, Europe, Middle East and Africa.

Technical textile involves textile materials and products manufactured primarily for their performance and functional properties rather than their aesthetic or decorative characteristics and are used to produce engineered or performance-based products which are used in diverse applications. (Source: F&S Report) Raffia is plastic resin based woven fabric which is further processed to produce woven sacks, flexible intermediate bulk container (“FIBC”) and other industrial and special purpose products. (Source: F&S Report) Raffia packaging is recognised as an industrial packaging solution which is cost effective, light weight, easy to handle, durable and is recyclable. (Source: F&S Report) Globally, woven Raffia market is expected to increase at a CAGR of 6.3% from US\$ 59 billion in 2021 and is expected to reach US\$ 80 billion in 2026. (Source: F&S Report) In India, the technical textiles market is expected to grow at a CAGR of 8.25% between 2020 and 2025, from US\$ 18.9 billion to US\$ 28.1 billion. (Source: F&S Report) Of this, the Indian plastic Raffia market in particular stood at US\$ 4.34 billion in Fiscal 2020, with a share of 23% of the total technical textile market in India. In addition, India has the second largest market for woven sack machines, backed by the fact that India is the largest FIBC exporter in the world. (Source: F&S Report)

As of March 31, 2022, the aggregate extrusion capacity of the manufacturing machinery and equipment sold by us was 6.84 million MT. (Source: F&S Report) As of March 31, 2022, we had sold approximately 84,218 circular weaving looms, over 1,989 tape extrusion lines and over 547,972 winders. (Source: F&S Report) Of the total extrusion capacity sold by us, as of March 31, 2022, 4.70 million MT or 68.54% was sold domestically, and 2.15 million MT or 31.46% was exported globally. As of March 31, 2022, we had sold the highest volume of machines in the Raffia industry. (Source: F&S Report) In Fiscal 2020, 2021 and 2022, 52.39%, 76.93% and 79.58%, respectively, of our extrusion capacity sold was sold domestically while 47.61%, 23.07% and 20.42%, respectively, was exported. Certain of our key products include equipment such as tape extrusion lines, tape winders, circular looms, lamination and coating lines, conversion lines and recycling machines which are used in the production of HDPE/PP woven fabric and sacks, which are in turn used for packaging and non-packaging applications.

We own and operate four machine manufacturing facilities, with three in India and one in USA. Of our Indian manufacturing facilities, two are located in Kanpur, Uttar Pradesh and one in Bengaluru, Karnataka with a total area of about 180,000 square meters, and a total built up area of over 112,000 square meters. Our manufacturing facility in USA is located in Burlington, North Carolina. Our operations are supported by our manufacturing technology training centre (“MTTC”), where we train individuals to cater to our internal requirements for skilled manpower. We operate the Hargovind Bajaj R&D Centre, a research and development centre, that is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. We also own and operate a technical training and research centre (“TTRC”) for the woven plastic processing industry, the first-of-its-kind globally (Source: F&S Report), providing an industry development training ecosystems that assists our customers’ workforce requirements. Our TTRC is also accredited by the National Accreditation Board for Testing and Calibration Laboratories for testing and quality control services as per the Bureau of Indian Standards.

We have developed in-house capabilities to deliver evolving technologies, and continue to invest in research and development. As of March 31, 2022, we had been granted over 26 patents and have applied for 58 patents that are currently at various stages of approval. Against these Indian patents granted or applications made, we have also made more than 58 international applications under the Patent Cooperation Treaty (“PCT”), each of which is further extended to specific foreign countries, depending on the relevant level of business interest in the respective countries. Through this process, we have either made applications for, or have already been granted, patents in more than 30 countries as of March 31, 2022. We are among the top 50 Indian brands based on PCT filings in the last three years (Source: F&S Report).

We consistently endeavour to expand our product offerings and solutions to our customers. As part of our focus on innovation, we have launched new and advanced products from time to time. We launched Blokomatic, a Valve Bottomer Machine with a production capacity of 120 bags per minute. Our LOFIL range of spin-draw-wind lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications such as upholstery and liners used in suitcases or backpacks. In addition, we have developed the Lohia IoT Gateway hardware, which is deployed in our machines since 2022 to make them ‘internet of things’ (“IoT”) enabled. With

this upgrade, all data is fetched at the rate of up to 100 values per second, including sensor, input, output and inverter data, amongst others.

We also expanded inorganically through our strategic acquisitions of established companies with an expertise in manufacturing machinery and equipment for technical textile. In 2019, we acquired Leeson Corp, a large textile machinery and equipment manufacturers in the USA, with expertise in winding technology, manufacturing winders, re-winders, take-ups and winders for flanged spool and parallel winding. Through our acquisition of Leeson Corp, we acquired machinery for producing high performance fibres like carbon fibre, glass fibre, aramid fibres and monofilaments like high tenacity polyethylene, artificial grass. More recently, in 2021, we acquired the lamination/ coating machines business for woven fabric from Sundarlam Industries of Bengaluru and incorporated Sundarlam Industries Private Limited, in which our Company has 80% stake. Through these acquisitions, we have been able to add to our product portfolio, expand technical knowledge and consolidate our position in the market.

We are aided in our growth by our qualified senior management team with considerable industry experience. We have a healthy track record of revenue growth and profitability, as evidenced by the growth in our revenue from operations, from ₹ 10,845.65 million in Fiscal 2020 to ₹ 22,374.80 million in Fiscal 2022, at a CAGR of 43.63%, while our EBITDA has grown from ₹ 1,030.22 million in Fiscal 2020 to ₹ 2,766.19 million in Fiscal 2022, at a CAGR of 63.86%.

Our Competitive Strengths

Market leader in India and among the leading manufacturers globally of machinery and equipment for technical textiles

We are one of the leading manufacturers globally of machinery and equipment used in the production of technical textile, in particular for manufacturing PP and HDPE Raffia, with a global market share of 17.5% across all Raffia machinery and more than 28.7% for machines used in PP/ HDPE fabric making. (Source: F&S Report)

Machinery for the Raffia industry can be divided, based on stage of manufacturing, into two categories – machinery up to the plastic woven fabric-making stage, and machinery for processing and conversion. We are the market leader in India providing end-to-end manufacturing solutions for the Raffia industry with a market share of more than 80% in terms of value and volume, in the machine segment up to the plastic woven fabric stage in Fiscal 2022. (Source: F&S Report) As of March 31, 2022, we had sold approximately 84,218 circular weaving looms, over 1,989 tape extrusion lines and over 547,972 winders. (Source: F&S Report) As of March 31, 2022, we had sold the highest volume of machines in the Raffia industry. (Source: F&S Report)

We offer services from concept to commissioning, throughout the lifecycle of our machinery and equipment, and are also a solutions provider for the Raffia industry, with a comprehensive suite of products, including tape extrusion lines, winders, circular loom, coating and lamination lines, printing machine, conversion machine, multifilament yarn machine, recycling machines, twister winder and monofilament extrusion lines, amongst others. Our 'concept to commissioning' model involves a three pronged-process, with (i) consultancy, which includes feasibility studies, plant layout assessment, equipment selection and designing layout; (ii) training, which includes process guidance, troubleshooting, operational and technical training; and (iii) engineering, which includes fully integrated engineering solutions, from equipment specification, technical documentation, machine installation, knowledge of quality certification to after sales service. (Source: F&S Report) Through our focus on manufacturing efficiencies and high degree of backward integration, we have come to supply our products to more than 90 countries, as of March 31, 2022. We believe our existing position as one of the leading manufacturers globally of technical textiles machinery and equipment and the foremost in India, coupled with our customer relationships and continuous efforts towards being at the forefront of technological innovations and upgrades, provides us a distinct competitive advantage.

Machines manufactured by us cater to various end-use industries such as agro-textiles, building-textiles, geo-textiles, packing-textiles and special purpose end applications that serve different industry sectors, among others. Products manufactured from our machines are used across several industries for packaging and non-packaging applications. Packaging applications include packing of cement, fertilizers, chemicals, polymer, food grain, minerals, shopping bags, leno bags, FIBCs and container liners. Non-packaging applications include wrapping fabric, roof underlayment, lumber wrap, pond liner, tarpaulin, geotextile, geogrid, ground cover, carpet backing, ropes and twines. We benefit from our product diversification within technical textiles, and the machinery and equipment we manufacture is not used for production of textiles that find use within a particular end-use industry.

The demand for products manufactured by our machines has been witnessing steady growth in India. As of March 31, 2022, India is the second largest consumer of PP Raffia globally. (Source: F&S Report) Globally, the woven Raffia market is expected to increase at a CAGR of 5.5% from 22,000 KT in 2021 to reach 28,731 KT by 2026. (Source: F&S Report) Globally, woven Raffia market is expected to increase at a CAGR of 6.3% from US\$ 59 billion in 2021 and is expected to reach US\$ 80 billion in 2026. (Source: F&S Report) The Indian woven Raffia market is estimated to be approximately 3,092 KT during Fiscal 2022, and is projected to reach 4,543 KT by 2027, at a CAGR of 8%. (Source: F&S Report) In value terms, the Indian woven Raffia market is expected to increase from US\$ 7,191 million in Fiscal 2022 to US\$ 11,607 million by Fiscal 2027, at a CAGR of 10.1%. (Source: F&S Report) India has a large and expanding woven Raffia market which is driven by the increasing substitution of jute bags. (Source: F&S Report)

Well-positioned to capture global industry tailwinds

The demand for Raffia is buoyed by an increase in demand for products whose packaging it is involved with. For instance, per capita wheat consumption in Asia is expected to increase from 67.5 kilograms in 2021 to 68.6 kilograms by 2027, aided by growing demand for processed cereal-food products such as pastries and noodles in countries such as India, Korea, Vietnam, Indonesia, and Thailand. (Source: F&S Report) Similarly, global sugar and sugar confectionary exports stood at US\$ 47.8 billion in 2021, an increase of 10.5% over the previous year, with India being the second largest producer and exporter of sugar and sugar confectionary globally. (Source: F&S Report) India's share of cement exports grew from 0.7% in 2017 to 3.4% in 2021 and cement demand is expected to continue to increase over the medium-term. (Source: F&S Report) The increase in the demand for Raffia correspondingly leads to an increase in the demand for our machinery and equipment, which are used for Raffia production.

We believe we are well-positioned to capture industry tailwinds and growth prospects, both globally as well as in the domestic market. For instance, the Government of India ("GoI") has introduced several initiatives and incentives making the industry favourable for growth. (Source: F&S Report) These include the Amended Technology Upgradation Fund Scheme ("ATUFS"), under the Ministry of Textiles, which aims to facilitate employment, investment, quality, productivity, as well as import substitution in the textile industry while also indirectly promoting investments in the manufacturing of machinery for textiles, including technical textile. The GoI has also focussed on indigenous manufacturing through means such as production-linked incentive schemes for woven fabrics, which has two scheme slabs for providing incentives to woven fabric manufacturers, and the National Capital Goods Policy, 2016, which aims to double the local production of capital goods by 2025. (Source: F&S Report).

Additionally, the China plus One strategy has augmented the manufacturing sector. (Source: F&S Report) In the packaging industry for instance, there is an increasing requirement of woven plastic bags for packaging foodgrains owing to the non-availability of jute bags, as the jute mills have failed to meet demands and the cost of raw jute has increased significantly. (Source: F&S Report) Similar governmental regulations have increased the demand in end-use products that are manufactured by our machines. India has recently prohibited the manufacture, import, stocking, distribution and sale of certain single-use plastics, including non-woven bags below 240 microns in thickness, effective from September 30, 2022. (Source: F&S Report) In Europe, with similar prohibitions on single-use plastics, plastic woven bags have found their way as an alternative to thin plastic bags below 50 microns (Source: F&S Report) Accordingly, woven plastic carry bags, which are multi-use bags produced through our equipment, are increasingly likely to be in demand as a substitute.

Our existing position as one of the market leaders for manufacturing technical textile machinery puts us among a limited number of players who are well placed to capitalise on the global growth in demand for technical textile products.

Advanced manufacturing infrastructure with comprehensive backward integration, supported by an internal training centre

Our Company owns and operates three machine manufacturing facilities in India, with a total area of about 180,000 square meters, and a total built up area of over 112,000 square meters, in addition to a manufacturing facility in USA. We also own and operate the TTRC, in connection with the woven plastic processing industry, the first-of-its-kind globally (Source: F&S Report) with a constructed area of over 7,300 square meters. In addition, we have set up a manufacturing technology training centre with a constructed area of over 3,000 square metres, as well as a research and development centre that is spread over 6,000 square meters of constructed area.

The following table sets out certain information regarding our manufacturing facilities:

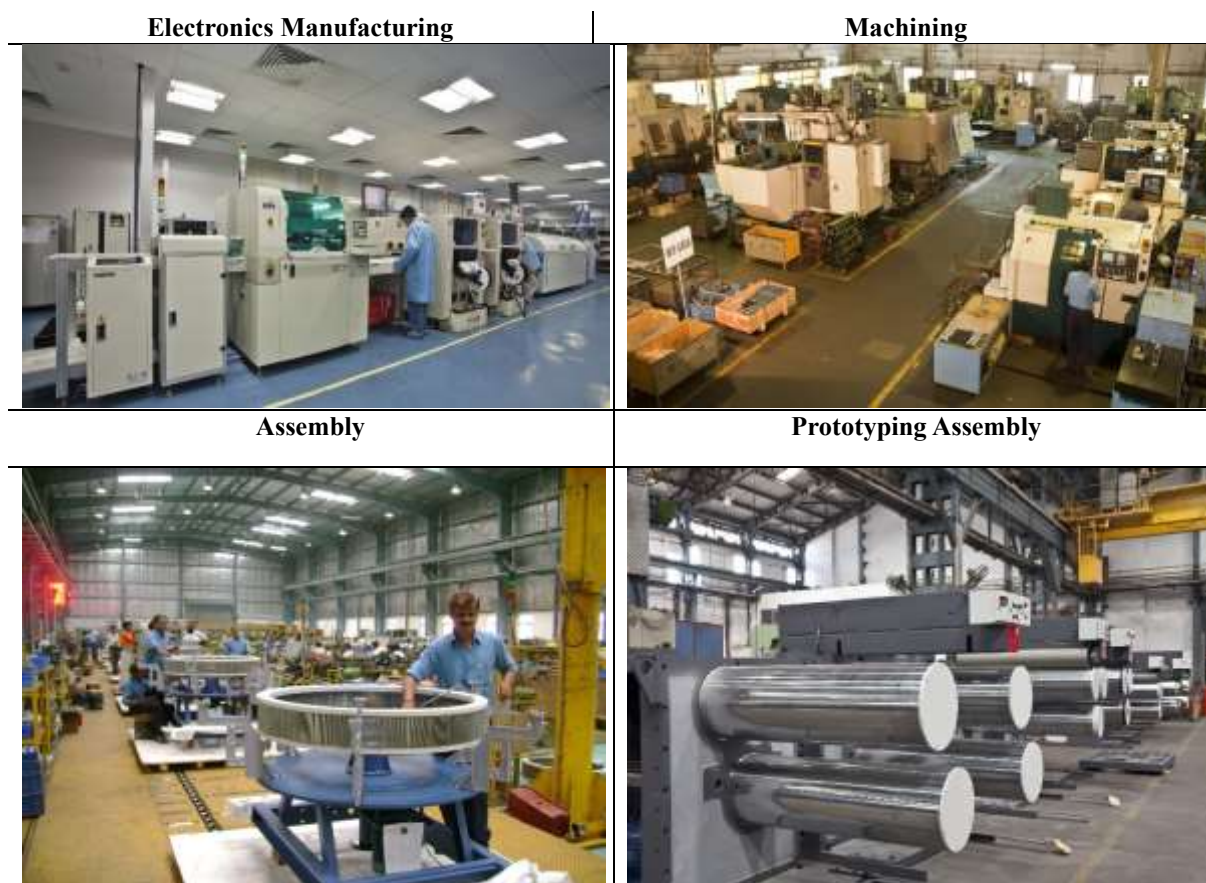
Name / Location	Area (square meters)	Products manufactured / Services provided
Manufacturing facilities		
Chaubepur, Kanpur, Uttar Pradesh, India	126,000	<ul style="list-style-type: none"> - Tape extrusion lines - Winders - Coating and lamination lines - Conversion machines - Multifilament spin-draw-wind lines
Panki Industrial Estate, Kanpur, Uttar Pradesh, India (including Lohia Packaging Solution)	48,000	<ul style="list-style-type: none"> - Circular looms - Plastic woven fabric/sacks and FIBC
Peenya Industrial Area, Bengaluru, Karnataka, India	9,000	<ul style="list-style-type: none"> - Conversion machines - Circular looms - Printing machine
Burlington, North Carolina, USA	5,217	<ul style="list-style-type: none"> - Winders - Rewinders

We provide comprehensive solutions and manufacture quality, technologically advanced machinery and equipment for the technical textiles industry. Our backward integration capabilities reduce our dependence on external supply of parts and components for machine manufacturing and support services and enables maintenance of quality control required to service global and national technical textile players. We design and manufacture inverters, customized machine controllers and motors along with other products for our circular weaving machine and winders. We operate our own surface mount technology manufacturing line for printed circuit board assembly and testing. Through these processes, we have manufactured more than 90,000 inverters, 29,000 controllers and 97,000 motors in Fiscal 2022, which are used in our own machinery either as original part or as spare parts. We also have a sheet metal fabrication shop in-house, which caters to all our requirements for sheet metal parts in our machines. In addition, we have 100 computer numerical control (“CNC”) machines produced by international suppliers. These CNC machines manufacture high-precision parts that are required in our machines. To ensure strict adherence to specifications in parts manufactured by the CNC machines, we also have a 3D coordinate measuring machine (“CMM”) from a global internal precision-equipment supplier. Electrical parts like inverters and printed circuit boards (“PCB”) required in our products can also be produced in-house, since we have procured imported electric parts manufacturing equipment. This is further aided by the electrical assembly shops set up at each of our manufacturing facilities, where electrical panels for our machines can be assembled.

We have attempted to integrate other steps of our manufacturing process as well, and through our plating shops, moulding shops, assembly and testing shops and paint shops, each located within our manufacturing facilities, we have been able to minimize our dependence on external service providers in our manufacturing process. Within our focus area of technical textiles, we also have a well-diversified product portfolio that contributes towards our revenue from operations. Over the years, we have evolved from a manufacturer of circular looms to a provider of end-to-end solutions ranging from prototyping, development, machining, assembly, testing, training and after-sales service, becoming an integral part of our customers’ supply chains. For information regarding the manufacturing process of Raffia bags, see “*Industry Overview*” and “*-Business Operations – Manufacturing Process*” on pages 131 and 188, respectively.

Our Company added recycling machines to our product portfolio in 2019 and have established Lohia Global Solutions in 2020, which endeavours to be a one-stop solution for all spare parts and accessories requirements for machinery and equipment operating in the Raffia industry. For information on the registered capacity of our manufacturing facilities, see “*- Registered Capacity and Capacity Utilization*” on page 197.

Our manufacturing facilities include customer demonstration centres, prototyping, development and research centres, electrical and electronics manufacturing capabilities, fabrication and sheet metal manufacturing capabilities, machining, plating, assembly and testing, paint and injection molding and PU component manufacturing capabilities. For further information, see “*—Manufacturing Facilities*” on page 181.



We have continually, and intend to focus, on manufacturing efficiencies and cost competitiveness by increasing automation, reducing waste, reducing our costs and increasing our productivity. In Fiscal 2020, 2021 and 2022, our capital expenditure on our manufacturing facilities was ₹ 1,448.04 million, ₹ 1,702.35 million and ₹ 1,533.89 million, respectively, and accounted for 13.35%, 12.76% and 7.66% of our total revenue from operations in such periods.

Our Company has leveraged the digital wave of manufacturing and a range of modern technology is utilised across our manufacturing, supply-chain, sales, marketing and other key verticals. For further information, see “- *Technology-driven operations with a strong focus on innovation-led research and development*” on page 182.

In order to cater to workforce requirements at our manufacturing facilities, we own and operate the MTTC, located in Kanpur, Uttar Pradesh. The MTTC offers training courses in collaboration with under collaboration with a leading technical training foundation in Bengaluru, such as courses on assembly fitter, precision machinist, electrical assembly fitter, sheet metal fabrication, to produce master technicians with different skill sets. The MTTC is aimed at generating skilled manpower, which we are able to leverage for our internal requirements. Accordingly, through the MTTC we provide in-house training for internal technical staff, as well as new recruits in the area of machine building.

Technology-driven operations with a strong focus on quality, innovation-led research and development, leading to products that cater to dynamic market requirements

We leverage technology to drive our business operations. We are a technology-driven company with a strong focus on quality, product designing and new product development that has allowed us to develop products suited to ever-changing market requirements. (Source: F&S Report) Our Company commenced machine manufacturing under technical collaborations with leading European manufacturers of such machines. We have developed in-house capabilities to deliver evolving technologies, and continue to invest in research and development. Our in-house development focusses on innovation and meeting emerging customer needs and we continuously aim to develop and improve digitisation of our machinery with Industrial IoT.

Our aggregate expenditure on R&D amounted to ₹ 685.07 million, ₹ 286.43 million and ₹ 337.39 million in Fiscal Years 2020, 2021 and 2022, respectively, and constituted 6.32%, 2.15% and 1.51% of our revenue from operations

for the corresponding periods. As at March 31, 2022, we had 152 on-roll employees engaged in R&D activities, representing approximately 7% of our total on-roll manpower. Our historical focus on R&D is evident from our innovative technologies. In 2008, we introduced a double stage stretching ‘duotec’ technology globally. In 2010, we introduced Loom Nova 6 with 1,100 ppm weft insertion speed, becoming the first company to do so. We were the first to launch a valve-making machine for pillow type valve bags, ‘Valvomatic’, for the cement industry in 2013. We endeavour to launch new and advanced products and have introduced many new machines in the last 10 years, including Blokomatic, a Valve Bottomer Machine with a production capacity of 120 bags per minute. The Blokomatic is engineered with the iFit fabric inspection system, with a high level of intelligence for conversion of PP coated/ laminated woven fabric into adhesive-free block bottom valve bags. This enables it to detect any fabric defects and eject it immediately after cutting, resulting in uninterrupted production, savings on material costs and higher efficiencies. Our installation and training process is also designed to commission the machines in under two weeks, with dedicated support by our engineers. Our LOFIL range of spin-draw-wind lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications and we have recently introduced the LOFIL 160 Duos. We have developed our own printing machine, Prismaflex, for tubular fabric printing with a maximum line speed of up to 140 mpm, with six printing units. We have developed our own high performance screen-changer ‘RACE’ for tapeline machines, which enables processing of up to 100% recycled material instead of more expensive virgin grades. We have developed our patented hot air trapping device for tapelines which allows for energy saving at the extruder heating and was awarded with the National Innovation Award in the category of Machinery Innovation.

We have, through the years, established and refined our agile assembly, configuration and test processes to maintain our quality level and delivery timing. We have been the pioneers of certain technology now utilised in the Raffia industry and have been granted certain patents in connection with such technology. With continuous investments to upgrade our in-house manufacturing capabilities together with our state-of-the-art research and development facility, we have continued to introduce advanced machinery and equipment for extrusion and winding technologies, weaving and products such as machinery and equipment for lamination and coating, conversion and PP multifilament extrusion lines.

Our continuous efforts at innovation have resulted in the development of new technologies for new and improved products and the new and improved process related thereto. The innovations that have been developed by our Company have been protected by patents or designs over the years under the Indian intellectual property law regime to secure exclusive rights in order to gain an edge over competitors, which helps our business grow further and augment our market position. We are committed to create new and useful innovations through our research and development initiatives to leverage best-in-class technology that positively impact our business globally by providing high-quality machines and other innovative products at competitive prices.

As part of our research and development initiatives, we operate our research and development facility, Hargovind Bajaj R&D Centre (“HBRDC”). Constructed over an area of approximately 6,000 square meters, HBRDC seamlessly integrates mechanical design, polymer processing, textile engineering and automation. It also conducts applied research projects for development with raw material manufacturing companies. As of March 31, 2022, we engaged over 152 qualified personnel as part of the HBRDC.

As part of our focus on innovation, we had developed Lohia IoT Gateway hardware, which is being deployed in our computerised tapeline and Blokomatic machines since 2022 to make them IoT enabled. The Lohia IoT Gateway is compatible with our older machines as well and can be upgraded to machines delivered since 2011. With this upgrade, all data is fetched at rates of up to 100 values per second, including sensor, input, output and inverter data, amongst others. Our customers can stream data to a cloud server or in local customer network, and view the data using our Lohia IoT mobile application. The IoT system works without a centralized server, which also significantly reduces hardware and maintenance costs of our system, compared to open-market systems. (Source: F&S Report)

We have also established Lohia Packaging Solutions in 2020 as a ‘live experience centre’ for prospective customers to learn and interact with the latest technology for Raffia production. Our efforts at innovation and quality have been recognized by industry organisations and the government, and we have received recognition for ‘Excellence in Export of High-Technology Products – Large Enterprises’ at the Engineering Export Promotion Council of India (“EEPC”) Northern Region Awards for 2017 – 2018. We have also been bestowed with the Star Performer Award: ‘Miscellaneous Special Purpose Machinery and Parts- Large Enterprises’ by the EEPC for the years 2008- 2009, 2009 - 2010, 2016 – 2017, 2021 – 2022. We have been recognized by the erstwhile Central Institute of Plastics Engineering and Technology (now, the Central Institute of Petrochemicals Engineering and Technology (CIPET)) for our innovation of energy efficient heating system for tapeline machines, for 2011 –

2012. In addition, we have been presented the Best Plastic and Polymer Brand Award at the Economic Times Polymers Awards, 2020 and 2022.

Customer-centric operations, with an extensive global sales and distribution network and a pioneering industry development training ecosystem

We have a customer base in more than 90 countries, as of March 31, 2022, through our selling agents. Our network in these locations allows us to service and grow in these markets efficiently. In addition to our domestic sales, since our first export in 1989, we have significantly increased our geographical footprint in recent years by focusing on certain emerging markets such as Asia Pacific, MENA, CIS and Sub Saharan Africa. The following map shows our worldwide presence:



(As of March 31, 2022. Map not to scale.)

We have been able to create a global footprint in terms of customers, and our top 10 overseas customers in Fiscal 2022, are located in Brazil, Turkey, Indonesia, Hong Kong, Bangladesh, Tanzania and Saudi Arabia. For a breakdown of our income from exports based on region, see “-Business Development and Sales” on page 199. Owing to our geographical diversification, we are not dependent on any single geographical market.

Our top 10 customers contributed 11.93%, 11.52% and 10.28% of our revenue from operations in Fiscal 2020, 2021 and 2022, respectively, which reflects non-dependence on a single set of customers.

We have four sales offices in India and one corporate office, which also performs sales and marketing functions in India. The locations of our sales offices are determined based on geographical proximity to our key markets. In addition, as of March 31, 2022, we also have international offices located in Brazil, Russia, Thailand, UAE and USA. We also engage 22 exclusive sales agents, as of March 31, 2022, in our major overseas markets in Latin America, Brazil, MENA, CIS, Bangladesh, ASEAN countries. Further, we have service engineers stationed at offices in India as well as overseas, in 11 countries such as Turkey Brazil, Mexico, Kenya and Dubai. These local engineers provide support in erection and commissioning of machinery and provide after-sales services in their respective regions. Given our extensive sales and distribution network, we are able to export our products and provide after sales services to a wide market. Our revenue from exports in Fiscal 2020, 2021 and 2022 amounted to ₹ 4,889.46 million, ₹ 4,147.85 million and ₹ 5,484.71 million, respectively, and accounted for 45.08%, 31.10% and 24.51% of our total revenue from operations in such periods.

Through our global network, we have long-term relationships with global technical textile players in the Raffia industry. As of March 31, 2022, our customer base comprises over 2,000 customers in over 90 countries globally. Our Company has supplied machines to most of the leading names in the Indian Raffia industry, with many of whom our Company has had a business relationship for over 15 years. Globally as well, some of the major Raffia industry players have machines exported by our Company. We have the ability to develop various processes and solutions, to meet their product requirements and specifications, as well as to cross sell multiple products and thereby increase our wallet share with our customers.

With our track record and wide portfolio, we have been able to retain our existing customers. The strength of our customer relationships is evident from the prolonged period of association with our existing customers and their reliance on our products. In Fiscal 2020, 2021 and 2022, 51.43%, 65.85% and 66.20% respectively, of our tape extrusion lines sold in the corresponding periods were to existing customers.

We believe we have been able to grow our network through our various industry associations and memberships including with the Federation of Indian Export Organisations, All India Flat Tape Manufacturers Association, Indian Technical Textile Association, Engineering Export Promotion Council of India, Federation of Indian Chambers of Commerce and Industry, Plastics Machinery Manufacturers Association of India, Flexible Intermediate Bulk Container Association.

As an extension of our customer-centric approach, we have attempted to address the market requirement for skilled operators, technicians and supervisors through the TTRC. Located in Kanpur, Uttar Pradesh, and owned and operated by us, the TTRC is the first-of-its-kind globally for the woven plastic processing industry (*Source: F&S Report*) and supports the Raffia industry by providing skilled and trained manpower. We offer structured training for operators and supervisors, customized training for individuals, working personnel, new entrepreneurs with well-equipped hostels on-site for trainees, as well as training for technicians from foreign customers. We have entered into a memorandum of understanding with the Central Institute of Petrochemicals Engineering and government polytechnic colleges to facilitate our trainings. For further information, see “—Training Centres” on page 196.

Consistent track record of growth, with healthy financial performance

Our revenue from operations have grown at a CAGR of 43.63% between Fiscal 2020 and Fiscal 2022, while our EBITDA has grown at a CAGR of 63.86% in the same period.

The following table sets forth certain key performance indicators for the periods indicated, on a consolidated basis:

(in ₹ million, other than ratios and percentages)

Key Financial Indicators	Fiscal		
	2020	2021	2022
Revenue from Operations*	10,845.65	13,337.86	22,374.80
Gross Profit ⁽¹⁾	4,692.05	5,415.57	7,217.30
Gross Margin ⁽²⁾	43.26%	40.60%	32.26%
EBITDA ⁽³⁾	871.24	1,947.42	2,349.01
EBITDA Margin ⁽⁴⁾	8.03%	14.60%	10.50%
Restated Profit After Tax for the Year	389.31	1,207.84	1,593.77
Restated Profit After Tax for the Year Margin ⁽⁵⁾	3.59%	9.06%	7.12%
Net cash flows generated from operating activities	888.64	4,002.78	1,245.37
ROE ⁽⁶⁾	7.40%	22.33%	30.34%
ROCE ⁽⁷⁾	6.94%	24.47%	25.62%
Net Debt	738.20	(680.18)	1,134.61
Net Debt / Net Cash	1.67	(2.41)	9.62
Net Debt/ Equity	14.00%	(12.61)%	23.08%
Net Debt/ EBITDA	0.85	(0.35)	0.48
Export contribution	45.08%	31.10%	24.51%
Research and development expense	685.07	286.43	337.39

Note:

- (1) Gross Profit is calculated as revenues from operations less cost of goods sold.
- (2) Gross Margin is calculated as gross profit divided by revenues from operations.
- (3) EBITDA is calculated as profit after tax for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
- (4) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (5) PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.
- (6) ROE is calculated as restated profit after tax for the year/ period divided by average total equity.
- (7) ROCE is calculated as EBIT divided by capital employed, which is total equity plus total debt.

* Sale of material (metals) to vendor is at cost. Sale to vendors included in revenue from operations in Fiscal 2020, 2021 and 2022 was ₹ 256.03 million, ₹ 335.74 million and ₹ 1,066.77 million, respectively.

** Net tangible assets of the Company as at 31.03.2022 include 'Investment Properties' of ₹1,068.99 million which the Board of Directors of the Company has decided to disinvest.

We have consistently generated positive cash flows from our operating activities and were ₹ 888.84 million, ₹ 4,002.78 million and ₹ 1,245.37 million in Fiscal 2020, 2021 and 2022, respectively. Further, our diversified products and customer base over the years, backed by our manufacturing capabilities, has led to our order book growing from ₹ 4,369.30 million as of March 31, 2020 to ₹ 16,862.06 million as of March 31, 2022. We believe that our balance sheet position, healthy order book, and consistent operating cash flows will enable us to pursue

our growth opportunities and also fund our strategic initiatives. We expect that our operational and financial performance will allow us to capitalize on the tailwinds in the industry in which we operate.

Skilled and experienced management team with committed employee base

We possess a qualified senior management team with considerable industry experience. Our Chairman and Managing Director, Raj Kumar Lohia, has over 40 years of experience in the technical, textile and Raffia industries. Our COO, Gaurav Lohia, has more than 15 years of experience in the field of technology and manufacturing. Further, certain of our Whole-time Directors have dedicated execution roles, and are responsible for the key functions of manufacturing, sales and marketing, among others.

Our Key Managerial Personnel have significant expertise in areas of finance, manufacturing and sales, which positions us well to capitalize on future growth opportunities. The heads of functional groups, such as operations, finance, manufacturing and sales, enhance the quality of our management with their specific and extensive industry experience. Further, our Chief Strategy and Planning Officer, Amit Kumar Lohia, has been critical in exploring growth opportunities and enabling the expansion of our operations. Our Chief Financial Officer, K.G. Gupta, has over 29 years of experience with our Company in financial, legal and secretarial matters.

Our management and technical personnel are supported by other skilled workers who benefit from regular in-house and onsite training initiatives. As on March 31, 2022, we had 2,259 employees. The current average employee tenure with our Company is over 11 years. Our attrition rate (calculated as a percentage of total manpower strength) was 7.27%, 7.46% and 10.93% respectively, in 2019, 2020 and 2021, respectively. We have implemented stringent recruitment policies and hire individuals with engineering or management qualifications. We also incentivize our employee base through various performance-linked incentives and intend to continue doing so through our employee stock ownership plan.

The quality of our management team is enhanced with specific yet extensive industry experience. We believe that the experience, depth and diversity of our directors and management team have enabled our Company to be recognized as a leading manufacturer of machinery for technical textiles in India and abroad. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences through innovation and research. Our management team, with extensive experience in the manufacturing industry, positions us well to capitalize on future growth opportunities. For further information, see “*Our Management*” on page 235.

Business Strategies

Increase our market share internationally by leveraging our export channels

Globally, the market for plastic woven fabric machines was estimated to be US\$ 1,380 million in 2021, and is expected to reach US\$ 1,790 million in 2026, at a CAGR of 5.3%. (*Source: F&S Report*) Along with globally established players such as Starlinger & Company, Austria; Windmüller & Hölscher, Germany, we hold a leading position in the manufacture of machines for the Raffia industry in terms of revenue in 2022 (*Source: F&S Report*). We intend to increase our market share in international markets by focussing on increasing our exports, through sales of Block Bottom Conversion machine, lamination, printing and other new product introduction in conversion. We believe that focus on export sales will enable us to improve our margins further.

We further believe that there exist significant opportunities to cross-sell our products and offer the same product to additional locations of our existing customers with the help of our established capabilities and manufacturing, sales and distribution infrastructure. We have multiple such global customers wherein we service their different business divisions, several manufacturing plants in multiple global geographies.

While we have an extensive sales network, we intend to build our physical presence across different geographies for ease of access to our clients and their requirements. For international markets, we are developing warehouses in United Arab Emirates and Panama that will serve as global distribution hubs. We believe our physical presence in these locations will allow us to service and grow in overseas markets more efficiently by becoming a local supplier to global customers. Proximity to new customer groups will provide us with a strategic advantage in ensuring cost effectiveness, quicker delivery and faster turnaround times. Accordingly, we intend to expand our international warehousing and distribution operations, based on demand and delivery logistics in various geographies, to fuel our growth going forward.

Strengthen our position in the conversion and processing machineries segment in India

The Indian market for plastic woven fabric machines amounted to approximately US\$ 248.0 million in Fiscal 2022 and is expected to reach US\$ 462.0 million in Fiscal 2027, at a CAGR of 13.2%. (Source: F&S Report) Increasing investments in infrastructure projects and increasing usage of Raffia bags across different user segments such as food and beverage, chemicals, fertilizers and agriculture will support the machinery market growth from Fiscal 2022 to Fiscal 2027. (Source: F&S Report) While we already have a market share of more than 80% in the machines segment upto the plastic woven fabric stage, in terms of value and volume, we intend to consolidate our position in the domestic market by gaining market share in the processing and conversion machineries segment for the woven plastics processing industry in India, where we currently have approximately 20% to 25% market share. (Source: F&S Report) We intend to leverage our manufacturing infrastructure, extensive domestic footprint and value proposition to penetrate the processing and conversion machineries segment, and entrench our position as the leading manufacturer of machinery and equipment for technical textiles.

Continue to innovate across product categories, catering to wider end-applications

We intend to strengthen our relationships with our existing customers and explore opportunities to grow along the value chain by expanding the array of our existing products and solutions that we supply to our customers across geographies, and to win new customers by developing products and solutions aligned with their needs. As part of our growth strategy, we seek to pursue emerging opportunities in our existing product categories. Currently, our portfolio caters to agro-textiles, building-textiles, geo-textiles, packing-textiles and special purpose end applications that serve different industry sectors. We intend to diversify our product base to cater to other end-use industries as well, such as carpet backing, jute replacement yarn, monofilament, artificial grass, ropes and twines. In addition, we intend to capitalise on opportunities arising owing to change in government regulations, such as limitations on use of single-use plastic and the requirement for suitable alternatives. Through Lohia Global Solutions, we offer a one-stop solution including aftermarket solutions, supply of parts and accessories for machinery operating in the Raffia industry.

Focus on recycling machinery and equipment

We intend to tap into market opportunities in the recycling segment, which we have forayed into in 2019, and focus on innovation in developing new machines. We intend to focus our innovation on optimizing the recycling process for our customers in the Raffia industry. Given the current climate change concerns and the global focus on sustainability, recycling, reusing and repurposing materials like single use, non-biodegradable plastics, this market is relatively untapped and allows for exponential growth. (Source: F&S Report) The recycling market is projected to grow at a CAGR of 20% to 30% over the next five years, (Source: F&S Report), and we intend to grow our recycling machinery and equipment product offerings to cater to this rapidly growing market by developing new machines to enter into the market for post-consumer recycling for non-food grades. We also intend to continue our innovation efforts, particularly in the aspect of developing and digitisation of our machinery and equipment which includes our recycling machine, RECLAMAX. We also intend to optimize the size of RECLAMAX so that small to mid-size customers can reprocess their own production wastage efficiently.

Venture into complimentary strategic businesses

We intend to grow our revenue streams by venturing into manufacture of multi-brand parts, auxiliary equipment and accessories market, including service either through annual maintenance contracts or annuity contracts, spare parts, replacement market, and refurbishment of machines manufactured by us.

Even in the development of new products and their launches, we intend to focus on sustainable growth through a customer-centric approach, improving operational efficiency and enhance value proposition to customers. We intend to supply parts and accessories to leading global manufacturers of woven plastic machineries and other spare parts of machineries from adjacent industries.

Continue to focus on improving operational efficiencies

Our operational efficiencies have been established and refined over the years through an emphasis on economies of scale, leveraging our operating experience, cost rationalisation, our sales and after-sales-service network. We intend to further leverage technology to effectively utilise our machinery and equipment through implementing several transformational initiatives. For example, we have established the Lohia Excel and Accelerate Program (“LEAP”), where, together with a leading consultancy firm of international repute, we intend to implement strategic end-to-end margin transformation programmes. We expect LEAP to assist with increasing our margins

through optimisation of material cost, manufacturing and supply chain and other indirect costs by contributing to design, sourcing and supply chain work streams.

We intend to explore and adopt efficiency enhancement and automation tools. We undertake and foster data analytics and data-based decision making. We have recently implemented a customer relationship management platform to improve our customer relationship management strategy; stock process automation using our warehouse operations automation software; human resource management system, as well as other automation efforts like robotics process automation, vendor and intranet portals, and business intelligence software. We believe that these efforts will enable us to further improve our operational efficiencies.

Augment our scale of operations through selective strategic acquisitions and technical alliances

We intend to augment our scale of operations through inorganic expansion strategies, including selectively evaluating targets for strategic mergers, acquisitions and investments, joint ventures and technical alliances, in order to consolidate our position as an integrated, one-stop-shop manufacturer of machinery and equipment for production of technical textiles. The aim behind such inorganic expansion is to strengthen our product platform and customer portfolio. In 2021, we have acquired lamination / coating machines business for woven fabric from Sundarlam Industries, Bengaluru and incorporated Sundarlam Industries Private Limited, in which our Company has 80% stake. We expect that the acquisition will bring about synergies in the business for woven plastic industry with more focus on machines for the post-fabric making stage. The acquisition of lamination/ coating machine business for woven fabric from Sundarlam Industries has enabled us to enter the segment of medium-speed lower-priced machines that are required for certain market segments where highly automated high-speed machines otherwise manufactured by our Company are not utilised.

We intend to broaden our focus in technical textiles beyond the Raffia industry. We have in the past benefited from our acquisition of Leeson Corp in USA, in 2019. We have been able to leverage Leeson's reputation for excellence and their record of reliable performance, along with their product portfolio and specialization in the technical textile industry, to complement our business verticals and operations.

We intend to focus on acquiring businesses with high growth and performance potential, along with their existing customer relationships and product and process competencies, and integrate and grow their businesses through enhanced quality and delivery parameters, technical and manufacturing support, integration of IT and IIOT systems, coupled with our management know-how and experience. While we will also evaluate any opportunistic acquisitions that are viable, our primary strategy is to focus on identifying financially stable and performing assets for acquisition.

Our senior management, along with a dedicated team that evaluates potential opportunities, and assists us in evaluating each potential acquisition in determining how their business model or solution will integrate with our existing product portfolio, and how both the companies can mutually benefit from such potential investments or acquisitions. We believe that we have been successful in acquiring and integrating overseas assets and ventures in the past and will continue to benefit from such initiatives, thereby expanding our product portfolio, market share, customer base and geographical footprint.

BUSINESS OPERATIONS

Manufacturing Process

Our process for manufacturing machines starts after our marketing department finalizes the machine dispatch schedule with the customer. Thereafter, the material requirements planning is calculated through SAP, following which the parts delivery schedule is sent to relevant suppliers and in-house manufacturing shops.

The manufacturing process consists of:

- **Assembly Shops** – We have modern and independent assembly shops for each product line within each of our manufacturing plants. We assemble our looms in continuously running, flat, conveyor-like assembly lines, with modern assembly tools. Our winders are assembled on slat conveyor-like assembly lines. Each assembly shop focuses on minimizing the non-value added activities by providing modern material handling equipment. In assembly shops, components/ parts are progressively added in a sequential manner using planned logistics to create a sub-assembly, assembly or a unit of a machine at various workstations. After assembly of each machine or machine unit, we perform a dry test to check the quality of assembly and

thereafter pass it on for further quality inspections prior to dispatch.

- Production shops – Our production facilities are equipped with high precision machine tools and manned by a team of qualified and experienced engineers and technicians. Production lines and their process are briefly described as below:
 - (i) *Fabrication shop* – Our fabrication shop has multiple welding machines, welding fixtures and CNC machines to make structures precise and in line with the accuracy required. Structural steel and sheet metal are the usual starting materials for fabrication, along with welding wire, flux, and fasteners that join the cut pieces. After surface grinding, vertical milling (which creates holes in flat parts), horizontal machining (which relies on rotary cutters to remove metal from a workpiece), machining and surface treatment, fabricated parts / assemblies are used in the production of machines.
 - (ii) *Sheet metal shop* – Our sheet metal shop is equipped with facilities and machines like laser and plasma cutting machines, punching machines and hydraulic presses. Critical components of different thickness and dimensions are produced from steel sheets of differing thickness. These sheet metal parts are used for production of machines after surface treatment and painting. Once parts are manufactured at the sheet metal shop, the quality team checks their suitability and sends these ahead to other departments.
 - (iii) *Machine shop and CNC shop* - Various facilities including CNC turning centres, turn mill centres, horizontal and vertical machining centres, along with general-purpose machines like lathes, milling machines, surface and cylindrical grinding machines, are available in the machine and CNC shop. Each machine is equipped with dedicated tools and fixtures to manufacture parts with high accuracy. We produce most critical machined parts for our machines in-house. Bigger parts are manufactured at the machine shop and critical small parts are manufactured at the CNC shop. After completing all machining operations, components move to finishing operations like deburring or polishing. Once all operation completed in part, parts undergo quality inspection, and thereafter, to the next operation, being the plating shop or assembly shop.
 - (iv) *Surface treatment / Paint shop* – A number of components are surface treated before they are used in the assembly of machines with a view to improve appearance, corrosion resistance, tarnish resistance, chemical resistance and wear resistance. We have facilities for powder coating and liquid painting for parts requiring such paint. For parts that require electroplating, we have facilities for hard chrome plating, hard anodizing, zinc plating, black-o-dising and electro-less nickel plating. Once parts are received from the sheet metal shop, fabrication or machine and CNC shops, these are processed for surface treatment. After treatment/plating, these are offered for inspection and the suitable parts move to the relevant assembly shops.
 - (v) *Electrical and electronic shop* – We produce electrical panels in-house for all our machines. A number of electrical and electronic components, assemblies, panel and wiring harness are used in the production of machines. Our Company has facilities for production of electronic components, which uses surface mounting technology.
 - (vi) *Polyurethane shop* – A number of rollers are used in the production of looms and other machines which are critical to the functioning and output of the machines. We have facilities to provide bonding of polymer coating over the rollers, which improves tensile strength, abrasion and cutting resistance of the components.
 - (vii) *Plastic moulding Shop* – Multiple plastic parts are used in the production of looms and winders. Our Company has injection moulding machines of different capacities to manufacture components with fine dimensions for captive consumption. Injection moulding is the process of heating a material such as plastic to its melting temperature and then injecting it into a mould, typically with a hydraulic machine. The material is cured and can be taken out of the mold. Injection moulding allows complex parts to be made efficiently.
 - (viii) *Storage and issue of machine parts* - Our store consists of modern vertical part storage management systems for storing of parts. These vertical storage systems are centrally connected through SAP in order to ensure appropriate inventory levels in each plant. Semi-finished parts and raw materials are issued to processing shops and finished parts are issued to the assembly shop as per requirements of production orders.

- (ix) *Packing and dispatch* - After quality clearance, assembled machines are packed and then dispatched to customers after invoicing.

Products and Solutions

Tape extrusion lines



Also referred to as 'tape stretching lines', tape extrusion lines are used for producing PP/HDPE tapes. These are manufactured using modular construction principles, which offers flexibility for tailored adaptation, including future expansion requirements. Our tape extrusion lines are available in three distinct series – 'LOREX', 'duotec' and 'CoEx'. The LOREX series is based on the conventional single stage stretching system while the duotec series uses a unique double stage stretching system. CoEx involves the production of composite multilayer laminar structured slit film tapes by feeding two melt streams from two different extruders to a feed block where they merge into a single laminar structure. Our tape extrusion lines have melt capacity of 260 – 900 kg per hour.

Tape winders



Precision and step precision winding machines are used for winding flat or fibrillated PP/HDPE tapes across multiple specifications in terms of tape width and denier. Warp and weft bobbins produced through our winders can be used in both circular and flat looms. The winders are classified under three distinct series – 'CM/FM', 'CE/FE' and 'autoroto' series. In our CM/FM series, each spindle is driven by an AC motor with individual frequency inverter. The drive transmission for traverse mechanism is through timing belts and pulleys. The CE/FR series of step precision winders are equipped with electronic gearing between the metallic traverse cam and the spindle. This allows for a dynamic change of gear ratio (winding ratio) depending on bobbin diameter. We also manufacture heavy duty precision step winders, which are used for winding of fibrillated tapes, technical/coated/stretched yarns. The autoroto series is used for producing quality bobbins of flat/fibrillated tapes. Designed to meet the stringent demands of efficient and cost effective winding, the technology in autoroto enables automatic changeover from full package to empty bobbin, including tape transfer. The autoroto machines have

equal length of tape in all bobbins, with the length of tape on bobbin or diameter of the bobbin being adjustable. Our tape winders have speeds of up to 600 meters per minute.

Circular looms



We manufacture a comprehensive range of circular looms for weaving light to heavy weight tubular or flat PP/HDPE fabrics for a wide variety of end applications. Our looms range from four shuttle for open mesh (leno weave) packaging fabric for fruits and vegetable packaging, six shuttle for a range of packaging applications such as cement, fertilizer, polymer granules, chemicals, grains, animal feed, seeds and husk; to eight and 10 shuttle for the production of wide width fabric for jumbo bags (FIBCs), tarpaulin and geo and agro textiles. Our looms are available under four distinct machine models: 'nova', 'LSL', 'LENO' and 'venti'. While our LSL models represent conventional circular looms for weaving tubular or flat fabric from PP/HDPE tapes, under the nova series, the tension of warp tapes is regulated by load cell controlled positive warp in-feed system which controls the speed of the inlet rollers during weaving as per set tension. The fabric roll winder also has a load cell assisted drive to ensure uniform winding tension of the fabric throughout the build. Our LENO shuttle loom provides high quality open mesh, known as leno weave, for the packaging of perishables. Our venti circular looms are designed to weave ventilated fabric, offering air permeability, which can be used in packaging of perishable goods, as well as firewood and in sludge disposal. The weaving width of our machines ranges from 25 to 250 centimetres.

Extrusion coating and lamination machines



Our extrusion coating and lamination machines, through the 'lamicoat' series, are designed for efficient and

precise coating operations on tubular or flat PP/HDPE woven fabric. These machines are capable of both PP and LDPE polymer coating, and can simultaneously coat both sides of tubular fabric, in a single operation. Coupling of an unwinding station to the standard machine, for additional substrates like BOPP film, among others, for lamination operations, is also possible. Our extrusion coating machines provide coating adhesion and uniform coating thickness. The working width of our extrusion coating machines are of 1,600 millimeters, 2,500 millimeters and 4,000 millimeters.

Printing machines



Our printing machine, the '*soloprint*', is a flexographic colour printing press equipped with new generation electronics, with good print registration, low ink consumption, consistent print quality and low maintenance cost. It is available in four or six colour options for tubular or flat PP/HDPE woven fabrics, and has speeds of up to 150 meters per minute.

Conversion machines



Our conversion machines comprise bag conversion lines and FIBC conversion machines.

Our bag conversion line consist of machines that provide solutions for conversion of a wide variety of tubular fabrics into bags. Our bag conversion line includes five distinct machines – "*bcs*", "*bcs-liner*", "*valvomatic*", "*blokomatic*", and "*LM 650*". Different technology is incorporated for the production of bags, depending on their end use as well as on the type of fabric, such as conventional sacks, side-stitched valve bags and valve bottomer bags.

We manufacture a complete range of customizable machines for FIBC finishing and related application. Our FIBC conversion machines include fabric cutting machines, webbing and belt cutting machines, baffle panel/profile/hole cutting machines, bag cleaning machines and hydraulic bale press.

Multifilament spin-draw-wind lines



Our 'LOFIL' range of spin-draw-wind lines for PP multifilament yarn offer compact and flexible solutions for multiple applications. These machines are capable of producing medium to high tenacity air intermingled yarns for sewing threads in woven sacks and FIBCs, webbings and slings, braids and ropes and a variety of technical textiles.

Recycling machine



Our recycling machine, the 'RECLAMAX', is a single-step recycling technology converting post-industrial recyclable waste materials like woven Raffia bags, tapes, jumbo bags, FIBC, fabrics, start-up small lumps, slit film tapes, loom waste, coated or laminated bag and fabric, PP straps into consistent recycled pellets.



Pursuant to our acquisition of Leeson Corp, we have acquired machinery for the manufacture of high performance fibres, such as high speed take-up machine for speeds up to 3200 MPM and take-up machines for all acetate applications.

The table below sets forth the breakdown of our income from the sale of our key product categories, and as a percentage of our revenue from operations for the periods indicated:

Product	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Sale (in ₹ million)	As a % of revenue from operations (%)	Sale (in ₹ million)	As a % of revenue from operations (%)	Sale (in ₹ million)	As a % of revenue from operations (%)
Tape extrusion lines	2,292.37	21.14%	2,675.06	20.06%	4,892.02	21.86%
Tape winders	957.54	8.83%	1,070.47	8.03%	1,906.31	8.52%
Circular looms	3,988.25	36.77%	4,805.35	36.03%	8,431.86	37.68%
Other machines and equipment	816.47	7.53%	1,289.87	9.67%	1,327.29	5.93%

Manufacturing, Warehousing, Distribution and Training Facilities

Manufacturing Facilities

We have focused on optimising our manufacturing systems and processes, with a belief in adhering to global standards. Accordingly, our manufacturing facilities have been certified for conforming to and applying international standards of quality management systems and we have comprehensive testing and quality control infrastructure. Our manufacturing facilities are located in (i) Chaubepur, Kanpur, Uttar Pradesh, India (ii) Panki Industrial Estate, Kanpur, Uttar Pradesh, India, (iii) Peenya Industrial Area, Bengaluru, Karnataka, and (iv) Burlington, North Carolina, USA. Our manufacturing units obtain power supply from state electricity sources, backed by stand-by arrangement of power supply from DG Sets.





Chaubepur, Kanpur, Uttar Pradesh

Our manufacturing facility in Chaubepur, in the city of Kanpur in the state of Uttar Pradesh in India, is situated on property owned by us and covers an aggregate area of approximately 126,000 square meters. Our ISO 9001:2015 certified facility in Chaubepur manufactures tape extrusion lines, winders, coating and lamination lines, conversion machines and multifilament spin-draw-wind lines.

Panki Industrial Estate, Kanpur, Uttar Pradesh

Our manufacturing facility in the Panki Industrial Estate, in the city of Kanpur in the state of Uttar Pradesh in India, is situated on property leased by us for a period upto 90 years and covers an aggregate area of approximately 48,000 square meters. Our ISO 9001:2015 certified facility in Panki Industrial Estate manufactures circular looms and FIBC.

Our manufacturing facilities at Chaubepur and Panki Industrial Estate have five machine shops, each of which produces a specific high-precision machine part required for our machines. We procure computerized numerical control (“CNC”) machines for these machine shops from across the world, and have a variety of CNC machines such as cylindrical and surface grinders, CNC turning machines, turnmill and special purpose machines. To achieve accuracy in our parts, which is critical for the performance of our machines, we use advanced cutting tools. Further, our machines are equipped with in-process positioning and gauging systems to produce high accuracy parts and control critical dimensions during machining operations.

Peenya Industrial Area, Bengaluru, Karnataka

Our manufacturing facility in the Peenya Industrial Area, in the city of Bengaluru in the state of Karnataka in India, is situated on property leased by us for a period of three years and covers an aggregate area of approximately 9,000 square meters. Our facility in Peenya Industrial Area manufactures conversion machines, circular looms and printing machines.

Burlington, North Carolina, USA

Pursuant to our acquisition of Leesona Corp in 2019, we have a manufacturing facility in Burlington, North Carolina, USA. The facility is situated on a property spread across 5,217 square metres, which is held on lease. Our facility in North Carolina manufactures winders, re-winders, take-ups and winders for flanged spool and parallel winding.

Warehouses

We have five warehouses in India, located in (i) Kanpur, Uttar Pradesh, (ii) Kolkata, West Bengal, (iii) Bangalore, Karnataka, (iv) Ahmedabad, Gujarat, and (v) Morbi, Gujarat. In addition, we have one warehouse in Dubai, UAE. We use these warehouses to maintain an inventory of spare parts and products that may be required for after sales services or parts replacements in our machines.

Training Centres

TTRC



The TTRC is the first-of-its-kind globally for the woven plastic processing industry (*Source: F&S Report*) and supports the Raffia industry by providing skilled and trained manpower. It was established in 2012 and is spread over approximately 40,000 square meters of land in Kanpur, Uttar Pradesh, with a constructed area of over 7,300 square metres. Through the TTRC, we offer structured training for operators and supervisors, customized training for managers, promoters, entrepreneurs well-equipped hostels on-site for trainees, as well as training for technicians from foreign customers.

At the TTRC, we offer: an operator proficiency course, which is 16 weeks long, aimed at creating operator-level competency in operating looms, tape plants, winders, and valvomatic, among others; a supervisor development program of 12 weeks for diploma and engineering graduates who are trained in all disciplines of plastics woven sack manufacturing; a course for training maintenance technicians spanning three months; an onsite-training programme within factories, which typically varies from one week to three weeks; and customized courses based on specific requirements of individuals, working personnel and new entrepreneurs.

TTRC has also been awarded the silver trophy for ‘Best Educational Institution Contributing to Plastics’ at the 8th Plasticon Awards, 2018. We have entered into a memorandum of understanding with the Central Institute of Petrochemicals Engineering and government polytechnic colleges to facilitate our trainings. As of March 31, 2022, we have trained 300 engineers and supervisors, and over 2,500 operators, who have received placement opportunities across Qatar, Jordan, Morocco, Egypt, among others.

MTTC



The MTTC is located in Kanpur, Uttar Pradesh with constructed area of over 3,000 square meters, and is aimed at generating skilled manpower to meet our internal manufacturing requirements. Having commenced operations in 2019, the MTTC offers courses based on German Dual Vocational Education training, which involves a

combination of theoretical and practical learning. At this facility, we provide in-house training, spanning two years, to internal technical staff and new recruits with courses to become an assembly fitter, precision machinist, electrical assembly fitter or for sheet metal fabrication, producing master technicians with different skill sets.

Registered Capacity and Capacity Utilization

We record registered capacity at a consolidated level based on the capacity details that we provide to the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry. These details are not recorded at the level of manufacturing facilities, since different facilities may perform or provide different parts of the value chain for a single machinery, and we also utilise particular facilities depending on factors such as proximity to the customer, specifications of the ordered machinery, among others. While registered capacity and capacity utilization can be calculated for our tape extrusion lines, tape winder and circular looms, it is not meaningful to calculate these for other machines and equipment. We manufacture other machines and equipment, including printing machines, recycling machines, based on orders received. Certain of these orders may require us to outsource parts of the manufacturing and supply chain process to vendors, where we provide purely assembly functions. There may also be varying levels of customisation in these machines. These result in the calculation of installed or registered capacity for other machines and equipment not being meaningful.

The following tables sets forth information relating to the registered capacity, equivalent capacity and capacity utilization of our major products as of, and for, the years ended March 31, 2022, 2021 and 2020:

Product ⁽²⁾	As of March 31,								
	2020			2021			2022		
	Registered Capacity ⁽¹⁾	Annual Actual Production	Capacity Utilization (%)	Registered Capacity ⁽¹⁾	Annual Actual Production	Capacity Utilization (%)	Registered Capacity ⁽¹⁾	Annual Actual Production	Capacity Utilization (%)
Tape extrusion line	180	110	61.11%	180	125	69.44%	240	219	91.25%
Tape winders	36,000	30,068	83.52%	36,000	36,809	102.25%	108,000	64,772	59.97%
Circular looms	6,000	4,350	72.50%	6,000	5,150	85.83%	12,000	8,898	74.15%

Notes:

⁽¹⁾ We determine the registered capacity of our Company, based on the reports that we submit to Secretariat for Industrial Assistance, Ministry of Commerce & Industry. The calculation of registered capacity is based on certain assumptions. Assembling capacities of different machines, availability of covered surface area, capacity of handling equipment and adjusting it for a wide range of actual processes and batch sizes.

⁽²⁾ Other machines and equipment are manufactured based on orders placed, and are vendor and supply-chain based, which could also mean our Company provides a purely assembly function. Accordingly, it is not meaningful to track installed capacity.

Raw Materials

Of our materials procured, 36% of the material is sourced on a “made to drawing” basis, where parts are sourced based on our specifications. 22% of raw materials are “bought out items”, which are standard items that are purchased without customisation, such as ball-bearings and electric motors. Steel is the main raw material required for our manufacturing operations. While we have a diverse portfolio of vendors supplying metals, standard bought-outs, parts and components and are not significantly dependent on any single vendor, our top 10 vendors accounted for 29.93%, 28.22% and 28.82% of our raw materials supplied in Fiscal 2020, 2021 and 2022, respectively. Consumption of steel accounted for ₹ 673.97 million, ₹ 661.64 million and ₹ 1,754.71 million, amounting to 12.27%, 9.73% and 13.02% of our raw material purchases in value terms in Fiscal 2020, 2021 and 2022, respectively. Steel sourced in India accounted for 87.49%, 89.12% and 90.18% of our total steel requirements in Fiscal 2020, 2021 and 2022, respectively, and 12.51%, 10.88% and 9.82% was imported. We use a limited amount of power in our manufacturing operations, which we typically source from state electricity departments.

Inventory Management

Our inventory is stored on-site at our manufacturing facilities. We typically keep up to 0.50 months to three months of inventory including raw materials, work in progress and finished good at our facilities to mitigate the risk of raw material price movements. These inventory levels are planned based on historical trends and expected orders, which are confirmed due to our long-standing relationships with customers. We maintain a lead-time material requirement planning system and utilize our enterprise resource planning system to manage our levels of

inventory on a real-time basis.

Research and Development

As part of our Company ethos, we are continuously developing machineries and related technologies that have subsequently been widely adopted by the industry. Beginning with machinery for synthetic fiber processing, which we introduced in India, we have been building research and development capabilities to offer a complete range of machines required for the Raffia and technical textile industry to produce bags, fabrics, yarns and material for recycling of industrial waste. Through in-house innovations and leveraging of global expertise, we have been offering differentiated and customer centric products such as automatic winders, valvomatic for valved bags. We have also been able to patent technology for products and processes. For instance, we have recently developed 'Smart Jute' bags, which is manufactured from jute filament yarns and other synthetic material like PP, as an alternative to conventional jute bags. Through these bags, we are able to resolve the constraints on jute supply, provide packaging material that is lighter but stronger than conventional jute bags, while conforming to quality specifications, since they contain at least 7% jute, by weight.

Our aggregate expenditure on R&D amounted to ₹ 685.07 million, ₹ 286.43 million and ₹ 337.39 million in Fiscal Years 2020, 2021 and 2022, respectively, and constituted 6.32%, 2.15% and 1.51% of our revenue from operations for the corresponding periods. With continuous investments to upgrade our in-house manufacturing capabilities together with our state-of-the-art research and development facility, we have continued to introduce advanced machinery and equipment for extrusion and winding technologies, weaving and products such as machinery and equipment for lamination and coating, conversion and PP multifilament extrusion lines. Further we have expanded our product range to recycle industrial wastes for reuse in Raffia applications to reduce polymer cost and move towards the goal of a circular economy.

Our innovation has resulted in the development of technology that has been granted protection under the Indian intellectual property law regime. As of March 31, 2022, we have been granted over 26 patents and have applied for 58 patents that are at various stages of approval. Against these Indian patents granted or applications made, we have also made 58 international applications under the PCT, each of which is further extended to specific foreign countries, depending on the relevant level of business interest in the respective countries. Through this process, we have either made applications for, or have already been granted, patents in more than 30 countries. Most of the products developed by us in the last 15 years are using patented technology. We are among the top 50 Indian brands based on PCT filings in the last three years (*Source: F&S Report*).

As part of our research and development initiatives, we operate our research and development facility, HBRDC, in Kanpur. Constructed over an area of approximately 6,000 square meters, HBRDC is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

HBRDC seamlessly integrates mechanical design, polymer processing, textile engineering and automation. It also conducts applied research projects for development with raw material manufacturing companies.



We have been building technological core competencies with functional excellence in mechanical research and development for machine design and overall product integration, electrical and electronics for hardware and software designs, prototyping and process engineering for product testing and polymer processing validation. We

have a comprehensive range of computer-aided digital tools for 3D and 2D designs, transmission gears, electrical wiring, PCB designs and microcontroller programming. We are also building capabilities in computer-aided engineering simulations with software like Altair Hyperworks for design optimisations, reduce physical iterations and building deep tech design capabilities in structural, thermal and computational fluid dynamics.

We focus on value engineering in our research and development as one of the core levers for cost reduction and value maximization. Further, we constantly review our development processes to increase efficiency.

Business Development and Sales

We have a widely entrenched global sales and distribution network across over 90 countries, as of March 31, 2022, through our selling agents. Our network in these locations allows us to service and grow in these markets more efficiently. In addition to our domestic sales, since our first export in 1989, we have significantly increased our geographical footprint in recent years by focusing on certain emerging markets.

Set forth in the table below are details of the region-wise revenue we generate from sale of manufacturing goods and traded goods:

Region	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Revenue (₹ million)	Percentage of revenue from export of manufacturing goods and traded goods (%)	Revenue (₹ million)	Percentage of revenue from export of manufacturing goods and traded goods (%)	Revenue (₹ million)	Percentage of revenue from export of manufacturing goods and traded goods (%)
Africa	1,022.21	21.55%	1,067.90	26.74%	1,441.86	27.33%
Asia Pacific (excluding India and China)	1,810.78	38.18%	1,518.71	38.03%	1,547.68	29.34%
Middle East	1,047.67	22.09%	634.98	15.90%	825.92	15.66%
CIS	350.53	7.39%	304.41	7.62%	420.19	7.96%
Latin America	447.62	9.44%	463.66	11.61%	976.90	18.52%
Europe	63.92	1.35%	3.34	0.08%	62.95	1.19%
Total	4,742.73	100.00%	3,993.00	100.00%	5,275.50	100.00%

We have four sales offices across India, in Ahmedabad, Gujarat, Bengaluru, Karnataka, Kolkata, West Bengal and New Delhi, in addition to our Corporate Office in Kanpur, Uttar Pradesh, which also performs sales and marketing functions. The locations of our sales offices are strategically determined, owing to geographical proximity to our key markets. In addition, as of March 31, 2022, we also have international offices located in Brazil, Russia, Thailand, UAE and United States. We also engage 22 exclusive sales agents, as of March 31, 2022, in our major overseas markets in Latin America, Brazil, MENA, CIS, Bangladesh, ASEAN countries. Further, we conducted sales and other operations in Paraguay through our Subsidiary, Estelar SA, which we propose to sell, owing to commercial considerations.

We have service engineers stationed at branch offices in India as well as overseas, in 11 countries such as Turkey, Brazil, Mexico, Kenya and Dubai. These local engineers provide support in erection and commissioning of machinery and provide after-sales services in their respective regions.

Customers

As of March 31, 2022, our customer base comprises over 2,000 customers in over 90 countries globally. Our Company has supplied machines to most of the leading names in the Indian Raffia industry, with many of whom our Company has had a business relationship for over 15 years.

Quality Control, Environment and Occupational Health and Safety

To ensure quality and performance of our machines, we have implemented quality assurance practices in our manufacturing process. Each part manufactured at our manufacturing facilities or provided by our suppliers passes through defined quality check processes with workmen, quality engineers and pre-delivery inspection. Most of our manufacturing facilities have ISO 9001-2015 certification. We are committed to following applicable

environmental and occupational health and safety laws as well as industry best practices.

For information regarding applicable health, safety and environmental laws and regulations, see “*Key Regulations and Policies*” and “*Government and Other Approvals*” on pages 203 and 407, respectively.

IT and Management Tools

For bringing synergies between our facilities engaged in forward as well as backward integrated supply chain, we have invested in enterprise resource planning and customer relationship management platform systems, implemented across our operations and our facilities. We have also implemented business intelligence tools in order to enable key metrics and performance dashboards available at a click of a button. To improve employees’ engagement, SAP success factor is under implementation. In addition, the business critical IT Infrastructure is hosted at a data centre with 24x7 monitoring and service support. We have three-tier secure access and network connectivity across locations, as well as business continuity plans, and a facility and asset management system, all of which facilitates integration intra-group as well as with customer systems. Our IT systems are managed by an in-house IT team, comprising 17 employees. We believe that the resulting automation and transparency has strengthened the scalability of our operations and will help us in achieving synergies from strategic acquisitions and investments that we may undertake in the future.

We explore and adopt efficiency enhancement and automation tools. We undertake and foster data analytics and data based decision making. We have also digitalized our key processes such as customer relationship management, quality management and order book management which helps in anytime groupwide information dashboards and effective management and decision making. We have implemented strategy deployment framework across all our operating locations thereby ensuring that process and employee level goals are completely aligned to the short and long term organizational strategy and objective.

Awards and Recognition

Our efforts at innovation and quality have been recognized by industry organisations and the government, and we have received recognition for ‘Excellence in Export of High-Technology Products – Large Enterprises’ at the EEPCC Northern Region Awards for 2017 – 2018. We have also been bestowed with the Star Performer Award: Machinery and Large Parts – Large Enterprises by the EEPCC for the years 2008- 2009, 2009 - 2010, 2016 – 2017, 2021 – 2022. We have been recognized by the erstwhile Central Institute of Plastics Engineering and Technology (now, the Central Institute of Petrochemicals Engineering and Technology (CIPET)) for our innovation of energy efficient heating system for tapeline machines, for 2011 – 2012. In addition, we have been presented the Best Plastic and Polymer Brand Award at the Economic Times Polymers Awards, 2020 and 2022.

Competition

The key players in the industry, other than our Company, are Starlinger & Co. GmbH, Windmoeller & Hoelscher, JP Extrusiontech Technology Plastomech, Cirwind Technology and GD Industries, among others. (*Source: F&S Report*)

Employees

As on March 31, 2022, we had 2,259 employees. Set forth below are details of our employees, based on function:

Function	Number of employees
Manufacturing	1,507
Sales and marketing	202
Electronics	84
R&D and prototype	152
Lohia Global Solutions	52
Lohia Packaging Solutions	84
Others	178
Total	2,259

Corporate Social Responsibility

We are committed to conduct our business in a responsible and environmentally friendly manner and to continuously work towards improving the quality of life of the communities in which we operate. We have

constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. As part of our CSR initiatives, we have started a 'seva sankalp' under the name 'Lohia Arogya', whereby we have opened 32 homeopathic clinics in and around Kanpur to cater to the medical needs of the public, particularly the underprivileged and downtrodden. We regularly contribute to Ekal Abhyas Trust and have sponsored 150 Ekal Vidyalayas adjacent to Kanpur which impart education, hygiene and cleanliness among underprivileged children. We undertake our corporate social responsibility initiatives through the Rishab Kumar Lohia Memorial Trust as the implementing agency for executing our long term projects, which are aimed towards promoting education, eradicating hunger, poverty and malnutrition, and ensuring environmental sustainability.

Insurance

We maintain insurance policies with independent insurers in respect of our buildings, plant and machineries, fixtures and fittings, vehicles, other equipment and inventories. The coverage under such insurance policies is in respect of losses due to fire including standard fire and special perils and burglary, for amounts that we believe are in keeping with industry standard. We have also obtained marine insurance which covers incoming (including capital goods) and outgoing material related to insured trade. Our Company has also obtained multi-buyer exposure policy to secure our export receivables. We also cover our employees under group accident and medical insurance programs. Employees travelling overseas are also covered under our business travel accident policy.

Intellectual Property

As of the date of this Draft Red Herring Prospectus, we have registered 38 trademarks under various classes of the Trademark Act, 1999, including our logo. As of March 31, 2022, we have been granted over 26 patents and have applied for 58 patents that are at various stages of approval.

Properties

Brief details of our owned and leased immovable properties are set out below:

Sl. No.	Location	Approximate plot size	Nature of right/ title	Term of lease	Purpose
1.	Lohia Industrial Complex, Chaubepur/Amiliha, Kanpur, Uttar Pradesh	1,26,002.94 square metres	Owned	-	Factory/ Industrial purpose
2.	TTRC, Chaubepur/Amiliha, Kanpur, Uttar Pradesh	38,975.22 square meters	Owned	-	TTRC and MTTC for Technical Training purpose
3.	Arazis at Bairi Akbarpur Bangar, Kanpur, Uttar Pradesh	4,085.55 square metres	Owned	-	Investment purpose
4.	Arazis at Bairi Akbarpur Kachhar, Kanpur, Uttar Pradesh	1,25,134.16 square metres	Owned	-	Investment purpose
5.	C3 and C4, Panki Industrial Estate, Kanpur, Uttar Pradesh	16,351.79 square metres	Leased	40 years	LPS Factory/ Industrial purpose
6.	D9, Panki Industrial Estate, Kanpur, Uttar Pradesh	4,470.33 square metres	Leased	60 years	Factory/ Industrial Purpose
7.	D1/1, Panki Industrial Estate, Kanpur, Uttar Pradesh	5,181.33 square metres	Leased	54 years	Factory/ Industrial purpose
8.	D-4-D, Panki Industrial Estate, Kanpur, Uttar Pradesh	1,943.70 square metres	Leased	90 years	Factory/ Industrial purpose
9.	F-4, Panki Industrial Estate, Kanpur, Uttar Pradesh	2,788.92 square metres	Leased	59 years	Factory/ Industrial purpose
10.	D-2/1, Panki Industrial Estate, Kanpur, Uttar Pradesh	3,840.56 square metres	Leased	55 years	Factory/ Industrial purpose
11.	D-2/2, Panki Industrial Estate, Kanpur, Uttar Pradesh	3,282.99 square metres	Leased	69 years	Factory/ Industrial purpose
12.	D-3/B, Panki Industrial Estate, Kanpur, Uttar Pradesh	3,893.43 square metres	Leased	74 years	Factory/ Industrial purpose
13.	D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh	6,420.33 square metres	Leased	90 years	Registered Office and Factory/ Industrial purpose
14.	Flat No.202, Second Floor,	30.93 square	Owned	-	Investment

Sl. No.	Location	Approximate plot size	Nature of right/ title	Term of lease	Purpose
	Basant Tower, Tilak Nagar, Kanpur 01 Flat, Uttar Pradesh	metres			purpose
15.	117/129/A-6, Sarvodaya Nagar, Kanpur (Lohia Club), Uttar Pradesh	1804.30 square metres	Owned	-	Business purpose, as guest house
16.	Office at FMC Fortuna, Office No. A-1, 4 th floor, 234/3A, Acharya Jagdish Chandra Bose Road, Kolkata	80.36 square metres	Owned	-	Office purpose, as Kolkata branch office
17.	486, C1, Peenya Industrial Area, 14 th Cross, Peenya IV Phase, Bengaluru 560058	3,772 Square meters	Leased	3 years	Factory/ Industrial purpose

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key laws, regulations and policies in India which are applicable to our operations. The information detailed in this section has been obtained from publications available in the public domain and is based on current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative, quasi-judicial or judicial decisions. The description of the applicable laws and regulations disclosed below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see “Government and Other Approvals” beginning on page 407.

Laws in relation to our Business

Electricity Act, 2003 (“Electricity Act”)

The Electricity Act repealed the previous Indian legislation pertaining to electricity in India, namely the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998. The object of the Electricity Act is to consolidate the laws relating to inter-alia the generation, transmission, distribution, trading and use of electricity. The Electricity Act inter-alia provides for constitution of the Central Electricity Authority to exercise such functions and perform such duties as are assigned to it thereunder, including inter-alia advising the Central Government on matters relating to national electricity policy, formulating short term and perspective plans for development of the electricity system. It also provides for the constitution of the Central Electricity Regulatory Commission for exercising the powers and discharging the functions assigned to it thereunder, including inter-alia regulating tariffs of generating companies, granting of licenses, formulating the Grid Code as well as advising on formulation of the National Electricity Policy and Tariff Policy. It also inter-alia provides for constitution of the State Electricity Regulatory Commissions for formulating the State Grid Code, granting licenses to electricity traders/distributors, facilitate intra-state transmission and wheeling of electricity.

The Petroleum Act, 1934 (“Petroleum Act”)

The Petroleum Act regulates the import, transport and storage of petroleum. Persons intending to use petroleum in the manner provided need to acquire a license for the same from relevant authorities. The Central Government, may from time to time, declare by rules and notifications places where petroleum may be imported, the periods within which license shall be applied for, regulations relating to transport of petroleum, nature and conditions in which they may be stored etc.

Shops and establishments legislations in various states

The provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up require such establishments to be registered. The state shops and establishments legislations 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 records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments legislations, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fines or imprisonment for the violation of their provisions.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act seeks 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 connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Explosives Act, 1884 (“Explosives Act”) and the Explosives Rules, 2008 (“Explosives Rules”)

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act. Any contravention of the provisions of the Explosives Act may result in the levy of fines and imprisonment, extendable to life. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

Environmental Laws

Environment (Protection) Act, 1986 (“EPA”) and the Environment Protection Rules, 1986 (“EP Rules”)

The EPA provides for the protection and improvement of the environment. The EPA empowers the Central Government to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. The EPA prohibits any person carrying on any industry, operation or process from discharging, emitting or permitting to be discharged or emitted any environmental pollutant in excess of prescribed standards. Further, it requires persons handling hazardous substances to do so in accordance with such procedure, and in compliance with such safeguards, as may be prescribed.

The EP Rules prescribe the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the “EIA Notification”)

The EIA Notification issued under the Environment Act and the Environment Rules, as amended, provides that the prior approval of the Ministry of Environment, Forest and Climate Change, Government of India, or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernisation of existing projects specified in the EIA Notification. The EIA Notification prescribes a four-stage approval process for obtaining environmental clearance, i.e., screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the Draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report. The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by expert appraisal committee or state level expert appraisal committee subject to a maximum of 30 years for mining projects and seven years in the case of all other projects and activities.

The Ministry of Environment, Forest and Climate Change has published the draft Environment Impact Assessment Notification, 2020 (“EIA Notification, 2020”), replacing the existing EIA Notification. The EIA Notification, 2020 has divided the projects into three categories namely A, B1 and B2 on the basis of social, economic and geographical impact. The EIA Notification, 2020 envisages two kinds of approval depending on

the category of projects i.e. (i) prior environment clearance with the approval of expert committees; and (ii) environmental permission or provision without the approval of expert committees. The EIA Notification, 2020 exempts 40 different kinds of projects including digging of foundation of buildings and manufacturing of products from polymer granules or manmade fibers from granules or flakes or chips, from prior environment clearance or prior environment permission. Under the EIA Notification, 2020, several projects such as all B2 projects, building construction and area development, elevated roads and flyovers, highways or expressways are exempted from public consultation

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of the wholeness of water, and envisions the establishment of a central pollution control board and state pollution control boards for this purpose. Any person establishing or taking steps to establish any industry, operation or process, or any treatment and disposal system or extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream, well, sewer or on land is required to obtain the prior consent of the concerned state pollution control board.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act provides for the prevention, control and abatement of air pollution. The Air Act requires any person establishing or operating any industrial plant in an air pollution control area to obtain previous consent from the concerned state pollution control board. Further, it prohibits any person operating any industrial plant in an air pollution control area from causing or permitting to be discharged the emission of any air pollutant in excess of the prescribed standards.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules pertain to the management, import, export, treatment, storage and disposal of hazardous and other wastes. The Hazardous Wastes Rules impose on occupiers the responsibility to manage hazardous and other wastes in a safe and environmentally sound manner. Authorisation must be obtained from the concerned state pollution control board by occupiers of any facility undertaking activities including the handling, generation, collection, storage, transport, use, transfer or disposal of hazardous and other wastes.

Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”)

The Noise Pollution Rules were enacted to regulate and control noise producing and generating sources with the objective of maintaining of ambient air quality standards in respect of noise. Pursuant to the Noise Pollution Rules, different areas / zones shall be classified into industrial, commercial, residential or silence areas/zones, with each area having a permitted ambient air quality standard in respect of noise. The Noise Pollution Rules provide for penalties in case the noise levels in any area / zone exceed the permitted standards.

Plastic Waste Management Rules, 2016 (“Plastic Waste Management Rules”)

The Plastic Waste Management Rules stipulate conditions for the manufacture, importer stocking, distribution and use of plastic carry bags, plastic sheets, packaging etc. They aim to increase minimum thickness of plastic carry bags and plastic sheets to 50 microns and also to facilitate collection and recycle of plastic waste. It brings in the responsibilities of producers, importers and brand owners in the plastic waste management system and has introduced a collect back system of plastic waste by producers or brand owners. In addition to this the applicability of the Plastic Waste Management Rules has expanded from municipal areas to rural areas because plastic has reached rural areas also.

Laws relating to taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income tax Act 1961, the Income tax Rules, 1962, as amended by the Finance Act in respective years;
- Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-specific legislations made thereunder;

- The Integrated Goods and Service Tax Act, 2017;
- Customs Act, 1962 and the Customs Tariff Act, 1975;
- State-specific legislations in relation to professional tax; and
- Indian Stamp Act, 1899 and various state-specific legislations made thereunder

Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2015-2020 (“Foreign Trade Policy”)

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number (“**IEC**”) granted by the director general of foreign trade or any other authorised person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions.

The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license.

The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes.

Export Promotion Capital Goods Scheme (“The EPCG Scheme”)

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of “deemed exports”, which are transactions deemed to be exports.

Labour Related Legislations

Industries (Development and Regulation) Act, 1951 (the “the Industries Act”)

The Industries Act (the “the Industries Act”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Industries Act is applicable to the ‘Scheduled Industries’ which have been listed down in the first schedule of the Industries Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Industries Act. The Industries Act regulates the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. The Industries Act is

administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion which is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

Factories Act, 1948 (“Factories Act”)

The Factories Act pertains to the regulation of labour employed in factories. The term ‘factory’ is defined as any premises where 10 or more workers are working or were working on any day in the preceding 12 months, and in any part of which a manufacturing process is ordinarily carried on with the aid of power, or where 20 more workers are working, or were working on any day in the preceding 12 months, and in any part of which a manufacturing process is ordinarily carried on without the aid of power. The state governments are empowered to make rules requiring the registration or licensing of factories or any class of factories. The Factories Act requires the occupier of the factory to ensure, as far as is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory. The occupier is required to ensure: (i) that the plants and systems of work at the factory are safe and without risks to health; (ii) safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances; (iii) the provision of such information, instruction, training and supervision as are necessary to ensure the health and safety of all workers at work, and; (iv) the maintenance of safe working conditions and working environment. The occupier and manager of a factory may be punished with imprisonment or fine for contravention of the provisions of the Factories Act.

The UP Factories Rules, 1950 (the “**Rules**”) seek to regulate labour employed in factories in the State of Uttar Pradesh and makes provisions for the safety, health and welfare of the workers. The Rules also mandate maintenance of certain statutory registers in the factory.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of the business activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Industrial Employment (Standing Orders) Act, 1946;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Inter State Migrant Workers Act, 1979;
- Trade Unions Act, 1926;
- Industrial Disputes Act, 1947
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees’ State Insurance Act, 1948;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Maternity Benefit Act, 1961;
- Apprentices Act, 1961, read with Apprenticeship Rules, 1992;
- Employee’s Compensation Act, 1923; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

- (i) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.
- (ii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. It proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.
- (iii) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and it amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It further proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.
- (iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it amends and consolidates laws relating to social security. It governs the constitution and functioning of social security organisations such as the employees' provident fund and the employees' state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits, and compensation in the event of accidents to employees, among others. Further, it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Intellectual Property Laws

Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks 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. The Trademarks Act also governs the statutory protection of trademarks and also prohibits any registration of deceptively similar trademarks or chemical compounds, among others. Indian law permits the registration of trademarks for both goods and services. It also provides for infringement, falsifying and falsely applying for trademarks. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice. The Trade Marks (Amendment) Rules, 2013 were enacted to give effect to the Trade Mark (Amendment) Act, 2010.

Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and 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 and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition

to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. Further, the Patents Act also provides for the recognition of product patents in respect of food, medicine and drugs; that import of patented products will not be considered as an infringement; and that under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

The Designs Act, 2000 (the “Designs Act”)

The Designs Act prescribes for the registration of designs. The Designs Act specifically lays down the essentials of a design to be registered and inter alia, provides for application for registration of designs, copyright in registered designs, etc. A ‘Design’ means only the features of shape, configuration, pattern, ornament or composition of lines or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

Anti-Trust Laws

Competition Act, 2002 (the “Competition Act”)

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The Competition Act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India (“Commission”) is to eliminate practices having adverse effect on competition, promote and sustain competition, to protect the interests of consumers 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 (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may extend to ₹100,000 for each day during such failure subject to maximum of ₹10,000,000, as the Commission may determine.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013 and rules framed thereunder, the Indian Contract Act, 1872, the Specific Relief Act, 1963, the Transfer of Property Act, 1882, the Sale of Goods Act, 1930, each as amended, and other applicable statutes promulgated by the relevant Central and State Governments.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Lohia Starlinger Private Limited' in Kanpur as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 5, 1981 issued by the Registrar of Companies, Uttar Pradesh at Kanpur ("RoC"). Our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on December 19, 1987*. Consequently, the name of our Company was changed to 'Lohia Starlinger Limited', and a fresh certificate of incorporation dated December 31, 1987, was issued to our Company by the RoC. Thereafter, consequent to the settlement of a dispute with erstwhile collaborator 'Starlinger & Co. Ges. m.b.H., Austria', and pursuant to a special resolution passed by our Shareholders on March 2, 2013, the name of our Company was changed to 'Lohia Corp Limited' to delete the word 'Starlinger' from the name of our Company. Consequently, a fresh certificate of incorporation, dated March 7, 2013, was issued to our Company by the RoC.

** The challan for Form 23 filed in relation to the conversion of our Company from private to public cannot be traced in the records of our Company. For details, see "Risk Factors Certain secretarial records and documents filed by us with the Registrar of Companies are not traceable" on page 58.*

Changes in the registered office

Our Company was originally incorporated with its registered office at 113/91, Swaroop Nagar, 208 002, Kanpur, Uttar Pradesh, India*. Details of subsequent changes in the registered office of our Company are set forth below:

Effective Date of Change	Details of change	Reasons for change
March 19, 1983	The registered office of our Company was shifted from 113/91, Swaroop Nagar, 208 002, Kanpur, Uttar Pradesh, India] to 123/389, Fazalganj, 208 012, Kanpur, Uttar Pradesh, India	Administrative convenience
April 2, 1984	The registered office of our Company was shifted from 123/389, Fazalganj, 208 012, Kanpur, Uttar Pradesh, India to D-3A, Panki Industrial Estate, 208 022 Kanpur, Uttar Pradesh, India	Administrative convenience

** Form 18 and the challan filed for designation of the address of the registered office of our Company on incorporation and the challans for Form 18 filed for the changes in the address of the registered office of our Company cannot be traced in the records of our Company. For details, see "Risk Factors- Certain secretarial records and documents filed by us with the Registrar of Companies are not traceable" on page 58.*

The Registered Office of our Company is currently situated at D-3A, Panki Industrial Estate, 208 022, Kanpur, Uttar Pradesh, India.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are as mentioned below:

- "1. To carry on the business as manufacturers, producers, exporters, importers, traders, dealers, distributors, stockist, buyers, sellers, engineers agents and merchants of Circular Weaving machines, Modification kits for Tape production equipment, Fabric Cutting Machine, Stitching, Sack Printing Machine, bailing Machine, Weaving machine and additional/ancillary equipment contracted therewith required for the manufacture of woven and other Plastics including of PP/HDPE, synthetic, textile, plastic, rayon, tape woven sacks.*
- 2. To invent, develop, design manufacture, fabricate, process, prepare, assemble or cause to be designed, fabricated, processed, assembled and manufactured plant and machinery, equipment, appliances, instruments, tools and things required for the manufacture of synthetics, textile, plastics, rayon and other allied products.*
- 3. To carry on business of designing, developing, processing, manufacturing, buying, selling, reselling, importing, exporting imported goods, materials etc. distributing and dealing in all kinds of machinery mentioned above.*
- 4. To establish institutions/training centres for imparting technical, vocational & behavioral education and*

for providing training in all disciplines in workshops, factories of other establishments/organisations and to carry on in India or elsewhere projects of skill development and/or enter into collaboration for skill development and/or technical intern training program to develop human resources and to provide consultancy and meeting the entire value chain requirements of manpower supply including supply of trainees to improve employability of those trained.

5. *To carry on the business of manufacturers, repairers, importers, and exporters of and dealers in ferrous and non-ferrous casting of all kinds and, in particular chilled and malleable castings, special alloy castings, steel castings, gun metal, copper, brass and aluminium castings and foundry work of all kinds*
6. *To carry on business as iron masters, iron founders, iron workers, blast furnace proprietors, brass founders and metal makers, refiners and workers generally iron and steel converters, tin smiths, lock smiths, black smiths, tin plate makers, manufacturers of industrial and agricultural implements and all kinds of machineries and tools and implements, boilers makers, metallurgists, wood workers, ore importers and workers, sandblast workers, mill-wrights, wheel-wrights, quarry workers, brick and tile manufacturers, galvanizers, machinists, Japaners, wire drawers, annealers, welders, fitters, founderers, enamellers, electro and chromium platters, polishers, painters, warehousemen, storage contractors, garage proprietors and contractors generally.*
7. *To carry on business as manufacturers, assemblers, designers, importers, exporters, distributors, processors and dealers of all kinds of components, parts, assemblies etc. made of metals and / or elements of all kinds and description, whether man made or natural.*
8. *To carry on the business of manufacturers, exporters, importers, traders, dealers, merchants, distributors, wholesalers, retailers, commission agents, stockists, boutique service provider in all types of fabrics, cotton, knitted, dyed, processed wool, jute, hemp, silk, nylon and allied materials and articles including leather textile of all kinds, ready to wear garments, non-wearables, and made up of all kinds, designers, makers and tailors of all kinds of apparels, linen, carpets and rugs, straps, tapes and labels and other fashion accessories and carry on the above business in all or any of their respective branches and to offer one stop solution for sale, purchase, export, import, and the like, of Garments, fashion clothes, fashion products, life style products, apparels, fashion accessories etc.*
9. *To carry on the business of manufacturers, exporters, importers, buyers, sellers or act as agents, repackers, stockists or otherwise deal in synthetic rubber including silicon rubber, synthetic leather, synthetic fibres, polymers, fabric and fibres, engineering items, chemicals, all sorts of plastic raw materials, plastics and plastic products of any kind and nature whatsoever, woven bags, sacks, tarpaulins, sheets, carpet backings, parachutes, fishing nets, mosquito nets, wall coverings, tents, wires, ropes, roofing sheets, containers, etc.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out by it.

Amendments to the Memorandum of Association of our Company

Set out below are the amendments to the Memorandum of Association of our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective Date	Nature of amendment
March 2, 2013	Clause I of the Memorandum of Association and all relevant references within the MOA were amended to reflect a change in the name of our Company to “ <i>Lohia Corp Limited</i> ”.
July 25, 2016	<p>Clause III A of the Memorandum of Association was amended to reflect insertion of the following sub-clauses 4, 5, 6, and 7, after the existing sub-clause 3, in the main objects of the Company:</p> <p><i>“4. To establish institutions/training centres for imparting technical, vocational & behavioral education and for providing training in all disciplines in workshops, factories of other establishments/organisations and to carry on in India or elsewhere projects of skill development and/or enter into collaboration for skill development and/or technical intern training program to develop human resources and to provide consultancy and meeting the entire value chain requirements of manpower supply including supply of trainees to improve employability of those trained.</i></p>

Date of Shareholders' resolution/Effective Date	Nature of amendment
	<p>5. To carry on the business of manufacturers, repairers, importers, and exporters of and dealers in ferrous and non-ferrous casting of all kinds and, in particular chilled and malleable castings, special alloy castings, steel castings, gun metal, copper, brass and aluminium castings and foundry work of all kinds.</p> <p>6. To carry on business as iron masters, iron founders, iron workers, blast furnace proprietors, brass founders and metal makers, refiners and workers generally iron and steel converters, tin smiths, lock smiths, black smiths, tin plate makers, manufacturers of industrial and agricultural implements and all kinds of machineries and tools and implements, boilers makers, metallurgists, wood workers, ore importers and workers, sandblast workers, mill-wrights, wheel-wrights, quarry workers, brick and tile manufacturers, galvanizers, machinists, Japaners, wire drawers, annealers, welders, fitters, founderers, enamellers, electro and chromium platters, polishers, painters, warehousemen, storage contractors, garage proprietors and contractors generally.</p> <p>7. To carry on business as manufacturers, assemblers, designers, importers, exporters, distributors, processors and dealers of all kinds of components, parts, assemblies etc. made of metals and / or elements of all kinds and description, whether man made or natural."</p>
July 25, 2016	<p>Clause III (B) of the Memorandum of Association was amended to reflect the following changes:</p> <p>(i) In the heading of Clause III(B), the words <i>"The Objects incidental or ancillary to the attainment of the main objects"</i> were deleted and substituted by the words <i>"Matters which are necessary for furtherance of the objects specified in Clause III(A) are:"</i></p> <p>(ii) In Sub-clause 3 of Clause III (B), the words <i>"Subject to Section 391 to 394 of the Companies Act, 1956"</i> were deleted and substituted by the words <i>'Subject to provisions of Companies Act, 2013'.</i></p>
July 25, 2016	Clause III (C) of the Memorandum of Association in relation to "Other Objects" was deleted.
July 25, 2016	<p>Clause IV of the Memorandum of Association was deleted and substituted by the following:</p> <p><i>"IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."</i></p>
March 29, 2017	<p>Clause III A of the Memorandum of Association was amended to reflect insertion of the following sub-clauses 8 and 9, after the existing sub-clause 7, in the main objects of the Company:</p> <p><i>"8. To carry on the business of manufacturers, exporters, importers, traders, dealers, merchants, distributors, wholesalers, retailers, commission agents, stockists, boutique service provider in all types of fabrics, cotton, knitted, dyed, processed wool, jute, hemp, silk, nylon and allied materials and articles including leather textile of all kinds, ready to wear garments, non-wearables, and made up of all kinds, designers, makers and tailors of all kinds of apparels, linen, carpets and rugs, straples, tapes and labels and other fashion accessories and carry on the above business in all or any of their respective branches and to offer one stop solution for sale, purchase, export, import, and the like, of Garments, fashion clothes, fashion products, life style products, apparels, fashion accessories etc.</i></p> <p><i>9. To carry on the business of manufacturers, exporters, importers, buyers, sellers or act as agents, repackers, stockists or otherwise deal in synthetic rubber including silicon rubber, synthetic leather, synthetic fibres, polymers, fabric and fibres, engineering items, chemicals, all sorts of plastic raw materials, plastics and plastic products of any kind and nature whatsoever, woven bags, sacks, taurpaulins, sheets, carpet backings, parachutes, fishing nets, mosquito nets, wall coverings, tents, wires, ropes, roofing sheets, containers, etc."</i></p>
January 28, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each to ₹ 124,500,000 divided into 12,450,000 equity shares of ₹ 10 each pursuant to the scheme of amalgamation between our Company and Shree Holdings Limited.
March 7, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 124,500,000 divided into 12,450,000 equity shares of ₹ 10 each. to ₹250,000,000 divided into 25,000,000 equity shares of ₹ 10 each
June 25, 2022	Clause V of the Memorandum of Association was amended to reflect the sub-division in the authorised share capital of our Company from 25,000,000 equity shares of ₹ 10 each to 250,000,000 equity shares of ₹ 1 each.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
1981	Incorporation of Lohia Starlinger Private Limited.
1981	Entered into technical cum financial collaboration with Maschinen Fabrik Starlinger & Co., a company incorporated in Austria, for grant of exclusive right to manufacture machinery required for the production of PP/HDPE woven sacks in India.
1983	Introduced circular weaving machine
1984	Entered into a foreign collaboration with Maschinenfabrik Windmoller & Holscher, for grant of exclusive right to manufacture and market “Extrusion Coating and Laminating Equipment and Machinery to Produce Polyolefine Tapes” in India.
1985	Set up of CNC machine-shop under the name and style “Precitex Component Manufacturing Company” for manufacture of precision machined components.
1992	Renewal of recognition accorded to our in-house R&D unit by the Department of Scientific & Industrial Research.
2004	Launched “Spin Draw Wind Machine” under the model name “Lofil”.
2006	Launched Plastic Extrusion Plant and Machinery: Conversion Line and Fabric Cutting Machine.
2012	Started “Technical Training and Research Centre” at Kanpur
2012	Launched valve bag converting machine model under the product name “Valvomatic”.
2013	Fresh Certificate of Incorporation granted to the Company consequent to change of its name to “Lohia Corp Limited”
2018	Introduced Recycling Machine.
2019	Acquired Leeson Corporation, a company based in North Carolina, USA, engaged in the business of manufacturing fiber winding and take-up equipment.
2019	Launched Block Bottom Valve Bag Converting Machine Model “Blokomatic.”
2019	Set up Lohia Packaging Solutions, a division of the Company as a “live experience center” for prospective customers to learn and experience the latest technology for Raffia production
2020	Established Lohia Global Solutions, offering one-stop solution for all spare parts needs and accessories for machineries operating in the Raffia industry.
2020	Launched Spin Draw Wind Line for PP Multifilament Yarn Model Lofil 80 HT Duos HS.
2021	Took over the business with assets related to woven plastic segment of Sundarlam Industries, Bangalore which was previously engaged in the business of manufacturing and selling of lamination plants for both raffia and non-raffia industries through our subsidiary, Sundarlam Industries Private Limited.

Launch of key products or services, entry in new geographies or exit from existing market

For details of key products or services launched by our Company, entry in new geographies or exit from existing markets, see “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 177 and 361, respectively.

Key awards, accreditations, and recognition

The table below sets forth some of the key awards, accreditations and recognitions received by our Company.

Calendar Year	Key Awards and Accreditations
2009	Awarded the EEPC India National Award for Export Excellence for the year 2008-09, in the category, “Star Performer Award for Outstanding Contribution to Engineering Exports in the Product Group, Miscellaneous Special Purpose Machinery (including Metallurgy, Food and Textile) and Parts, Large Enterprise”.
2010	Awarded the EEPC India National Award for Export Excellence in the category, “Star Performer in 2009-10, Miscellaneous Special Purpose Machinery (including Metallurgy, Food and Textile) and Parts, Large Enterprise”.
2012	Awarded the “National Award for Technology Innovation” in the category, “Innovation of Polymer Processing Machinery & Equipments” by Central Institute of Plastics Engineering and Technology, Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers, Government of India.
2014	Awarded the “Niryat Shree Bronze Trophy” in the “Engineering and electronics sector- Non-MSME Category” by Federation of India Export Organisations.
2017	Awarded the EEPC India Regional Award for Export Excellence (Northern Region) in the category, “Star Performers in Product Groups for 2016-17 (Silver Shield), Miscellaneous Special Purpose Machinery (including Metallurgy, Food and Textile) and Parts, Large Enterprise”.
2018	Lohia Technical Training and Research Centre awarded as “Silver Winner” in the category “Best Educational Institution Contributing to Plastics” at Plasticon Awards by Plastindia Foundation

Calendar Year	Key Awards and Accreditations
2019	Awarded the EEPC India National Award for Export Excellence in the category, “Star Performer Award for the year 2018-19 in the product group: Miscellaneous Special Purpose Machinery (including Metallurgy, Food and Textile) and Parts- Large Enterprise”.
2020	Awarded the “Best Brand in the Plastic and Polymers Industry” by Economic Times.
2022	Awarded the “Best Brand in the Plastic and Polymers Industry” by Economic Times.

Significant financial and/or strategic partnerships

Our Company does not have any significant financial or strategic partners as of the date of this Draft Red Herring Prospectus.

Time and cost overrun

Our Company has not experienced any time or cost overruns in respect of our business operations, as at the date of this Draft Red Herring Prospectus.

Defaults or rescheduling or restructuring of borrowings with financial institutions or banks

No payment defaults or rescheduling or restructuring have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares as on date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of the plants of our Company and our Subsidiaries, see “Our Business” on page 177.

Accumulated profits or losses

There are no accumulated profits or losses of any Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Information.

Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Except as disclosed below, our Company has not made any material acquisitions or divestments of business or undertakings, mergers, amalgamations or any revaluation of assets in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus:

I. Schemes of Amalgamation

1. Scheme of amalgamation between Shree Holdings Limited (“Transferor”) and our Company (“Transferee”)

Our Company and Shree Holdings Limited filed a scheme of amalgamation (“**Scheme of Amalgamation**”) under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013, before the National Company Law Tribunal, Allahabad Bench (“**NCLT**”). The Scheme of Amalgamation consisted of an amalgamation of the Transferor with our Company. The rationale of the Scheme of Amalgamation was, *inter alia*, to effectuate economies of scale, emerge with strong financial capability to effectively withstand competition, increase in asset base, reduction in the multiplicity of legal and regulatory compliances, offer opportunities to the management to vigorously pursue growth and expansion opportunities, to enable efficient utilization of funds, and simplifying and streamlining of activities, leading to a simplified corporate structure.

The NCLT approved the Scheme of Amalgamation through its order dated January 24, 2022 (“**NCLT Order**”). The Scheme of Amalgamation became effective on January 28, 2022 (“**Effective Date**”) upon submission of the order of NCLT with the RoC. Pursuant to the Scheme of Amalgamation, which was approved by the NCLT Order, the entire undertakings of the Transferor, from April 1, 2021 (“**Appointed Date**”) which *inter alia* includes, all assets and liabilities (including contingent liabilities), contracts and obligations, debts, movable and immovable properties, statutory or regulatory licenses, permissions,

sanctions, banks balances, taxes and the whole of the undertaking as a going concern of the Transferor were transferred and vested in our Company.

The authorised share capital of the Transferor was merged with our Company, and our Memorandum of Association was amended consequently. Pursuant to the approval of the Scheme of Amalgamation, each shareholder of the Transferor, holding 100 equity shares were allotted 2,037 fully paid-up equity shares of ₹ 10 each in our Company. However, from the Effective Date, all the equity shares of our Company held by the Transferor were cancelled and extinguished. For further details, please refer to “*Capital Structure – Issue of Equity Shares pursuant to schemes of arrangement*” of our Company on page 102.

II. Acquisitions

1. ***Shareholders’ Agreement dated October 22, 2021 (“Sundarlam SHA”) between Mr. Sundaram S. in its own individual capacity (“SS”) as well as a sole proprietor of M/s Sundarlam Industries (“Sundarlam”) and Raj Kumar Lohia, one of the Promoters of our Company (both Raj Kumar Lohia and SS to be referred to as “Parties”), to incorporate our Subsidiary, namely Sundarlam Industries Private Limited (“SIPL”)***

Raj Kumar Lohia, our Promoter and SS entered into the Sundarlam SHA pursuant to which a subsidiary, namely SIPL was incorporated, in such a manner that our Company (as Raj Kumar Lohia’s assignee) subscribed to 80% and SS subscribed to 20% of the equity share capital of SIPL. SIPL is presently in the business of manufacturing., selling, and dealing in lamination machines suitable for coating and lamination of woven/non-woven fabric, foam, rubber, paper and its parts. For more details, please see “- *Our Subsidiaries – Sundarlam Industries Private Limited*” on page 228.

Under the Sundarlam SHA, the board of directors of SIPL, shall consist of three directors, of which SS shall be one director and the other two shall be nominated by our Promoter, Raj Kumar Lohia. The Sundarlam SHA also sets out the inter-se rights and obligations of the Parties which *inter-alia* includes lock-in on their shareholding in SIPL and restrictions on transfer of equity shares of SIPL.

2. ***(a) Shareholders agreement dated November 11, 2015 entered between Mercoplast S.A. (“Mercoplast”) and our Company (“Estelar SHA”); (b) Share transfer Agreement between Galuner S.A. and our Company dated October 18, 2018 (“Share Transfer Agreement”); and (c) Transfer of Shares agreement dated September 2, 2022 between Mercoplast, Galuner S.A. and Estelar S.A. (“Share Transfer Agreement 2”)***

Pursuant to the Estelar SHA, our Company and Mercoplast (Company and Mercoplast to be referred to as “**Parties**”) contributed 50.01% and 49.99% each to the capital stock in Estelar S.A. (known as Tejidos Plasticos S.A. at the time of execution of Estelar SHA) (“**Estelar**”), a company incorporated by Mercoplast, which is engaged in the business development, formulation, production and commercialization of plastic woven fabric and allied products. Estelar SHA set out, among other provisions, *inter-se* rights and obligations of Mercoplast and our Company, in relation to *inter-se* transfer restrictions on the Parties and veto rights of the Parties in relation to the management of Estelar and other matters. Under the Estelar SHA, the board of directors of Estelar shall consist of four directors, of which our Company and Mercoplast will have a right to nominate two nominee directors each on the board of Estelar. Additionally, Mercoplast will have the right to appoint the president of the board of Estelar. Further, the Estelar SHA specifies that the board of Estelar S.A. shall have the quorum to meet only in the presence of at least two directors appointed by the Parties and provides a mechanism for resolving deadlocks on the board of directors. Additionally, the Estelar SHA specifies certain matters which would require the approval of all shareholders.

In 2018, our Company entered into the Share Transfer Agreement, pursuant to which it sold its entire stake to one of our Subsidiaries, Galuner S.A., for a total consideration of ₹ 49,036,974. Pursuant to the Share Transfer Agreement, our Company is an indirect shareholder of 50.01% capital stock in Estelar.

Subsequently, pursuant to Share Transfer Agreement 2, our Subsidiary, Galuner S.A. agreed to transfer its complete shareholding aggregating to 50.01% in Estelar to Mercoplast, including one share to Mr. Blas Atilio Reguera Riquelme (to comply with law applicable in Paraguay) for a consideration of ₹ 281,255,520. Under the Share Transfer Agreement 2, this consideration has to be paid to Mercoplast in tranches till August 15, 2023.

3. **Framework Agreement dated December 11, 2018 entered between our Company, GWT Capital GmbH (“Seller”), Einbecker Kennzeichnungssysteme GmbH (“Einbecker”), Global Wood Technologies AG (“GWT AG”), Daniela Schmidt (“Schmidt”), and Petra Flohr (“Flohr”) (“Framework Agreement”) and Sale and Purchase Agreement dated January 1, 2019 entered among our Company, GWT Capital GmbH (“GWT”), Einbecker Kennzeichnungssysteme GmbH (“Einbecker”), Global Wood Technologies AG (“GWT AG”), Daniela Schmidt (“Schmidt”), and Petra Flohr (“Flohr”) (collectively known as “Parties”) (“Einbecker SPA”)**

Pursuant to the Framework Agreement and Sale and Share Purchase Agreement, our Company has acquired 50% of the entire issued and paid-up share capital of Einbecker for an aggregate consideration of ₹ 20,142,310. Einbecker is engaged in the development, production and distribution of brokerage, signing and marking systems as well as their components and accessories, including printing inks, and printing plates.

The Framework Agreement also includes the Articles of Association of Einbecker. Under the Articles of Association of Einbecker, the advisory board of Einbecker shall consist of four members, of which our Company has a right to designate two members. Our Company also has the right to appoint the chairperson of the advisory board. The Articles of Association of Einbecker sets out, among other provisions, *inter-se* rights and obligations of the Parties, in relation to *inter-se* share transfer restrictions on the Parties and lock-up on the shares held by Parties.

4. **Asset Transfer cum Non-Compete Agreement dated October 22, 2021 entered between Sundaram S (“SS” or “Seller”), Sundaram S (“SS”) as sole proprietor of M/s Sundarlam Industries (“Sundarlam”) and Raj Kumar Lohia (“Asset Transfer Agreement”)**

Pursuant to Asset Transfer Agreement between SS and Raj Kumar Lohia, Sundarlam’s tangible assets, intangible assets were transferred to Sundarlam Industries Private Limited (“SIPL”). SIPL was incorporated by SS and our Company pursuant to Shareholders’ Agreement dated October 22, 2021 between SS and Raj Kumar Lohia. For more details, please see description of this shareholders’ agreement between SS and Raj Kumar Lohia on page 215. Pursuant to the Asset Transfer Agreement, SS and Sundarlam transferred their assets for an aggregate consideration of ₹ 31,000,000 i.e. ₹ 25,000,000 for the intangible assets and ₹ 6,000,000 for the tangible assets to SIPL and also provided non-compete protection, under which it was agreed that SS and Sundarlam shall not either directly or indirectly or through their affiliates, associates, relatives, engage in any business which competes, either directly or indirectly, with the business carried on/to be carried on by SIPL. Further, pursuant to the Asset Transfer Agreement, it was agreed that the existing employees of Sundarlam would resign and become employees of the New Company with effect from the closing date.

5. **Asset Purchase Agreement dated May 31, 2019 entered among our Subsidiary, Leesona Corporation (known as LC Acquisition, Inc at time of entering this agreement), Leesona Corp (“Leesona”), Robert C. Clark and Deborah R. Clark (Robert C. Clark and Deborah R. Clark to be referred to as “Shareholders” and Leesona together with the Shareholders hereinafter referred to as the “Sellers”) (“Leesona APA”)**

Under the terms of the Leesona APA, our Subsidiary Leesona Corporation (known as LC Acquisition, Inc at the time of execution of Leesona APA) acquired all the assets of Leesona from the Sellers for a consideration of ₹ 208,545,000, which *inter-alia* includes inventory, accounts receivable, intellectual property (along with the goodwill associated), assigned contracts, business permits, books and records, etc. Leesona was engaged in the business of design and manufacture of various categories of equipment for effective handling of synthetic fiber, including winder, re-winders, take-ups and winders for flanged spools and parallel winding, repairs and technical support thereto. Post the Leesona APA, the name of our Subsidiary LC Acquisition, Inc was changed to Leesona Corporation on June 4, 2019.

6. **Sold Note and Bought Note, each dated March 31, 2022 (“Buy Sell Note”) between our Company and Anther Vinimay Private Limited to acquire LDB Importacao E Exportacao LTDA (“LDB”)**

Under the transaction recorded in the Buy Sell Note, our Company acquired 100% of the shareholding of LDB from Anther Vinimay Private Limited for a consideration of ₹ 1,000. LDB Importacao E Exportacao LTDA is presently engaged in the business of providing the services of engineers to the customers of Lohia Corp Limited in the region for after-sale-service.

7. Acquisition of stake in Sarjna Capfin Private Limited

Our Company acquired 380,100 equity shares amounting to 76.04% in Sarjna Capfin Private Limited from Shruti Finsec Pvt. Ltd. on September 5, 2018 for a consideration of ₹ 34,589,100.

8. Acquisition of stake in Focal Infra Developers Private Limited (formerly known as Lohia Infra Developers Private Limited)

Our Company acquired the following equity shares in Focal Infra Developers Private Limited: (a) 4,900 equity shares amounting to 49% from Amit Kumar Lohia on June 29, 2020 for a consideration of ₹ 49,000; (b) 5,000 equity shares amounting to 50% from Radhika Lohia on June 29, 2020 for a consideration of ₹ 50,000; and (c) 100 equity shares amounting to 1% from Lohfam Finsec LLP on July 10, 2020 for a consideration of ₹ 1,000.

9. Acquisition of stake in Nupur Real Estates Private Limited

Our Company acquired the following equity shares in Nupur Real Estates Private Limited: (a) 5,000 equity shares amounting to 50% from Radhika Lohia on June 29, 2020 for a consideration of ₹ 50,000; (b) 4,900 equity shares amounting to 49% from Amit Kumar Lohia on June 29, 2020 for a consideration of ₹ 49,000; and (c) 100 equity shares amounting to 1% from Lohfam Finsec LLP on July 2, 2020 for a consideration of ₹ 1,000.

10. Acquisition of stake in BNPR- A Realities Private Limited

Our Company acquired the following equity shares in BNPR- A Realities Private Limited: (a) 10,000 equity shares amounting to 98.04% from Anuja Lohia on February 27, 2021 for a consideration of ₹ 100,000; and (b) 200 equity shares amounting to 1.96% from Amit Kumar Lohia on February 27, 2021 for a consideration of ₹ 2,000.

11. Acquisition of stake in KPR-C Realities Private Limited

Our Company acquired the following equity shares in KPR-C Realities Private Limited: (a) 5,000 equity shares amounting to 50% from Alok Kumar Lohia on September 30, 2021 for a consideration of ₹ 50,000; and (b) 5,000 equity shares amounting to 50% from Radhika Lohia on September 30, 2021 for a consideration of ₹ 50,000.

12. Acquisition of stake in Nalini Buildcon Private Limited

Our Company acquired the follow equity shares in Nalini Buildcon Private Limited: (a) 510,000 equity shares amounting to 51% from Anshita Holdings Private Limited on November 22, 2021 for a consideration of ₹ 5,100,000; (b) 480,000 equity shares amounting to 48% from Anurag Lohia on November 22, 2021 for a consideration of ₹ 4,800,000; (c) 5,000 equity shares amounting to 0.5% from Radhika Lohia on November 22, 2021 for a consideration of ₹ 50,000; (d) 4,900 equity shares amounting to 0.49% from Anuja Lohia on November 22, 2021 for a consideration of ₹ 49,000; (e) 100 equity shares amounting to 0.01% from Petal Realtors LLP on November 22, 2021 for a consideration of ₹ 1,000.

III. Divestments

1. Agreement for transfer of shares dated March 29, 2022, entered between Mercoplast S.A. ("Mercoplast") and our Company ("Mercoplast STA")

Pursuant to Mercoplast STA, our Company transferred all the shares (50 ordinary shares bearing face value of guaranies fifty million each) that it held in Carmenta S.A. to Mercoplast for an aggregate consideration of ₹ 10,222,875.

2. Acquisition and divestment in L&S Light & Strong Limited ("L&S")

Acquisition: Pursuant to share purchase agreement dated November 22, 2018 between L&S and our Company, our Company purchased 100% of the issued and paid-up share capital of L&S for a consideration USD 2,600,000 from its then shareholders.

Divestment: Pursuant to the share transfer agreement dated March 30, 2022 entered between our Company, L&S and Lohia Aerospace Systems Private Limited (“**Purchaser**”), our Company has transferred 66,675,634 fully paid-up equity shares having face value of NIS 0 each (New Israeli Shekels Nil) that it held in L&S to the Purchaser for an aggregate consideration of ₹ 50,000,000. L&S was engaged in the manufacturing of carbon fibre & glass fibre composite components for defence and aerospace sector.

3. Acquisition and divestment in SBI Mechatronik GmbH (“SBI Mech”)

Acquisition: Pursuant to assignment agreement (share purchase agreement) dated July 26, 2019 between our Company and TMF Accounting & Payroll Steuerberatungsgesellschaft mbH (“**Seller**”), our Company bought the entire share capital in SBI Mech from the Seller.

Divestment: Pursuant to (a) Share purchase agreement dated December 27, 2021, entered between our Company, Lohia Mechatronik Private Limited (“**LMPL**”) and SBI Mech; (b) Share purchase and transfer agreement dated January 20, 2022 entered between our Company and LMPL (“**First Tranche**”); and (c) Share purchase and transfer agreement dated March 17, 2022 entered between our Company and LMPL (“**Second Tranche**”), our Company sold its entire shareholding in SBI Mech, a company engaged in the business of manufacturing of inline thickness measurement systems, automatic extrusion die control system, machine vision system and other automation products for plastics industry, to LMPL for an aggregate consideration ₹ 5,714,091, in two tranches.

4. Divestment of stake in Lohia Aerospace Systems Private Limited

Our Company sold its 20,000,000 equity shares amounting to 100.00% of the paid-up share capital that it held in Lohia Aerospace Systems Private Limited to Anshita Holdings Private Limited on January 4, 2022 for a consideration of ₹ 100,000,000.

5. Divestment of stake in Lohia Engineering and Design Services Private Limited

Our Company sold 9,000,000 equity shares amounting to 100% in Lohia Engineering and Design Services Private Limited to Jitendra Kumar Lohia, and Radha Devi Lohia for a consideration of ₹ 13,500,000 on March 25, 2021.

6. Divestment of stake in Lohia Mechatronik Private Limited

Our Company sold 10,000 equity shares amounting to 100% in Lohia Mechatronik Private Limited to Alok Kumar Lohia, Radhika Lohia and Siddharth Lohia for a consideration of ₹ 100,000 on February 25, 2021.

Shareholders’ agreement and other agreements

Our Company has not entered into shareholders agreement or any other agreement with any of its Shareholders.

Key terms of other subsisting material agreements

Except as disclosed below and in “– Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years” on page 214, our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of the business of our Company or which are otherwise material and need to be disclosed in this Draft Red Herring Prospectus in context of the Offer.

1. Invention Assignment Agreement between our Company and Gaurav Lohia, promoter of our Company dated February 1, 2021 (“IA Agreement 2021”)

Our Company and Gaurav Lohia entered into the IA Agreement 2021 pursuant to which Gaurav Lohia assigned his rights, interests and title in an invention related to a woven fabric for packaging application, which comprises of bast yarns and bast compatible non-bast yarn threads (“**Invention**”) to our Company for it to develop, manufacture and sell machines for making products covered under the Invention. The IA Agreement 2021 stipulates that our Company will further take necessary steps for registration and grant of patents over the Invention. Pursuant to the terms of the IA Agreement 2021, (i) our Company is allowed to draw profits from the Invention only if it is utilized to manufacture and sell machinery or its parts, (ii) in case the

Invention is utilized for any other purpose, the terms and conditions including profit sharing shall be agreed to in writing by the parties to the IA Agreement 2021, prior to such utilization. The IA Agreement 2021 further grants the right of first refusal to our Company before any similar technology, process or invention is offered to a third party by Gaurav Lohia.

2. *Invention Assignment Agreement between our Company and Raj Kumar Lohia, promoter-director of our Company dated January 30, 2019 (“IA Agreement 2019”)*

Our Company and Raj Kumar Lohia entered into the IA Agreement 2019 pursuant to which Raj Kumar Lohia assigned his rights, interests and title in an invention related to a woven fabric, including a bag made from the said fabric and the method of making the fabric which involves jute threads and synthetic bulk textured yarn threads, stiff yarn thread or a composite yarn thread (“**Invention**”) to our Company for it to develop, manufacture and sell machines for making products covered under the Invention. The IA Agreement 2019 stipulates that our Company will further take necessary steps for registration and grant of patents over the Invention. Pursuant the terms of the IA Agreement 2019, (i) our Company is allowed to draw profits from the Invention only if it is utilized to manufacture and sell machinery or its parts, (ii) in case the Invention is utilized for any other purpose, the terms and conditions including profit sharing shall be agreed to in writing by the parties to the IA Agreement 2019, prior to such utilization. The IA Agreement 2019 further grants the right of first refusal to our Company before any similar technology, process or invention is offered to a third party by Raj Kumar Lohia.

Agreements with Key Managerial Personnel, Director, Promoters or any other employee in relation to compensation or profit sharing

There are no agreements entered into by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding company

Our Company does not have a holding company.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, in terms of the Companies Act, 2013, our Company has the following 21 subsidiaries.

Details of our subsidiaries are as follows:

I. Indian Subsidiaries:

1. Lohia Filament Machines Limited

Corporate Information

Lohia Filament Machines Limited was incorporated on January 29, 2002, under the Companies Act, 1956. The registered office of Lohia Filament Machines Limited is D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Nature of Business

Lohia Filament Machines Limited is authorised to carry on the business of designing, buying, selling, stocking, distributing, importing, exporting, and providing services related to all kinds of machines, components, parts, equipment, and accessories in various industries, including the textile industry. Lohia Filament Machines Limited is also authorised to purchase, lease, invest in, or sell lands, and to construct, lease, rent, or take on lease house, or sell buildings, flats, houses or multi-storied buildings.

Lohia Filament Machines Limited is presently engaged in the business of providing residential accommodation in housing societies to the officers of our Company.

Board of Directors

S.No.	Name	Designation
1.	Raj Kumar Lohia	Director
2.	Amit Kumar Lohia	Director
3.	Anurag Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Filament Machines Limited is ₹ 450,000,000 divided into 45,000,000 equity shares of ₹ 10 each.

The shareholding pattern of Lohia Filament Machines Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	43,249,400	99.99
2.	Amit Kumar Lohia*	100	Negligible**
3.	Anurag Lohia*	100	Negligible**
4.	Krishan Gopal Gupta*	100	Negligible**
5.	Arvind Kumar Bhargava*	100	Negligible**
6.	Anupam Agarwal*	100	Negligible**
7.	Sudhir Singh*	100	Negligible**
Total		43,250,000	100

* As nominee of Lohia Corp Limited

** Less than 0.01%

2. Lohia Sales & Services Limited (under voluntary liquidation)

Corporate Information

Lohia Sales & Services Limited was incorporated as Lohia Sales & Services Private Limited on January 31, 1985, under Companies Act, 1956. The name of Lohia Sales & Services Limited was changed from Lohia Sales & Services Private Limited to Lohia Sales & Services Limited pursuant to conversion of the company to a public limited company and a fresh certificate of incorporation was issued dated June 28, 1989. The registered office of Lohia Sales & Services Limited is at D-3A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Lohia Sales & Services Limited is authorised to import, export, trade in, distribute, buy, sell, or lease various machines and equipment required for the manufacture of man-made fibres, and woven and other plastics, including PP/HDPE, synthetic, textile, rayon, etc. Lohia Sales & Services Limited is also authorised to provide technical know-how and management services, and to provide its experts or technicians to parties in and outside India for projects related to installation and erection of machinery or plants for industries.

Lohia Sales & Services Limited is presently under voluntary liquidation. The public announcement for the commencement of the voluntary liquidation process has been made on March 26, 2022.

Board of Directors

S.No.	Name	Designation
1.	Raj Kumar Lohia	Director
2.	Alok Kumar Lohia	Director
3.	Anurag Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Sales & Services Limited is ₹30,000,000 divided into 3,000,000 equity shares of ₹10 each.

The shareholding pattern of Lohia Sales & Services Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	49,940	99.88
2.	Raj Kumar Lohia*	10	0.02
3.	Amit Kumar Lohia*	10	0.02
4.	Vijay Lohia*	10	0.02
5.	Ajay Lohia*	10	0.02
6.	Alok Kumar Lohia*	10	0.02
7.	Anurag Lohia*	10	0.02
Total		50,000	100

* As nominee of Lohia Corp Limited.

3. Lohia Group Electricity Consumers Association

Corporate Information

Lohia Group Electricity Consumers Association was incorporated on April 17, 2013, under Section 25 of the Companies Act, 1956. The registered office of Lohia Group Electricity Consumers Association is at Lohia Industrial Complex, Chaubepur, Kanpur, Uttar Pradesh – 209203.

Nature of Business

Lohia Group Electricity Consumers Association is authorised to procure and provide power and electricity to its members in Block Chaubepur, Kanpur, Uttar Pradesh on a no-profit-no-loss basis. Lohia Group Electricity Consumers Association is also authorised to undertake studies in energy conservation and energy efficiency.

Lohia Group Electricity Consumers Association is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Amit Kumar Lohia	Director
2.	Jayanta Chatterjee	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Group Electricity Consumers Association is ₹1,000,000 divided into 100,000 equity shares of ₹10 each.

The shareholding pattern of Lohia Group Electricity Consumers Association as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	8,250	82.5
2.	Threads (India) Private Limited	1,750	17.5
Total		10,000	100

4. BNPR-B Realities Private Limited (formerly Indo Kenshu Services Private Limited)

Corporate Information

BNPR-B Realities Private Limited was incorporated as Indo Kenshu Services Private Limited, under the Companies Act, 2013 on May 23, 2016. A fresh certificate of incorporation was issued under the Companies Act, 2013 on November 25, 2021, pursuant to a change of name. The registered office of BNPR-B Realities Private Limited is 'Sukhdham', Flat No. E-2, 7/17 (9-10), Tilak Nagar, Kanpur, Uttar Pradesh – 208002.

Nature of Business

BNPR-B Realities Private Limited is authorised to establish, set up, and run training centres for imparting technical and vocational training and to enter into any joint ventures or collaboration towards the same. BNPR-B Realities Private Limited is also authorised to carry on the business of purchasing, leasing, selling, renting, and/or developing land, real estate, buildings, apartments, flats or other real estate.

BNPR-B Realities Private Limited is not carrying out any business currently.

Board of Directors

S.No.	Name	Designation
1.	Amit Kumar Lohia	Director
2.	Anurag Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of BNPR-B Realities Private Limited is ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each.

The shareholding pattern of BNPR-B Realities Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	4,159,900	99.99
2.	Anurag Lohia*	100	Negligible**
Total		4,160,000	100

* As nominee of Lohia Corp Limited.

** Less than 0.01%.

5. KPR-A Realities Limited (formerly Lohia Packaging Machines Limited)

Corporate Information

KPR-A Realities Limited was incorporated as Lohia Packaging Machines Limited under the Companies Act, 1956 on December 31, 1987. Pursuant to the change of name to KPR-A Realities Limited, a fresh certificate of incorporation was issued on November 29, 2021, under the Companies Act, 2013. The registered office of KPR-A Realities Limited is D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Nature of Business

KPR-A Realities Limited is authorised to carry on the business of purchasing, leasing, selling, renting, and/or developing land, real estate, buildings, apartments, flats or other real estate.

KPR-A Realities Limited is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Raj Kumar Lohia	Director
2.	Gopal Chandra Lohia	Director
3.	Alok Kumar Lohia	Director
4.	Anupam Agarwal	Director
5.	Gaurav Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of KPR-A Realities Limited is ₹170,000,000 divided into 16,950,000 equity shares of ₹10 each, and 5,000 preference shares of ₹100 each.

The shareholding pattern of KPR-A Realities Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	16,449,410	99.99
2.	Alok Kumar Lohia*	90	Negligible**
3.	Gopal Chandra Lohia*	100	Negligible**
4.	Jitendra Kumar Lohia*	100	Negligible**
5.	Amit Kumar Lohia*	100	Negligible**

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
6.	Ajay Lohia*	100	Negligible**
7.	Anurag Lohia*	100	Negligible**
Total		16,450,000	100

* As nominee of Lohia Corp Limited.

** Less than 0.01%.

6. Sarjna Capfin Private Limited

Corporate Information

Sarjna Capfin Private Limited was incorporated on March 17, 1999, under Companies Act, 1956. The registered office of Sarjna Capfin Private Limited is 'Sukhdham', Flat No. E-2, 7/17 (9-10), Tilak Nagar, Kanpur, Uttar Pradesh – 208002.

Nature of Business

Sarjna Capfin Private Limited is a Non-Deposit Taking Non-Systemically Important Non-Banking Financial Company and is authorised to:

- carry on the business of financing industrial enterprises, subject to RBI regulations;
- carry on the business of buying, selling, underwriting, investing, acquiring and holding shares, stocks, debentures, bonds, notes, and securities, of all kinds and to act as financial intermediaries/portfolio managers, and to pool, mobilize and manage funds of the investors whether by way of income fund, tax exemption fund, tariff fund, and to render advisory and counselling services, to finance, assist industrial and other enterprises to manage capital savings and investments, to undertake bills discounting and factoring business, and to provide a complete range of financial services, subject to RBI regulations; and
- to grant loans and advances, including inter-corporate loans, with or without security, to enter into intermediary contracts, provide guarantees or to otherwise act as loan company.

Board of Directors

S.No.	Name	Designation
1.	Arvind Kumar Bhargava	Director
2.	Sudhir Singh	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Sarjna Capfin Private Limited is ₹200,000,000 divided into 20,000,000 equity shares of ₹10 each.

The shareholding pattern of Sarjna Capfin Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	1,999,900	99.99
2.	Amit Kumar Lohia*	100	Negligible**
Total		2,000,000	100

* As nominee of Lohia Corp Limited.

** Less than 0.01%.

7. Nupur Real Estates Private Limited

Corporate Information

Nupur Real Estates Private Limited was incorporated on July 30, 2014, under the Companies Act, 2013. The registered office of Nupur Real Estates Private Limited is 'Sukhdham', Flat No. E-2, 7/17 (9-10), Tilak Nagar, Kanpur, Uttar Pradesh - 208002.

Nature of Business

Nupur Real Estates Private Limited is authorised to carry on the business of purchasing, leasing, selling, renting, and/or developing land, real estate, buildings, apartments, flats or other real estate.

Nupur Real Estates Private Limited is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Siddharth Lohia	Director
2.	Radhika Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Nupur Real Estates Private Limited is ₹150,000,000 divided into 15,000,000 equity shares of ₹10 each.

The shareholding pattern of Nupur Real Estates Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	14,499,900	99.99
2.	Amit Kumar Lohia*	100	Negligible**
Total		14,500,000	100

* As nominee of Lohia Corp Limited.

** Less than 0.01%.

8. Lohia Global Solutions Private Limited

Corporate Information

Lohia Global Solutions Private Limited was incorporated on December 25, 2019, under the Companies Act, 2013. The registered office of Lohia Global Solutions Private Limited is D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Nature of Business

Lohia Global Solutions Private Limited is authorised to buy, sell, import, export, stock, supply, and distribute spare parts, components, accessories, fittings, tools, and equipment made of metals and/or elements of all kinds and description, whether man-made or natural.

Lohia Global Solutions Private Limited is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Amit Kumar Lohia	Director
2.	Anurag Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Global Solutions Private Limited is ₹40,000,000 divided into 4,000,000 equity shares of ₹10 each.

The shareholding pattern of Lohia Global Solutions Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	1,999,900	99.99
2.	Anurag Lohia*	100	Negligible**
Total		2,000,000	100

* As nominee of Lohia Corp Limited.

** Less than 0.01%

9. Lohia Injectoplast Private Limited

Corporate Information

Lohia Injectoplast Private Limited was incorporated on February 5, 2019, under the Companies Act, 2013. The registered office of Lohia Injectoplast Private Limited is at D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Nature of Business

Lohia Injectoplast Private Limited is authorised to manufacture, buy, sell, import, export, process, distribute, and to act as agents, stockists and dealers of all kinds of parts and components made of plastics, plastic powder, thermoplastics, thermoset, polymers, thermoformed polystyrene, polypropylene, alkyl-butyl styrene, including all types of such other items, which are capable of being manufactured by injection moulding or blow-moulding or any other processes.

Lohia Injectoplast Private Limited is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Raj Kumar Lohia	Director
2.	Anurag Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Injectoplast Private Limited is ₹100,000 divided into 10,000 equity shares of ₹10 each.

The shareholding pattern of Lohia Injectoplast Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	9,900	99
2.	Anurag Lohia*	100	1
Total		10,000	100

*As a nominee of Lohia Corp Limited.

10. Focal Infra Developers Private Limited (formerly known as Lohia Infra Developers Private Limited)

Corporate Information

Focal Infra Developers Private Limited was incorporated on April 30, 2016, under the Companies Act, 2013 as Lohia Developers Private Limited. A fresh certificate of incorporation was issued under the Companies Act, 2013 on September 16, 2022, pursuant to a change of name. The registered office of Focal Infra Developers Private Limited is at 'Sukhdham', Flat No. E-2, 7/17 (9-10), Tilak Nagar, Kanpur, Uttar Pradesh - 208002.

Nature of Business

Focal Infra Developers Private Limited is authorised to construct, purchase, acquire lands, houses, buildings, sheds and to let them out on lease, rent, contract or to buy and sell lands, houses, apartments and to carry on business of builders, developers, and to purchase, sell, invest in any land, building, multi storied structures and do plotting of land and to turn the same into real estate; and to undertake contracts and sub-contracts relating construction, modification, repairing, alteration and designing of civil works, buildings, shops, apartments, etc.

Focal Infra Developers Private Limited is presently not carrying on any business.

Board of Directors

S.No.	Name	Designation
1.	Siddharth Lohia	Director
2.	Radhika Lohia	Director

Capital Structure and Shareholding Pattern

The Authorised Share Capital of Focal Infra Developers Private Limited is ₹135,000,000 divided into 13,500,000 Equity Shares of ₹10 each.

The shareholding pattern of Focal Infra Developers Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	9,899,900	99.99
2.	Amit Kumar Lohia *	100	Negligible**
Total		9,900,000	100

* As a nominee of Lohia Corp Limited.

** Less than 0.01%

11. BNPR-A Realities Private Limited (formerly Aditya Punj Traders Private Limited)

Corporate Information

BNPR-A Realities Private Limited was originally incorporated as Lohia Starlinger Exports Private Limited on April 3, 2000, under the Companies Act, 1956. Pursuant to change in the name of Lohia Starlinger Exports Private Limited to Aditya Punj Traders Private Limited, a fresh certificate of incorporation was issued on May 22, 2013. The name of Aditya Punj Traders Private Limited was again changed to the current name, i.e., BNPR-A Realities Private Limited and a fresh certificate of incorporation was issued on December 20, 2021, under the Companies Act, 2013. The registered office of BNPR-A Realities Private Limited is 'Sukhdham', Flat No. E-2, 7/17 (9-10), Tilak Nagar, Kanpur, Uttar Pradesh – 208002.

Nature of Business

BNPR-A Realities Private Limited is authorized to export, import, distribute, buy, sell, and to act as agents, stockists, and to market, assemble, erect, install, commission, provide after sales services, repair, store, and trade in, either as principal agents of all kinds and description of machinery and apparatus, material, components, parts, and consumable items used therein.

BNPR-A Realities Private Limited is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Anupam Agarwal	Director
2.	Sudhir Singh	Director
3.	Radhika Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of BNPR-A Realities Private Limited is ₹40,000,000 divided into 4,000,000 equity shares of ₹10 each.

The shareholding pattern of BNPR-A Realities Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	3,070,100	99.99
2.	Amit Kumar Lohia*	100	Negligible**
Total		3,070,200	100

* As nominee of Lohia Corp Limited.

** Less than 0.01%

12. LCL Aviation Private Limited

Corporate Information

LCL Aviation Private Limited was incorporated on May 17, 2021, under the Companies Act, 2013. The registered office of LCL Aviation Private Limited is D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Nature of Business

LCL Aviation Private Limited is in the business of owning and leasing aircrafts; transporting passengers and luggage in India; and acquisition, construction and maintenance of aircrafts, chartered planes, airfields and landing grounds in India.

LCL Aviation Private Limited is presently in the business of owning and leasing of aircrafts.

Board of Directors

S.No.	Name	Designation
1.	Anupam Agarwal	Director
2.	Anvita Sarkari	Director

Capital Structure and Shareholding Pattern

The authorised share capital of LCL Aviation Private Limited is ₹100,000,000, divided into 10,000,000 equity shares of ₹10 each.

The shareholding pattern of LCL Aviation Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	9,899,900	99.99
2.	Anvita Sarkari*	100	Negligible**
Total		9,900,000	

* As nominee of Lohia Corp Limited

** Less than 0.01%

13. Nalini Buildcon Private Limited

Corporate Information

Nalini Buildcon Private Limited was incorporated on July 30, 2014, under the Companies Act, 2013. The registered office of Nalini Buildcon Private Limited is 'Sukhdham', Flat No. E-2, 7/17 (9-10), Tilak Nagar, Kanpur, Uttar Pradesh - 208002.

Nature of Business

Nalini Buildcon Private Limited is authorised to purchase, lease, sell, rent, and/or develop land, real estate, buildings, apartments, flats, townships, or other real estate, and to deal in and sell the same; and to carry on the business of contracts relating to construction, design or improvement of buildings, and to purchase, exchange, develop or sell land, buildings, warehouses, or other real estates.

Nalini Buildcon Private Limited is currently engaged in real estate business.

Board of Directors

S.No.	Name	Designation
1.	Siddharth Lohia	Director
2.	Radhika Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Nalini Buildcon Private Limited is ₹210,000,000 divided into equity share capital of ₹110,000,000 divided into 11,000,000 equity shares of ₹10 each, and preference share capital of ₹100,000,000 divided into 10,000,000 preference shares of ₹10 each.

The shareholding pattern of Nalini Buildcon Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	10,999,900	99.99
2.	Anupam Agarwal*	100	Negligible**
Total		11,000,000	100

* As nominee of Lohia Corp Limited

** Less than 0.01%

14. Sundarlam Industries Private Limited

Corporate Information

Sundarlam Industries Private Limited was incorporated on December 7, 2021. The registered office of Sundarlam Industries Private Limited is D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh – 208022.

Nature of Business

Sundarlam Industries Private Limited is authorised to manufacture, produce, import, export, sell, trade in, distribute, buy, pack, or re-pack Extrusion coating and lamination machines suitable for coating and lamination of woven and non-woven fabric, foam, paper and its parts. Sundarlam Industries Private Limited is also authorised to design, develop, process, manufacture, buy, sell, resell, import or export components, parts, assemblies and ancillary equipment made of metals and/or elements of all kinds and description, and to provide professional pre-sales and post-sales services related to installation, repair, maintenance, performance and process optimization related to such machines.

Sundarlam Industries Private Limited is presently in the business of manufacturing and selling, importing exporting, distributing, supplying and dealing in lamination machines suitable for coating and lamination of woven/non-woven fabric, foam, rubber and paper and its parts.

Board of Directors

S.No.	Name	Designation
1.	Soundararajan Sundaram	Director
2.	Paritosh Kumar Mukherjee	Director
3.	Krishan Gopal Gupta	Director
4.	Balaganapathi Chickmagalur Pandurangarao	Director

Capital Structure and Shareholding Pattern

The authorized share capital of Sundarlam Industries Private Limited is ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each.

The shareholding pattern of Sundarlam Industries Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	80,000	80
2.	Soundararajan Sundaram	20,000	20
Total		100,000	100

15. KPR-C Realities Private Limited (formerly Project Zero Private Limited)

Corporate Information

KPR-C Realities Private Limited was originally incorporated on July 30, 2019, as Project Zero Private Limited, under Companies Act, 2013. Pursuant to a change of name, a fresh certificate of incorporation was issued on October 1, 2021, under Companies Act, 2013. The registered office of KPR-C Realities Private Limited is at D-3/A, Panki Industrial Estate, Kanpur, Uttar Pradesh - 208022.

Nature of Business

KPR-C Realities Private Limited is authorised to carry on the business of purchasing, leasing, selling, renting, and/or developing land, real estate, buildings, apartments, flats or other real estate. KPR-C Realities Private Limited is also authorised to carry on the business of software and electronic development for various industries, to engage in the production of mechanical components and machines, and to design and develop mechanical, electrical and software components.

KPR-C Realities Private Limited is not carrying on any business currently.

Board of Directors

S.No.	Name	Designation
1.	Krishan Gopal Gupta	Director
2.	Anupam Agarwal	Director

Capital Structure and Shareholding Pattern

The authorised share capital of KPR-C Realities Private Limited is ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each.

The shareholding pattern of KPR-C Realities Private Limited as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of ₹10 each	Percentage of issued capital
1.	Lohia Corp Limited	1,999,900	99.99
2.	Amit Kumar Lohia*	100	Negligible**
Total		2,000,000	100

* As nominee of Lohia Corp Limited

** Less than 0.01%

II. Overseas Subsidiaries:

16. Leeson Corporation (formerly LC Acquisition Inc.)

Corporate Information

Leeson Corporation was incorporated as LC Acquisition Inc. on May 2, 2019, under the laws of the state of North Carolina. The name of LC Acquisition Inc. was changed to its present name through an amendment to the Articles of Association on May 31, 2019, which was approved by the Secretary of State, North Carolina on June 4, 2019. Its registered office is situated at 2727 Tucker Street, Burlington, Alamance County, North Carolina, USA - 27215.

Nature of Business

Leeson Corporation is authorized to engage in any lawful act or activity for which corporations may be organized under Chapter 55 of the General Statutes of the State of North Carolina.

Leeson Corporation is presently engaged in manufacturing of winders and rewinders for high performance fibres.

Board of Directors

S.No.	Name	Designation
1.	Sanjay Gupta, CPA	Director
2.	Matthew Clark	President & CEO

Capital Structure and Shareholding Pattern

Leesona Corporation is authorised to issue 3,000,000 shares of capital stock of which 1,500,000 shares are common stock of par value of US\$ 1 each and 1,500,000 shares are preferred stock of par value of US\$ 1 each.

The shareholding pattern of Leesona Corporation as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of US\$ 1 each	Percentage of issued capital
1.	Lohia Corp Limited	1,500,000	100
Total		1,500,000	100

S.No.	Name of Shareholder	Number of preference shares of US\$ 1 each	Percentage of issued capital
1.	Lohia Corp Limited	1,500,000	100
Total		1,500,000	100

17. Galuner S.A., Uruguay*Corporate Information*

Galuner S.A. was incorporated on September 7, 2017 in Uruguay. Galuner S.A. is domiciled in the city of Montevideo. The registered office of Galuner S.A. is at Andres Puyol 1605, CP 11500, Montevideo, Uruguay.

Nature of Business

The principal business of Galuner S.A. is investment activities in securities, bonds, certificates, debentures, and bills.

Galuner S.A. is engaged in the business of investment activities in securities, bonds, certificates, debentures, and bills as authorized by its charter documents.

Board of Directors

S.No.	Name	Designation
1.	Miguel Angel Grande Lavallen	President

Capital Structure and Shareholding Pattern

The authorized share capital of Galuner S.A. consists of UYU 162,030,000 shares of 1 UYU each, amounting to UYU 162,030,000.

The shareholding pattern of Galuner S.A. as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of 1 UYU each	Percentage of issued capital
1.	Lohia Corp Limited	60,905,900	100
Total		60,905,900	100

S.No.	Name of Shareholder	Number of preference shares of 1 UYU each	Percentage of issued capital
1.	Lohia Corp Limited	69,318,000	100
Total		69,318,000	100

18. Lohia Global Solutions FZE

Corporate Information

Lohia Global Solutions FZE was incorporated on August 19, 2020, under Law No. 9 of 1992. The registered address of Lohia Global Solutions FZE is Jebel Ali Free Zone, Dubai, UAE.

Nature of Business

Lohia Global Solutions FZE is authorised to:

- a) carry out trading in industrial plant equipment and spare parts; and
- b) to carry on all such business within the area of the Jebel Ali Free Zone as the Jebel Ali Free Zone Authority may permit under the terms of the license issued.
- c) to carry on any other trade or business which can be carried on by the FZE in connection with or as ancillary to any of the business objectives mentioned in this clause 3 or the general business of the FZE.

Lohia Global Solution FZE is presently engaged in sourcing of spare parts from our Company.

Board of Directors

S.No.	Name	Designation
1.	Amit Kumar Lohia	Director
2.	Anurag Lohia	Director

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Global Solutions FZE is AED 500,000 divided into 500 shares of AED 1,000.

The shareholding pattern of Lohia Global Solutions FZE as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of AED 1000 each	Percentage of issued capital
1.	Lohia Corp Limited	500	100
Total		500	100

19. LDB Importacao E Exportacao LTDA, Brazil

Corporate Information

LDB Importacao E Exportacao LTDA was incorporated on September 5, 2008, as a limited liability company in Brazil. The registered address of LDB Importacao E Exportacao LTDA is at Rua Andre Ebling No. 212, Quarter Santo Andre, CEP – 93.042-320, Sao Leopoldo, Brazil.

Nature of Business

LDB Importacao E Exportacao LTDA is authorised to:

- a) Import and Export of fabrics made from synthetic yarns and filaments;
- b) Import and Export of Machinery and parts for the processing industry plastic and textile;
- c) Wholesale of machinery and parts for the processing industry plastic and textile;
- d) Wholesale of synthetic yarns and filament fabrics;
- e) Commercial representation and agents of the trade of goods in general and not skilled.
- f) Carry out trading in industrial plant equipment and spare parts;

LDB Importacao E Exportacao LTDA is presently engaged in the business of providing the services of engineers to the customers of our Company in the region for after-sale-service.

Board of Directors

S.No.	Name	Designation
1.	Mr. Daniel Schnorr	Administrator

Capital Structure and Shareholding Pattern

The authorised capital of LDB Importacao E Exportacao LTDA is BRL 1,000,000 divided into 1,000,000 equity shares of BRL 1 each.

The shareholding pattern of LDB Importacao E Exportacao LTDA as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of BRL 1 each	Percentage of issued capital
1.	Lohia Corp Limited	1,000,000	100
Total		1,000,000	100

20. Lohia Global Solutions S.A.

Corporate Information

Lohia Global Solutions S.A. was incorporated in Panama on December 31, 2021, under Law 32 of 1927. The registered office of Lohia Global Solutions S.A. is at Manzana C1, C2 y 10 lote unico via Randolph Avenida Segunda Cuatro Altos area comercial France Field, Ciudad de Colon, Panama.

Nature of Business

Lohia Global Solutions, S.A. is authorised to, and is engaged in the following business activities:

- To contribute, collect, or substitute the necessary capital to promote, establish, or develop companies or businesses;
- To subscribe or promote the subscription, to purchase or to possess, to hold or to acquire by any other means and to sell, to negotiate, to guarantee, to assign, to exchange and to transfer by any other means, capital shares, credits, obligations, securities, certificates of partnership and any other title or document of any private, public or semi-public corporation or juridical person and while being owner of same, possess and exercise all the corresponding rights and privileges;
- To execute all kinds of contracts, for itself or others and especially financial transactions or the administration of stock, credits, obligations, securities, certificates of partnership and any other title or document of any corporation or legal entity;
- To give or receive loans, with or without mortgages, pledges, sureties or any other personal or real guarantees; to open and maintain bank accounts of any kind, in any bank or financial institutions, in any part of the world;
- To do and perform all and everything necessary for the attainment of any of the purposes stated in its certificate of incorporation or any amendment of same or whatever is necessary or convenient for the protection and benefit of the corporation;
- To carry out any lawful business in any part of the world, whether or not such business is set forth in its certificate of incorporation or in any amendment thereof.

Board of Directors

S.No.	Name	Designation
1.	Anupam Agarwal	Director (President)
2.	Anuj Jain	Director (Secretary)
3.	Sanjay Gupta	Director (Treasurer)

Capital Structure and Shareholding Pattern

The authorised share capital of Lohia Global Solutions S.A. is US\$ 100,000 divided into 100,000 equity shares of US\$ 1 each.

The shareholding pattern of Lohia Global Solutions S.A. as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of \$ 1 each	Percentage of issued capital
1.	Lohia Corp Limited	100,000	100
Total		100,000	100

21. Estelar S.A, Paraguay (formerly Tejidos Plasticos)

Corporate Information

Estelar S.A. was incorporated on October 9, 2015, by Public Deed 1026, registered in the Public Registry of Commerce on November 25, 2015. The registered address of Estelar S.A. is Route 1, KM 17.5, Capiata, Paraguay.

Nature of Business

Estelar S.A. is authorised to engage in all kinds of activities related to the import, export, commercialisation, and industrial production of plastics and plastic fabrics, including buying, selling, manufacturing and marketing.

Estelar S A is presently engaged in manufacturing and marketing plastic fabric for big bags. Likewise, they may engage in any type of commercial activity, real estate, construction, industrial, transportation, representation services, livestock farming, tenders, etc.

Board of Directors

S.No.	Name	Designation
1.	Reguera Riquelme, Blas Atilio	Director
2.	Martinez Blasco, Leticia	Director

Capital Structure and Shareholding Pattern

The Authorised Share Capital of Estelar S.A. is €19,635,000,000 divided into 19,635 shares of €1,000,000 each.

The shareholding pattern of Estelar S.A. as of the date of this Draft Red Herring Prospectus is as follows:

S.No.	Name of Shareholder	Number of equity shares of €1,000,000 each	Percentage of issued capital
1.	Galuner S.A.	9,818	50.01
2.	Mercoplast S.A.	9,817	49.99
Total		19,635	100

Our Joint Venture

Our Company has one joint venture. Other than this, our Company has no associates or strategic partnerships.

1. Einbecker Kennzeichnungssysteme GmbH

Corporate Information

Einbecker Kennzeichnungssysteme GmbH was incorporated as a company with limited liability on February 1, 1993. The registered office of Einbecker Kennzeichnungssysteme GmbH is at Grimsehlstrasse Einbecker signage systems GmbH 52, 37574, Einbeck, Germany.

Nature of Business

Einbecker Kennzeichnungssysteme GmbH is engaged in the development, production and distribution of brokerage, signing and marking systems as well as their components and accessories including the necessary printing inks, inks and printing plates. It may also operate other business that is directly and indirectly suitable for the purpose of the business and it may establish, acquire, participate in branches and take over their management.

Board of Directors

S.No.	Name	Designation
1.	Niraj Kumar	Director
2.	Krishan Gopal Gupta	Director
3.	Uwe Heinrich Flohr	Director

Capital Structure and Shareholding Pattern

The authorised capital of Einbecker Kennzeichnungssysteme GmbH is €500,000.

The shareholding pattern of Einbecker Kennzeichnungssysteme GmbH as of the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of equity shares	Face Value of Share (In €)	Total Contribution (In €)	% of equity holding
1	Lohia Corp Limited	1	50,000	50,000	50
	Lohia Corp Limited	1	1,50,000	1,50,000	
	Lohia Corp Limited	50,000	1	50,000	
2	Global Wood Technologies AG	1	10,750	10,750	14.69
	Global Wood Technologies AG	1	52,250	52,250	
	Global Wood Technologies AG	1	10,450	10,450	
3	GWT Capital GmbH	1	8,950	8,950	33.31
	GWT Capital GmbH	1	8,400	8,400	
	GWT Capital GmbH	1	2,150	2,150	
	GWT Capital GmbH	1	10,050	10,050	
	GWT Capital GmbH	1	44,750	44,750	
	GWT Capital GmbH	1	42,000	42,000	
	GWT Capital GmbH	1	50,250	50,250	
4	Daniela Schmidt	1	5,000	5,000	1
5	Petra Flohr	1	5,000	5,000	1
	Total	50014	-	500,000	100

Guarantees given by the Promoter Selling Shareholders

Our Promoters, who are also Selling Shareholders, have not provided any guarantees to any third parties on behalf of our Company, or its Subsidiaries, as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have a minimum of three and a maximum of 15 Directors.

As on the date of this Draft Red Herring Prospectus, our Board comprises of 11 Directors, including four Executive Directors, one Non-Executive Director and six Independent Directors (including one woman Independent Director). Further, the Chairman of our Board, Raj Kumar Lohia, is an Executive Director. For details on the strength of our Board, as permitted and required under the Articles of Association, see “*Main Provisions of the Articles of Association*” on page 457.

Board of Directors

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, term, period of directorship, and DIN	Age (years)	Other directorships
Raj Kumar Lohia <i>Designation:</i> Chairman and Managing Director <i>Date of Birth:</i> August 21, 1954 <i>Address:</i> H-1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208 002, Uttar Pradesh, India <i>Occupation:</i> Business <i>Term:</i> Three years with effect from February 21, 2020 * <i>Period of directorship:</i> Since incorporation i.e., October 5, 1981 <i>DIN:</i> 00203659	68	<i>Indian Companies</i> <ul style="list-style-type: none"> Injectoplast Private Limited KPR-A Realities Limited Lohia Filament Machines Limited Lohia Injectoplast Private Limited Lohia Sales and Services Limited (under voluntary liquidation) <i>Foreign Companies</i> NIL
Ujjal De <i>Designation:</i> Whole-time Director <i>Date of Birth:</i> August 24, 1951 <i>Address:</i> Flat No. 703, T/4, Emerald Garden, Swaroop Nagar 7/102, Kanpur – 208 002, Uttar Pradesh, India <i>Occupation:</i> Service <i>Term:</i> Five years with effect from February 7, 2022 and liable to retire by rotation <i>Period of directorship:</i> Since February 7, 2022 <i>DIN:</i> 00082416	71	<i>Indian Companies</i> <ul style="list-style-type: none"> Plastics Machinery Manufacturers Association of India <i>Foreign Companies</i> NIL
Paritosh Kumar Mukherjee <i>Designation:</i> Whole-time Director <i>Date of Birth:</i> December 1, 1942 <i>Address:</i> Flat No. H-1303, NCC Meadows-2, Doddaballapur Main Road, Yelahanka New Town, next to Ramanashree California Resort, Bangalore North, Yelahanka, Bengaluru – 560 064, Karnataka, India	79	<i>Indian Companies</i> <ul style="list-style-type: none"> Sundaram Industries Private Limited <i>Foreign Companies</i> NIL

Name, designation, date of birth, address, occupation, term, period of directorship, and DIN	Age (years)	Other directorships
<i>Occupation:</i> Service <i>Term:</i> Two years with effect from December 24, 2020 and liable to retire by rotation** <i>Period of directorship:</i> Since December 24, 2012 <i>DIN:</i> 06467351		
Rajendra Kumar Arya <i>Designation:</i> Whole-time Director <i>Date of Birth:</i> January 19, 1968 <i>Address:</i> Flat No.2102, Iconic Tower, Emerald Garden, 7/102, Swaroop Nagar, Kanpur, Kanpur Nagar - 208 002, Uttar Pradesh, India <i>Occupation:</i> Service <i>Term:</i> Five years with effect from July 1, 2022 and liable to retire by rotation <i>Period of directorship:</i> Since July 1, 2022 <i>DIN:</i> 09658071	54	<i>Indian Companies</i> NIL <i>Foreign Companies</i> NIL
Anurag Lohia <i>Designation:</i> Non-Executive Director <i>Date of Birth:</i> May 18, 1969 <i>Address:</i> 3A/88, Azad Nagar, P O - Nawabganj, Kanpur, Kanpur Nagar - 208 002, Uttar Pradesh, India <i>Occupation:</i> Business <i>Term:</i> Liable to retire by rotation <i>Period of Directorship:</i> Since July 27, 2002 <i>DIN:</i> 00205680	53	<i>Indian Companies</i> <ul style="list-style-type: none"> • BNPR-B Realities Private Limited • Injectoplast Private Limited • Lohia Aerospace Systems Private Limited • Lohia Engineering and Design Services Private Limited • Lohia Filament Machines Limited • Lohia Group Housing Private Limited • Lohia Global Solutions Private Limited • Lohia Injectoplast Private Limited • Lohia Sales and Services Limited (under voluntary liquidation) • Merchants Chamber of Uttar Pradesh • Sparetex Private Limited <i>Foreign Companies</i> <ul style="list-style-type: none"> • L&S Light and Strong Limited • Lohia Global Solutions FZE
Naresh Kumar Gupta <i>Designation:</i> Independent Director <i>Date of Birth:</i> April 15, 1938 <i>Address:</i> J-32, Sarita Vihar, S.O. Aali, South Delhi, New Delhi – 110 076, Delhi, India <i>Occupation:</i> Business <i>Term:</i> Five years with effect from March 30, 2020	84	<i>Indian Companies</i> <ul style="list-style-type: none"> • Blue Circle Medi Services Private Limited • Threads (India) Private Limited <i>Foreign Companies</i> NIL

Name, designation, date of birth, address, occupation, term, period of directorship, and DIN	Age (years)	Other directorships
<p><i>Period of directorship:</i> Since December 24, 2012</p> <p><i>DIN:</i> 00214602</p>		
<p>Dinesh Kumar Mittal</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> January 25, 1953</p> <p><i>Address:</i> B-71, Sector- 44, Gautam Buddha Nagar, Noida – 201 301, Uttar Pradesh, India</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> Five years with effect from August 1, 2022</p> <p><i>Period of directorship:</i> Since August 1, 2022</p> <p><i>DIN:</i> 00040000</p>	69	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Arohan Financial Services Limited • Balrampur Chini Mills Limited • Bharti Airtel Limited • Business Strategy Advisory Services Private Limited • Ergos Business Solutions Private Limited • HSBC Asset Management (India) Private Limited • ICSI Institute of Insolvency Professionals • Max Financial Services Limited • Max Life Pension Fund Management Limited • Max Ventures and Industries Limited • Trident Limited • Niva Bupa Health Insurance Company Limited • Shivalik Small Finance Bank Limited <p><i>Foreign Companies</i></p> <p>NIL</p>
<p>Gaurav Swarup</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> November 21, 1956</p> <p><i>Address:</i> White House Gardens, 17A, Alipore Road, Kolkata, - 700 027, West Bengal, India</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Five years with effect from August 1, 2022</p> <p><i>Period of directorship:</i> Since August 1, 2022</p> <p><i>DIN:</i> 00374298</p>	65	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Avadh Sugar & Energy Limited • Garima Private Limited • Graphite India Limited • Industrial and Prudential Investment Company Limited • KSB Limited • Medica Synergie Private Limited • Paharpur 3P Private Limited • Paharpur Cooling Towers Limited • Swadeshi Polytex Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Paharpur & SPG Dry Soğutma Tic. Ltd. Şti • Paharpur Cooling Technologies (Singapore) Pte. Ltd. • Paharpur Mauritius Limited • Safind Forest Products (Pty) Limited • Shanghai Electric – SPX Engineering and Technologies Co. Ltd • SPG Dry Cooling Belgium SRL • SPG Dry Cooling Technologies (Beijing) Co. Ltd. • SPG Dry Cooling Technologies (Zhangjiakou) Co. Ltd. • SPG Dry Cooling USA LLC

Name, designation, date of birth, address, occupation, term, period of directorship, and DIN	Age (years)	Other directorships
Basant Seth <i>Designation:</i> Independent Director <i>Date of Birth:</i> February 16, 1952 <i>Address:</i> Flat No. 304, Kalpana Tower Society, 3/16, Vishnupuri, Kanpur – 208 002, Uttar Pradesh, India <i>Occupation:</i> Service <i>Term:</i> Five years with effect from August 1, 2022 <i>Period of directorship:</i> Since August 1, 2022 <i>DIN:</i> 02798529	70	<i>Indian Companies</i> <ul style="list-style-type: none"> • Canbank Factors Limited • Dharampal Satyapal Foods Limited • Dharampal Satyapal Limited • Ever Electronics Private Limited • India International Depository IFSC Limited • Infomerics Analytics and Research Private Limited • Roto Pumps Limited • U.P. Industrial Consultants Limited • Unity Small Finance Bank Limited <i>Foreign Companies</i> NIL
Madhavkrishna Singhanian <i>Designation:</i> Independent Director <i>Date of Birth:</i> October 19, 1988 <i>Address:</i> 17, Oak Drive, DLF Chattarpur, South Delhi - 110 074, Delhi, India <i>Occupation:</i> Business <i>Term:</i> Five years with effect from August 1, 2022 <i>Period of directorship:</i> Since August 1, 2022 <i>DIN:</i> 07022433	33	<i>Indian Companies</i> <ul style="list-style-type: none"> • Jaykaycem (Central) Limited • Jaykaycem (Northern) Limited • JK Paints and Coatings Limited • J.K. Cement Limited • J.K. Cement (Western) Limited • Yadu Estates Private Limited • Yadu Holiday Homes Private Limited • Yadu International Limited • Yadupati Tradebiz Private Limited <i>Foreign Companies</i> NIL
Keith Reddy Padmaja Reddy <i>Designation:</i> Independent Director <i>Date of Birth:</i> April 13, 1966 <i>Address:</i> Plot No. 328/A, Road No. 12, MLA Colony, Banjara Hills, Khairatabad, Hyderabad – 500 034, Telangana, India <i>Occupation:</i> Business <i>Term:</i> Five years with effect from August 1, 2022 <i>Period of directorship:</i> Since August 1, 2022 <i>DIN:</i> 00074933	56	<i>Indian Companies</i> <ul style="list-style-type: none"> • Padmaja Polymers Private Limited • Padmaja Poly Packs Private Limited <i>Foreign Companies</i> NIL

*Re-appointed for a term of five years with effect from February 21, 2023 pursuant to a special resolution dated September 7, 2022.

** Re-appointed for a term of five years with effect from December 24, 2022 pursuant to a special resolution dated September 7, 2022.

Brief profiles of our Directors

Raj Kumar Lohia is the Chairman and Managing Director of our Company. He is one of the founding directors of our Company and has been on our Board since the incorporation of our Company. He holds a bachelor's degree

in arts from Kanpur University, Kanpur, India. He envisioned the concept of a dedicated skill training centre and established the Technical Training and Research Centre at Kanpur, India. In the past, he was associated with Merchants Chamber of Uttar Pradesh and Plastics Machinery Manufacturers Association of India. He has also served in the past on the board of directors of J.K. Cement Limited as an independent director. He is currently responsible for handling the overall management of our Company and together with our senior management, he is also responsible for overseeing the strategic growth initiatives and expansion plans of our Company.

Ujjal De is a Whole-time Director of our Company and has been on our Board since February 7, 2022. He has been associated with our Company since August 1, 2016 in the capacity of director of sales and marketing. He holds a bachelor's degree in technology from Banaras Hindu University, Banaras, India. In the past, he was associated with ABS Plastics Limited, Blue Star Limited, Haldia Petrochemicals Limited, Jai Corp Limited, National Organic Chemical Industries Limited, Reliance Industries Limited, Torrent Exports Limited and Voltas Limited. He is currently responsible for integrating all the customer facing activities and the functions of our Company which include machinery, sales, services and marketing divisions. He also helps oversee our Technical Training and Research Centre to ensure better availability of trained manpower for our customers.

Paritosh Kumar Mukherjee is a Whole-time Director of our Company and has been on our Board since December 24, 2012. He was also associated with our Company since December 15, 2004 in the capacity of an advisor till his appointment on our Board. He holds a bachelor's degree of technology in mechanical engineering from Indian Institute of Technology, Kharagpur, India and a postgraduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur, India. He has also received a professional education and advanced training in the field of general management upon invitation of the Government of the Federal Republic of Germany. In the past, he was associated with Telco Construction Equipment Company Limited as the vice president of the manufacturing division. He is currently responsible for the overall management and administration of the Bengaluru operation of our Company.

Rajendra Kumar Arya is a Whole-time Director of our Company and has been on our Board since July 1, 2022. He has been associated with our Company since June 17, 2019 as the director of operations. He holds a bachelor's degree of engineering in mechanical engineering from the University of Allahabad, Allahabad, India. In the past, he was associated with Ashok Leyland Limited, Bharat Heavy Electricals Limited, Daimler India Commercial Vehicles Private Limited, Maruti Suzuki India Limited, and National Aluminium Company Limited. He currently handles the manufacturing operations of our Company.

Anurag Lohia is a Non-Executive Director of our Company and has been on our Board since July 27, 2002. He has been associated with our Company since January 1, 1988. He holds a bachelor's degree in commerce from Meerut University, Meerut, India. He is also one of the directors of Lohia Aerospace Systems Private Limited, which is engaged, *inter alia*, in manufacturing of composite fibres for aircrafts, aerospace and other industries. He is currently involved in strategic planning and evaluating growth opportunities of our Company.

Naresh Kumar Gupta is an Independent Director of our Company and has been on our Board since December 24, 2012. He holds a bachelor's degree in science from the University of Rajasthan, Jaipur, India and a bachelor's degree of engineering in electrical engineering from the University of Rajasthan, Jaipur, India. Previously, he was associated with Cosmo Ferrites Limited, Delhi Cloth & General Mills Co. Limited, J.K. Synthetics Limited, SICPA India Limited, Lohia Machines Limited and Swadeshi Polytex Limited.

Dinesh Kumar Mittal is an Independent Director of our Company and has been on our Board since August 1, 2022. He holds a master's degree of science in physics from the University of Allahabad, Allahabad, India. He joined the Indian Administrative Services in July, 1977 with the Uttar Pradesh cadre. In the past, he has served with the Government of India as secretary in the Department of Financial Services, the Ministry of Finance, secretary in the Ministry of Corporate Affairs and additional secretary in the Department of Commerce, the Ministry of Commerce and Industry. He has served as a director on the Central Board of Directors of Reserve Bank of India. He has served with the Government of Uttar Pradesh as managing director of Uttar Pradesh Land Development Corporation and vice chairman of the Ghaziabad Development Authority.

Gaurav Swarup is an Independent Director of our Company and has been on our Board since August 1, 2022. He holds a master's degree in business administration from Harvard University, the United States of America. He is the managing director of Paharpur Cooling Towers Limited, chairman of KSB Limited and is also the president of International Chamber of Commerce, India. In the past, he was associated with the Federation of Indian Chambers of Commerce and Industry, West Bengal State Council as chairman and was a member of the National Executive Council with the Federation of Indian Chambers of Commerce and Industry. He was also on the board

of governors of the Indian Institute of Management, Calcutta and was associated with the Plastic Export Promotion Council as chairman.

Basant Seth is an Independent Director of our Company and has been on our Board since August 1, 2022. He is a fellow member of the Indian Institute of Chartered Accountants of India. Previously, he was associated with erstwhile Syndicate Bank as chairman and managing director, State Bank of India as a director on its Central Board, Multi Commodity Exchange of India Limited as a public interest director and Small Industries Development Bank of India as deputy managing director. He was also associated with the Central Information Commission, Government of India as the information commissioner.

Madhavkrishna Singhanian is an Independent Director of our Company and has been on our Board since August 1, 2022. He holds a bachelor's degree in electrical and computer engineering from Carnegie Mellon University, Pittsburgh, Pennsylvania, the United States of America. He represented India in the Australia India Youth Dialogue in 2018. He is also on the board of management for Sir Padampat Singhanian University, Rajasthan, India. In the past, he was associated with Young Indian, Delhi, the youth wing of Confederation of Indian Industry as the chair and also as the sherpa at the G20 Young Entrepreneurs Alliance. He has served on the board of governors for National Council for Cement and Building Materials and also as the president of the Rotary Club of Kanpur, Kanpur, India. He is currently the deputy managing director and chief executive officer of J.K. Cement Limited and chairman of Confederation of Indian Industry, Delhi. He has also been appointed on the development council for cement industry by the Ministry of Commerce and Industry.

Keith Reddy Padmaja Reddy is an Independent Director of our Company and has been on our Board since August 1, 2022. She holds a bachelor's degree of commerce from Osmania University, Hyderabad, India. She is the promoter and managing director of Padmaja Polymers Private Limited and Padmaja Poly Packs Private Limited. In the past, she has been presented with awards by the Andhra Pradesh State Financial Corporation. She received the 'Best Women Entrepreneur Award (Manufacturing)' in 2015 by the then Governor for Andhra Pradesh and Telangana.

Relationship between our Board of Directors and Key Managerial Personnel

Except Raj Kumar Lohia, our Chairman and Managing Director, who is the father of Gaurav Lohia, our Chief Operating Officer, and brother of Amit Kumar Lohia, our Chief Strategy and Planning Officer, none of our Directors are related to each other or to the Key Managerial Personnel of our Company.

Arrangements or understandings with major shareholders, customers, suppliers or others

None of our Directors have been presently appointed or selected as a director pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers, or others.

Terms of appointment of Directors

1. *Remuneration details of our Executive Directors*

Raj Kumar Lohia

Raj Kumar Lohia is the Chairman and Managing Director of our Company. He has been a Director on our Board since incorporation i.e., October 5, 1981 and has been the Chairman of our Company since November 27, 2008. Pursuant to the Board resolution dated February 20, 2020, and special resolution dated March 20, 2020, he was re-appointed as the Chairman and Managing Director of our Company for a term of three years with effect from February 21, 2020. Pursuant to the Board resolution dated March 25, 2021 and special resolution dated April 20, 2021, the terms of remuneration payable to him were revised for the remaining period of his tenure with effect from April 1, 2021. Pursuant to a special resolution dated September 7, 2022, he has been re-appointment as the Chairman and Managing Director of our Company for another term of five years with effect from February 21, 2023. He received a remuneration of ₹ 54.83 million for the financial year ended on March 31, 2022.

Details of the remuneration that Raj Kumar Lohia is entitled to, and the other terms of his employment are enumerated below:

Remuneration	
Particulars	Amount (in ₹)
Basic salary	₹ 3,000,000 per month
Commission	Up to 1.5% on the annual net profits of our Company, computed in the manner laid down in Section 198 of the Companies Act, 2013
Perquisites	
<ul style="list-style-type: none"> House rent allowance at the rate of 50% of the basic salary per month. Company's contribution to the provident fund which shall be restricted to ₹ 1,800 per month. Company's contribution to National Pension Scheme which shall be restricted to ₹ 60,000 per month. Medical reimbursement to cover the expenses incurred on treatment of self and family members on actual basis. Other perquisites as per the rules of our Company. 	

Ujjal De

Ujjal De is a Whole-time Director of our Company. Pursuant to the Board resolution dated February 1, 2022 and special resolution dated March 7, 2022, he was appointed as a Whole-time Director of our Company for a term of five years with effect from February 7, 2022 and the current terms of remuneration payable to him were approved. He received a remuneration of ₹ 12.08 million for the financial year ended on March 31, 2022.

Details of the remuneration that Ujjal De is entitled to, and the other terms of his employment are enumerated below:

Remuneration	
Particulars	Amount (in ₹)
Basic salary	₹ 541,000 per month
Special allowance	₹ 190,362 per month
Perquisites	
<ul style="list-style-type: none"> House rent allowance of ₹ 138,648 per month. Company's contribution to the provident fund as per the rules of our Company, subject to a maximum of 12% of the salary. Provision of car for use for business of our Company. Other perquisites or allowances including medical reimbursement, leave travel concession, etc as per the rules of our Company. 	

Paritosh Kumar Mukherjee

Paritosh Kumar Mukherjee is a Whole-time Director of our Company. Pursuant to the Board resolution dated December 4, 2020, and special resolution dated December 30, 2020, he was re-appointed as a Whole-time Director of our Company for a term of two years with effect from December 4, 2020 and the terms of remuneration payable to him were approved. Pursuant to a special resolution dated September 7, 2022, he has been re-appointment as a Whole-time Director of our Company for another term of five years with effect from December 24, 2022. He received a remuneration of ₹ 4.40 million for the financial year ended on March 31, 2022.

Details of the remuneration that Paritosh Kumar Mukherjee is entitled to, and the other terms of his employment are enumerated below:

Remuneration	
Particulars	Amount (in ₹)
Basic salary	₹ 311,000 per month (the basic salary may be up to a maximum scale of ₹ 600,000 per month with annual increments as may be determined by our Board from time to time)
Perquisites	
<ul style="list-style-type: none"> House rent allowance up to a maximum of ₹ 26,500 per month. Company maintained car with driver. Leave as per the rules of our Company. 	

Rajendra Kumar Arya

Rajendra Kumar Arya is a Whole-time Director of our Company. Pursuant to the Board resolution dated July 1, 2022 and ordinary resolution dated August 10, 2022, he was appointed as the Whole-time Director of our Company for a term of five years with effect from July 1, 2022 and the terms of remuneration payable to him were approved. He received a remuneration of ₹ 14.85 million for the financial year ended on March 31, 2022.

Details of the remuneration that Rajendra Kumar Arya is entitled to, and the other terms of his employment are enumerated below:

Remuneration	
Particulars	Amount (in ₹)
Basic salary	₹ 285,000 per month
Special allowance	₹ 549,500 per month
Perquisites	
<ul style="list-style-type: none">House rent allowance of ₹ 100,000 per month.Company's contribution to the provident fund as per the rules of our Company, subject to a maximum of 12% of the basic salary.Company's contribution to National Pension Scheme at the rate of 10% of the basic salary.Provision of car for use for business of our Company.Other perquisites or allowances including medical reimbursement, leave travel concession, variable pay, gratuity, etc as per the rules of our Company.	

2. Remuneration details of our Independent Directors

Pursuant to the Board resolution dated August 27, 2022, each Independent Director is entitled to receive remuneration by way of sitting fees for attending meetings of the Board and committees thereof, within the limits prescribed under the Companies Act, and the rules made thereunder.

As on the date of this Draft Red Herring Prospectus, our Independent Directors are entitled to receive sitting fees of (i) ₹ 0.1 million for attending each meeting of our Board; (ii) ₹ 0.04 million for attending each meeting as members of the various committees of our Board; and (iii) ₹ 0.06 million for attending each meeting as chairman of the respective committees of our Board.

Except the profit based commission of ₹ 0.60 million paid to Naresh Kumar Gupta in the Financial Year 2022, no remuneration has been paid to our Independent Directors in the Financial Year 2022 as the remaining Independent Directors have been appointed on the Board in the present Fiscal Year.

Further, Anurag Lohia, our Non-Executive Director was paid ₹ 19.36 million in the Financial Year 2022 in the capacity of an Executive Director of our Company.

3. Remuneration paid to our Directors by our Subsidiaries

There is no remuneration paid or payable to our Directors by our Subsidiaries during the Fiscal Year 2022.

Contingent and deferred compensation payable to our Directors

Other than performance linked incentive and bonus or profit sharing plans for our Directors as disclosed under “- Bonus or profit-sharing plan for Directors” on page 242, there is no contingent or deferred compensation payable to our Directors.

Bonus or profit-sharing plan for Directors

Except as mentioned above in respect of commission payable to Raj Kumar Lohia, our Chairman and Managing Director in accordance with Section 198 of the Companies Act, 2013 under the “- Terms of appointment of Directors - Appointment details of our Executive Directors”, and under “Related Party Transactions” on pages 240 and 333 respectively, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles do not require the Directors to hold any qualification shares.

Details of our Directors who hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares	Percentage of pre-Offer share capital
Raj Kumar Lohia	58,602,705	55.47 %
Anurag Lohia	3,741,710	3.54 %

Service contracts with Directors

Except the statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Directors, are entitled to any benefit upon retirement or termination of employment or superannuation. There are no service contracts entered into with any Directors, which provide for benefits upon retirement or termination of employment.

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of other remuneration, bonus and reimbursement of expenses, if any, payable to them.

Certain Directors may be deemed to be interested to the extent of Equity Shares and any ESOPs as and when they are granted under the ESOP Scheme, held by them in our Company or held by the entities in which they are associated as directors or partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares.

Interest in promotion or formation of our Company

Other than Raj Kumar Lohia, none of our Directors are interested in the promotion or formation of our Company as of the date of this Draft Red Herring Prospectus.

Interest in property

None of our Directors are interested in any property acquired by our Company or proposed to be acquired by it.

Payment or benefit paid to Directors of our Company

Other than as disclosed in “- *Disclosure in respect of related parties pursuant to IndAS 24*” on page 333 and except as disclosed herein above, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Directors are directly or indirectly interested and no payments have been made to our Directors in respect of the contracts, agreements or arrangements which are proposed to be made with our Directors other than in the normal course of business.

Confirmations

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers, as defined under the SEBI ICDR Regulations.

Our directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on any stock exchange(s) during their term of tenure in such company.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of tenure in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, or company in which he is interested, in connection with the promotion or formation of our Company.

Changes in our Board of Directors during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Designation (at the time of appointment/ cessation)	Description and Reason
Ujjal De	February 7, 2022	Additional and Whole-time Director	Appointment
Vinay Shah	April 26, 2022	Joint Managing Director	Resignation
Anurag Lohia	July 1, 2022	Executive Director	Change in designation from Executive Director to Non-Executive Director
Rajendra Kumar Arya	July 1, 2022	Whole-time Director	Appointment
Basant Seth	August 1, 2022	Independent Director	Appointment
Dinesh Kumar Mittal	August 1, 2022	Independent Director	Appointment
Gaurav Swarup	August 1, 2022	Independent Director	Appointment
Keith Reddy Padmaja Reddy	August 1, 2022	Independent Director	Appointment
Madhavkrishna Singhania	August 1, 2022	Independent Director	Appointment
Gopal Chandra Lohia	September 19, 2022	Non-Executive Director	Resignation
Stuti Singhania Agarwal	September 19, 2022	Independent Director	Resignation

Note: This table does not include regularization related changes.

Borrowing Powers of our Board of Directors

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013 and a special resolution dated August 25, 2014, and subject to applicable laws, our Board can borrow sums of money as deemed necessary for the purpose of the business of our Company, provided that the monies borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) remaining outstanding at any point of time shall not exceed the aggregate paid-up share capital and free reserves of our Company by a sum of ₹ 500 million.

Corporate Governance

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Company currently has 11 Directors of which four are Executive Directors, one is Non-Executive Director and six are Independent Directors. Our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations and the Companies Act, 2013, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee.

(f) Initial Public Offer Committee

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

The Audit Committee currently comprises of:

Name	Position in the committee	Designation
Basant Seth	Chairman	Independent Director
Naresh Kumar Gupta	Member	Independent Director
Ujjal De	Member	Whole-time Director
Keith Reddy Padmaja Reddy	Member	Independent Director

The Audit Committee was constituted pursuant to a resolution passed by our Board in its meeting held on June 14, 2019 and was last reconstituted pursuant to a resolution passed by our Board in its meeting held on August 27, 2022. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to the resolution passed by our Board in its meeting held on August 27, 2022, *inter alia*, include:

- a) Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon 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 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; and
 - vii) modified opinion(s) in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency (if applicable) monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- i) Approval or any subsequent modification of transactions of the Company with related parties;
- j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- k) Scrutiny of inter-corporate loans and investments;
- l) Valuation of undertakings or assets of the Company, wherever it is necessary; appointment of registered valuer under Section 247 of the Companies Act, 2013.
- m) Evaluation of internal financial controls and risk management systems;
- n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- o) Discussion with internal auditors of any significant findings and follow up thereon;
- p) 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;
- q) 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;
- r) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- s) To review the functioning of the whistle blower mechanism;
- t) Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- u) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- v) Reviewing the utilization of loans and/ or advances from/investment by the Company in any Subsidiary exceeding rupees 1 billion or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- w) To formulate, review and make recommendations to the Board to amend the terms of reference of the Audit Committee from time to time;
- x) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- y) The Audit Committee shall review compliance with the provisions of the SEBI Insider Trading Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;
- z) To consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders; and
- aa) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws, and carrying out any other functions as may be required /

mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

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.
- f) statement of deviations:
 - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and
 - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- g) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The powers of the Audit Committee shall include the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee of the Company;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- e) such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee currently consists of:

Name	Position in the committee	Designation
Gaurav Swarup	Chairman	Independent Director
Madhavkrishna Singhania	Member	Independent Director
Naresh Kumar Gupta	Member	Independent Director
Raj Kumar Lohia	Member	Chairman and Managing Director

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board in its meeting held on June 14, 2019 and was last reconstituted pursuant to a resolution passed by our Board in its meeting held on August 27, 2022. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to the resolution passed by our Board in its meeting held on August 27, 2022, *inter alia*, include:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may
 - i) use the services of an external agencies, if required;
 - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii) consider the time commitments of the candidates;
- c) The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d) Formulating criteria for evaluation of performance of independent directors and the Board;
- e) Devising a policy on diversity of Board;
- f) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- g) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- h) Recommending to the board, all remuneration, in whatever form, payable to senior management;
- i) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- j) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- k) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- l) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- m) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

- i) The SEBI Insider Trading Regulations, 2015, as amended; and
- ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
- n) Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
- o) Performing such other functions as may be necessary or appropriate for the performance of its duties;
- p) Perform such functions as are required to be performed by the Compensation Committee under the SEBI SBEB Regulations; and
- q) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”).

Stakeholders’ Relationship Committee

The Stakeholders’ Relationship Committee currently comprises of:

Name	Position in the committee	Designation
Naresh Kumar Gupta	Chairman	Independent Director
Basant Seth	Member	Independent Director
Ujjal De	Member	Whole-time Director

The Stakeholders’ Relationship Committee was constituted pursuant to a resolution passed by our Board in its meeting held on August 27, 2022. The scope and functions of the Stakeholders’ Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to the resolution passed by our Board in its meeting held on August 27, 2022, *inter alia*, include:

The powers of the Stakeholders Relationship Committee are as follows:

- a) Redressal of all security holders’ and investors’ grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/ transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
- b) Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- c) Giving effect to all transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- d) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
- e) Review of measures taken for effective exercise of voting rights by shareholders;
- f) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;

- g) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- h) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- i) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
- j) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Corporate Social Responsibility Committee (“CSR Committee”)

The CSR Committee currently comprises of:

Name	Position in the committee	Designation
Raj Kumar Lohia	Chairman	Chairman and Managing Director
Dinesh Kumar Mittal	Member	Independent Director
Ujjal De	Member	Whole-time Director

The Corporate Social Responsibility Committee was constituted pursuant to a resolution passed by our Board in its meeting held on March 29, 2014 and was last re-constituted pursuant to a resolution passed by our Board in its meeting held on August 27, 2022. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 27, 2022, inter alia, include:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- b) To review and recommend the amount of expenditure to be incurred on the activities referred to in (a) above and amount to be incurred for such expenditure shall be as per the applicable law;
- c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f) To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes ;
- g) To do such other acts, deeds and things as may be required to comply with the applicable laws;
- h) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company; and

- i) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
- (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes;
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company; and
 - (vi) to perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Risk Management Committee

The Risk Management Committee currently comprises of:

Name	Position in the committee	Designation
Dinesh Kumar Mittal	Chairman	Independent Director
Basant Seth	Member	Independent Director
Rajendra Kumar Arya	Member	Whole-time Director
Krishan Gopal Gupta	Member	Chief Financial Officer

The Risk Management Committee was constituted by a resolution of our Board dated August 27, 2022.

The terms of reference of the Risk Management Committee include the following:

- a) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes which shall include:
 - i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
 - ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - iii) Business continuity plan
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To approve the process for risk identification and mitigation;
- f) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;

- g) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- h) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- i) To consider the effectiveness of decision making processes in crisis and emergency situations;
- j) To balance risks and opportunities;
- k) To generally assist the Board in the execution of its responsibility for the governance of risk;
- l) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- m) To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
- n) To implement and monitor policies and/or processes for ensuring cyber security;
- o) To review and recommend potential risk involved in any new business plans and processes;
- p) To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- q) To monitor and review regular updates on business continuity;
- r) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- s) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- t) To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
- u) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Initial Public Offer Committee

The Initial Public Offer Committee (hereinafter referred to as "**IPO Committee**") currently comprises of:

Name	Position in the committee	Designation
Raj Kumar Lohia	Chairman	Chairman and Managing Director
Ujjal De	Member	Whole-time Director
Rajendra Kumar Arya	Member	Whole-time Director
Paritosh Kumar Mukherjee	Member	Whole-time Director

The IPO Committee was constituted by a resolution of our Board dated August 1, 2022.

The terms of reference of the IPO Committee include the following:

- a) To amend the terms of participation by the Selling Shareholders in the Offer for Sale;

- b) To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
- c) To decide on other matters in connection with or incidental to the Offer, including the timing, pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening and bid/Offer closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;
- d) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus as applicable;
- e) To finalize, settle, approve, adopt and file in consultation with the BRLMs, where applicable, the DRHP, the RHP, the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
- f) To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
- g) To appoint and enter into and terminate arrangements with the BRLMs, and appoint and enter into and terminate arrangements in consultation with the BRLMs with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bankers to the Offer, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Offer, depositories, custodians, grading agency, monitoring agency, industry expert, credit rating agencies, printers, and any other agencies or persons or intermediaries whose appointment is required in relation to the Offer including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the BRLMs;
- h) To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;
- i) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
- j) To authorise the maintenance of a register of holders of the Equity Shares;
- k) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned

government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

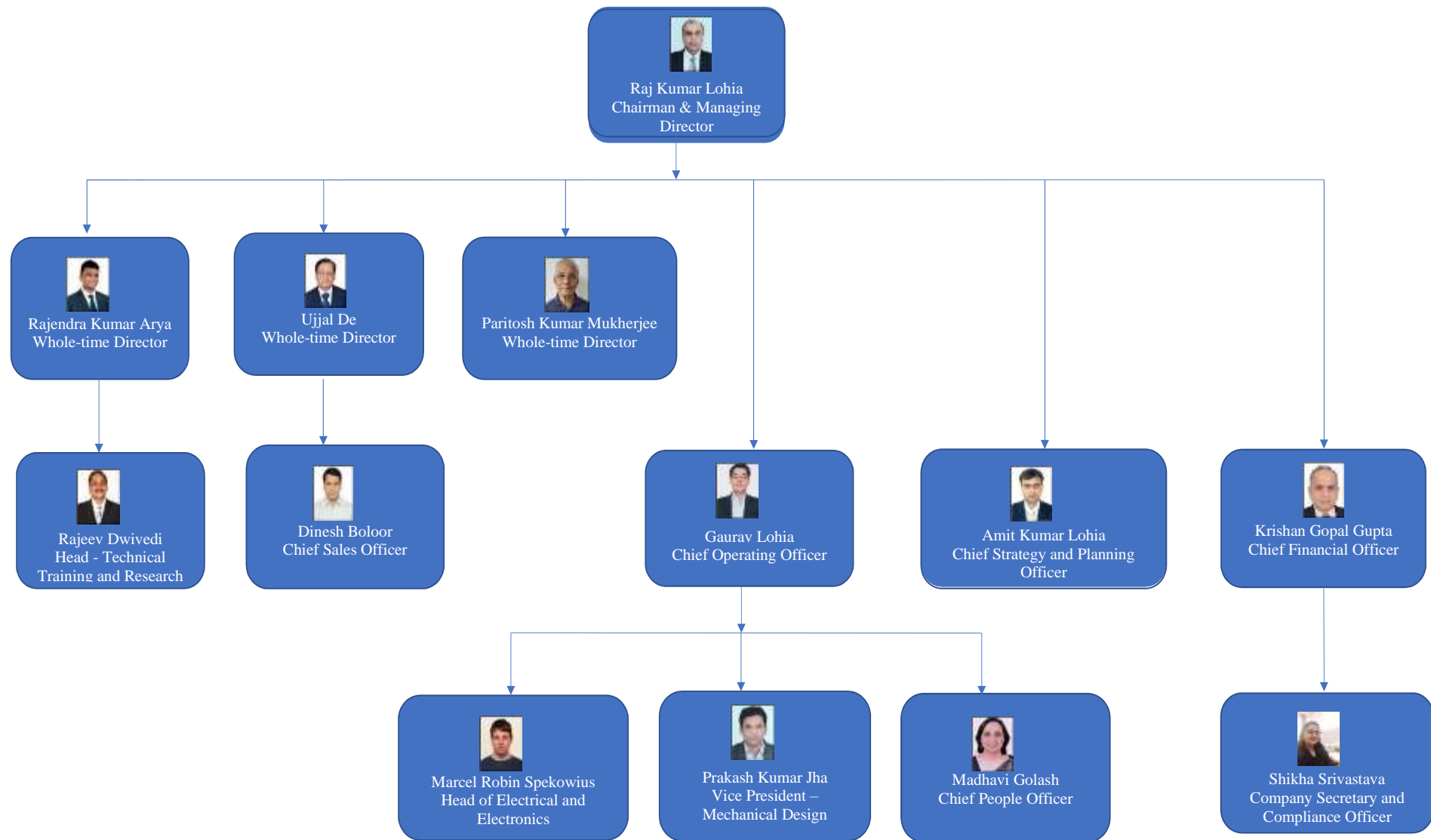
- l) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- m) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- n) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- o) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
- p) To approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
- q) To implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;
- r) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Offer to sign all or any of the aforesaid documents;
- s) To authorize and approve notices, advertisements in relation to the Offer, in accordance with the SEBI ICDR Regulations and other applicable laws, in consultation with the relevant intermediaries appointed for the Offer;
- t) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
- u) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;
- v) To make applications for listing of the Equity Shares in one or more stock and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
- w) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
- x) To submit undertaking/certificates or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;
- y) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board or any other committee thereof may deem

necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;

- z) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- aa) To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;
- bb) To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and
- cc) To delegate any of its powers set out under (a) to (w) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

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MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Personnel

In addition to Raj Kumar Lohia, our Chairman and Managing Director and Ujjal De, Paritosh Kumar Mukherjee and Rajendra Kumar Arya, the Whole-time Directors of our Company, whose details are provided in “*Our Management – Brief Profiles of our Directors*” beginning on page 235, the details of our other Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are set forth below:

Gaurav Lohia is the Chief Operating Officer of our Company since March 11, 2019 and was re-appointed as the Chief Operating Officer with effect from April 1, 2021. He has been associated with our Company since May 1, 2004. He holds a bachelor’s degree in business administration from Bond University, Australia and has completed the management programme for family business from the Indian School of Business, Hyderabad, India. Currently, he oversees the business operations of our Company under the supervision of our Board. In the Fiscal Year 2022, he received a remuneration of ₹ 18.27 million.

Amit Kumar Lohia is one of our Promoters and is the Chief Strategy & Planning Officer of our Company. He has been associated with our Company since July 1, 1985. He holds a bachelor’s degree of technology in electrical engineering from the Indian Institute of Technology, Kanpur, India and a master’s degree in industrial administration from Carnegie Mellon University, Pittsburgh, Pennsylvania, the United States of America. He is currently involved in strategic planning and execution and together with our senior management is responsible for strategic growth initiatives and expansion plans. In the Fiscal Year 2022, he received a remuneration of ₹ 24.63 million.

Krishan Gopal Gupta is the Chief Financial Officer of our Company since April 25, 2022. He has been associated with our Company since January 12, 1993. He is a fellow member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with J.K. Synthetics Limited and Super House Limited. He has served as a financial consultant at the ministry of finance of Royal Government of Bhutan. Currently, he handles financial, banking, legal, and secretarial matters of our Company. In the Fiscal Year 2022, he received a remuneration of ₹ 4.98 million.

Prakash Kumar Jha is the Vice President of the mechanical design department of our Company since September 4, 2020. He holds a master’s degree of technology in metallurgical engineering from Indian Institute of Technology, Kharagpur, India and an executive post graduate diploma in management from Indian Institute of Management Society, Kashipur, India. He has also participated in management development programme on business leadership development programme held at Xavier Labour Relations Institute, Jamshedpur, India. In the past, he was associated with Ashok Leyland Limited. Currently, he handles the mechanical design department of our Company. In the Fiscal Year 2022, he received a remuneration of ₹ 5.58 million.

Madhavi Golash is the Chief People Officer our Company since September 3, 2022. She has been associated with our Company since March 4, 2013. She holds a master’s degree in business administration from Jiwaji University, Gwalior, India. She was previously associated with FieldFresh Foods Private Limited, GPI Textiles Limited, Hero Realty Limited, and RSWM Limited. She is currently responsible for the recruiting, engagement, talent management, learning and development, and employee performance system of our Company. In the Fiscal Year 2022, she received a remuneration of ₹ 7.66 million.

Dinesh Boloor is the Chief Sales Officer of the domestic and exports department of our Company and has been associated with our Company since June 23, 2016. He holds a bachelor’s degree in mechanical engineering from University of Mysore, Mysore, India. He has also completed IIMA-L&T Management Education Programme conducted by Indian Institute of Management, Ahmedabad, India. He was previously associate with Doosan Infracore Construction Equipment India Private Limited and Larsen & Toubro Limited. In the Fiscal Year 2022, he received a remuneration of ₹ 9.88 million.

Marcel Robin Spekowius is the head of Electrical and Electronics department of our Company since March 30, 2019. He holds a master’s degree of science in physics and a doctoral degree in engineering under the rectorship of the university professor from Institute for Plastics Processing at RWTH Aachen University, Aachen, Germany. He has been awarded with ‘Borchers Plakette’ for passing doctoral examination with distinction from RWTH Aachen University, Aachen, Germany. In the past, he was engaged in the business of manufacturing and sale of hardware and software in Germany under the name and style of Contien GmbH, a company incorporated in Aachen, Germany. Currently, he is responsible for all new developments of electrical and electronics parts and digitization of machines manufactured in our Company. In the Fiscal Year 2022, he received a remuneration of ₹ 15.55 million.

Rajeev Kumar Dwivedi is director of Technical Training and Research Centre of our Company. He has been associated with our Company since December 17, 2010. He holds a bachelor's degree of engineering from Maulana Azad National Institute of Technology (*formerly* Maulana Azad College of Technology), Bhopal, India and a master's degree of technology from Barkatullah Vishwavidyalaya, Bhopal, India. In the past, he was associated with the Central Institute of Plastics Engineering and Technology, Chennai, India and supervised the study on 'Bio-degradable Plastics-Impact on Environment' conducted in March, 2010 by the Central Pollution Control Board, Ministry of Environment and Forests. He was awarded a fellowship with United Nations Industrial Development Organization in the year 1997. He is currently managing the Technical Training and Research Centre where training is being given to personnel for operating the machines manufactured by our Company. In the Fiscal Year 2022, he received a remuneration of ₹ 6.64 million.

Shikha Srivastava is the Company Secretary and Compliance Officer of our Company since April 1, 2021. She has been associated with our Company since December 1, 2020. She holds a bachelor's degree in commerce and a bachelor's degree of law from Chhatrapati Shahu Ji Maharaj University, Kanpur, India, and a post graduate diploma in business administration from Symbiosis Centre for Distance Learning, Pune, India. She is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Hachette Book Publishing India Private Limited, Panasonic India Private Limited, Samsung India Electronics Private Limited, TaraSpan Solutions Private Limited, and Treasure Vase Ventures Private Limited. Currently, she is handling legal, compliance and secretarial function of our Company. In the Fiscal Year 2022, she received a remuneration of ₹ 1.54 million.

Status of Key Managerial Personnel

Other than Marcel Robin Spekowius who is associated with our Company since March 30, 2019 for a term of five years subject to his early termination after completion of four years of the term of his employment, all our Key Managerial Personnel are permanent employees of our Company.

The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

Relationship among Key Managerial Personnel

Except Raj Kumar Lohia, our Chairman & Managing Director, who is the father of Gaurav Lohia, our Chief Operating Officer, and brother of Amit Kumar Lohia, our Chief Strategy and Planning Officer, none of the Key Managerial Personnel of our Company are related to each other.

Bonus or profit-sharing plan for the Key Managerial Personnel

Other than as disclosed in "*Our Management- Bonus or profit-sharing plan for our Directors*", our Company does not have a performance linked bonus or profit sharing plan for our Chairman and Managing Director and Whole Time Directors.

With respect to our Key Managerial Personnel (other than our Chairman and Managing Director and Whole Time Directors), except for performance based discretionary short-term and long-term incentives, retention or signing bonuses paid in accordance with their respective terms of appointment, none of our Key Managerial Personnel are a party to any bonus or profit-sharing plan or have received any compensation in the Fiscal Year 2022 pursuant to any bonus or profit-sharing plan.

Shareholding of Key Managerial Personnel

Other than as provided under "*Our Management - Shareholding of our Directors in our Company*" on page 243, and the details of Equity Shares held by the Key Managerial Personnel in our Company as provided below, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. None of the Key Managerial Personnel hold any employee stock options in our Company:

Sr. No.	Name of the Key Managerial Personnel	Number of Equity Shares held
1.	Gaurav Lohia	10,185,000
2.	Amit Kumar Lohia	10,617,375

Service Contracts with Key Managerial Personnel

Except for the statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel, is entitled to any benefit upon retirement, termination of employment or superannuation and there are no service contracts entered into with any Key Managerial Personnel, which provide for benefits upon retirement or termination of employment.

Interests of Key Managerial Personnel

For details of the interest of our Chairman and Managing Director and our Whole Time Directors in our Company, see “*Our Management - Interest of our Directors*” on page 243.

Our Key Managerial Personnel (other than our Chairman and Managing Director and our Whole Time Directors) are interested 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 their service. Further, some of our Key Managerial Personnel are interested to the extent of Equity Shares held by them and any ESOPs as and when they are granted under the ESOP Scheme, their relatives or by entities in which they are associated as a director and to the extent of benefits arising out of such shareholding. For details, please see “*Shareholding of the Key Managerial Personnel*” above.

Contingent and deferred compensation payable to the Key Managerial Personnel

Except as disclosed under “*- Contingent and deferred compensation payable to our Directors*”, there is no contingent or deferred compensation payable to our Key Managerial Personnel.

Changes in the Key Managerial Personnel during the last three years

The changes in Key Managerial Personnel in the last three years immediately preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Designation	Date of change	Reason for change
Arvind Kumar Bhargava	Company Secretary	March 31, 2021	Superannuation
Amit Kumar Lohia	Chief Financial Officer	April 1, 2021	Appointment
Shikha Srivastava	Company Secretary	April 1, 2021	Appointment
Krishan Gopal Gupta	Chief Financial Officer	April 25, 2022	Appointment
Amit Kumar Lohia	Chief Financial Officer	April 30, 2022	Resignation

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officers of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders, and as disclosed in “*Financial Information*” on page 271.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been presently appointed or selected as a Key Managerial Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option and stock purchase schemes

For details of the employee stock option scheme of our Company, see “*Capital Structure – Employee Stock Option Scheme*” on page 115.

OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are Raj Kumar Lohia, Neela Lohia, Gaurav Lohia, Amit Kumar Lohia and Ritu Lohia. As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 84,272,580 Equity Shares on a fully diluted basis comprising 79.77 % of the issued, subscribed, and paid-up equity share capital of our Company.

For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure - Details of shareholding of our Promoters and Promoter Group in the Company*" on page 107.

Detail of our Promoters



Raj Kumar Lohia

Raj Kumar Lohia, born on August 21, 1954, aged 68 years, is one of our Promoters and is also the Chairman and Managing Director of our Company. For the complete profile of Raj Kumar Lohia, along with details of his personal address, educational qualifications, professional experience, positions and posts held in the past, other directorships, business and financial activities and special achievements, see "*Our Management*" on page 235.

His permanent account number is AATPL9289M. He does not have a driving license.



Neela Lohia

Neela Lohia, born on March 13, 1958, aged 64 years, is one of our Promoters. She resides at H-1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur, Uttar Pradesh – 208 002. She holds a bachelor's degree of science in home science from the University of Delhi. She has experience in the industry of manufacturing of machineries for woven plastic. She has previously held and is currently holding the position of Officer on Special Duty in our Company. She is not on the board of directors of any other company.

Her permanent account number is AADPL9252C. She does not have a driving license.



Gaurav Lohia

Gaurav Lohia, born on August 17, 1982, aged 40 years, is one of our Promoters and is also the Chief Operating Officer of our Company. He resides at H-1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur, Uttar Pradesh – 208 002. He is on the board of KPR – A Realities Limited and Modern Real Estates Private Limited. For the complete profile of Gaurav Lohia, along with details of his educational qualifications, professional experience, positions and posts held in the past, business and financial activities and special achievements, see "*Our Management - Key Managerial Personnel*" on page 257.

His permanent account number is ACAPL1115H.

**Amit Kumar Lohia**

Amit Kumar Lohia, born on November 3, 1963, aged 58 years, is one of our Promoters and is the Chief Strategy & Planning Officer of our Company. He resides at H-1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur, Uttar Pradesh – 208 002. He is on the board of Anshita Holdings Private Limited, Anther Vinimay Private Limited, Autoplastcomp Private Limited, BNPR-B Realities Private Limited, Lohia Engineering and Design Services Private Limited, Lohia Filament Machines Limited, Lohia Global Solutions FZE, Lohia Global Solutions Private Limited, Lohia Group Electricity Consumers Association, Lohia Group Housing Private Limited, Modern Real Estates Private Limited, Moldura Tech Private Limited, Saumya Real Estates Private Limited, Shruti Finsec Private Limited, Sparetex Private Limited, and Tanya Homes Private Limited. For the complete profile of Amit Kumar Lohia, along with details of his educational qualifications, professional experience, positions and posts held in the past, business and financial activities and special achievements, see “*Our Management - Key Managerial Personnel*” on page 257.

His permanent account number is AATPL9290N.

**Ritu Lohia**

Ritu Lohia, born on August 21, 1969, aged 53 years, is one of our Promoters. She resides at H-1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur, Uttar Pradesh – 208 002. She holds an honors graduation degree for the diploma course in residential planning and retailing from the Art Institute of Pittsburgh, Pennsylvania, United States of America. She is not on the board of directors of any other company.

Her permanent account number is AAEPL4761F. She does not have a driving license.

Our Company confirms that permanent account numbers, bank account numbers, passport numbers, Aadhar card numbers of each of our Promoters and driving license numbers of Gaurav Lohia and Amit Kumar Lohia shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in this section and in the section “*Our Management - Board of Directors*” on page 235, our Promoters do not have any interest in any other venture that is involved in any activities similar to those conducted by our Company and its Subsidiaries. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

Experience of our Promoters in the business of our Company

Our Promoters have adequate experience in the business activities undertaken by our Company.

Interests of our Promoters and Related Party Transactions

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding in our Company; and (iii) of dividends payable, if any, and other distributions in respect of the Equity Shares held by them. For details on shareholding of our Promoters in our Company, see “*Capital Structure*” on page 107. For further details of interest of our Promoters in our Company, see “*Our Management*” and “*Related Party Transactions*” beginning on pages 235 and 333 respectively. Our Promoters, certain of whom are also Directors, Key Managerial Personnel, and including Neela Lohia, may be deemed to be interested to the extent of their remuneration/ fees and reimbursement of expenses, payable to them. For further details, see “*Our Management*” and “*Related Party Transactions*” beginning on pages 235 and 333 respectively.

Other than as disclosed in “*Related Party Transactions*” on page 333 and except as disclosed herein above, our Company has not entered into any contract, agreements or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payment have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Our Promoters may also be interested to the extent of goods and services supplied by companies in which it is a shareholder, to our Company. Apart from this and otherwise as disclosed in the section “*Related Party Transactions*” on page 333, our Promoters are not interested in any property acquired by our Company in the preceding three years from the date of filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building and supply of machinery, etc.

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 them or to such firm or company, in cash or shares or otherwise by any person either to induce him to become, or to qualify Promoters as a director or otherwise, for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

Payment or Benefits to our Promoters or Promoter Group

Except as stated above, in the ordinary course of business and otherwise as disclosed in the section “*Related Party Transactions*” on page 333, there has been no amount or benefit paid or given to our Promoters or members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor there is any intention to pay or give any benefit to our Promoters or members of our Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the last three years preceding the date of this Draft Red Herring Prospectus:

S. No.	Name of the entity disassociated with	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
1.	Estelar S.A., Paraguay*	Divestment of stake	September 2, 2022
2.	L&S Light & Strong Limited, Israel	Divestment of stake	March 30, 2022
3.	Carmenta S.A., Paraguay	Divestment of stake	March 29, 2022
4.	SBI Mechatronik GmbH, Austria	Divestment of stake	December 27, 2021
5.	Lohia Aerospace Systems Private Limited	Divestment of stake	January 4, 2022
6.	Lohia Engineering and Design Services Private Limited	Divestment of stake	February 25, 2021
7.	Lohia Mechatronik Private Limited	Divestment of stake	February 25, 2021

* Our Subsidiary, Galuner S.A. agreed to transfer its complete shareholding aggregating to 50.01% in Estelar S.A. to Mercoplast S.A. pursuant to Transfer of Shares agreement dated September 2, 2022 (“**Share Transfer Agreement**”). Under the Share Transfer Agreement, this consideration has to be paid by Mercoplast S.A. in tranches till August 15, 2023. For more information, please see “History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years” on page 214.

Note: For further details in relation to the above-mentioned disassociations of our Promoters, see “History and Certain Corporate Matters - Key terms of other subsisting material agreements” on page 214.

Material guarantees given by our Promoters

There are no material guarantees given by our Promoters to third parties, with respect to the Equity Shares of our Company.

Other information

All our Promoters, namely Raj Kumar Lohia, Neela Lohia, Gaurav Lohia, Amit Kumar Lohia and Ritu Lohia, entered into a Memorandum of Family Settlement dated September 21, 2022 (“**MoFS**”), with descendants of Lala

Shriniwas Lohia. Lala Shriniwas Lohia was the (a) grandfather of our Promoters, Raj Kumar Lohia and Amit Kumar Lohia; (b) grandfather-in-law of our Promoters, Neela Lohia and Ritu Lohia; and (c) great grandfather of Gaurav Lohia. The purpose of the MoFS was to restructure certain businesses and assets held by the descendants of Lala Shriniwas Lohia amongst themselves, including businesses, immovable and movable assets. Pursuant to the MoFS, the following transfers took place in the Equity Shares of our Company:

- (a) 19,134,630 Equity Shares were transferred from Jitendra Kumar Lohia to Raj Kumar Lohia on September 22, 2022; and
- (b) 11,937,025 Equity Shares were transferred from Gopal Chandra Lohia to Raj Kumar Lohia on September 22, 2022.

For further information in relation to the above-mentioned transfers, please see ‘*Capital Structure - Build-up of Promoters’ shareholding in our Company*’ on page 108.

Other confirmations

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

Our Promoters are not and have never been promoters of any other company which is debarred from accessing capital markets.

Change in the control of our Company

There has not been any change in the management and control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

A. Natural persons who are part of the Promoter Group

The individuals forming part of our Promoter Group are as follows

Name of Promoter Group Individuals	Relationship with Promoter
Raj Kumar Lohia	
Neela Lohia	Spouse
Amit Kumar Lohia	Brother
Renu Aggarwal	Sister
Lata Jhunjhunwala	Sister
Gaurav Lohia	Son
Garima Lohia	Daughter
Sanjay Kumar Modi	Spouse’s brother
Rajiv Kumar Modi	Spouse’s brother
Naveen Modi	Spouse’s brother
Neelam Bansal	Spouse’s sister
Neera Tayal	Spouse’s sister
Neela Lohia	
Raj Kumar Lohia	Spouse
Sanjay Kumar Modi	Brother
Rajiv Kumar Modi	Brother
Naveen Modi	Brother
Neelam Bansal	Sister
Neera Tayal	Sister
Gaurav Lohia	Son
Garima Lohia	Daughter
Amit Kumar Lohia	Spouse’s brother
Renu Aggarwal	Spouse’s sister

Name of Promoter Group Individuals	Relationship with Promoter
Lata Jhunjhunwala	Spouse's sister
Gaurav Lohia	
Mansi Lohia	Spouse
Garima Lohia	Sister
Raj Kumar Lohia	Father
Neela Lohia	Mother
Shrivardhan Lohia	Son
Shivvardhan Lohia	Son
Arun Bhartiya	Spouse's father
Sheela Bhartiya	Spouse's mother
Manu Bhartiya	Spouse's brother
Amit Kumar Lohia	
Ritu Lohia	Spouse
Raj Kumar Lohia	Brother
Renu Aggarwal	Sister
Lata Jhunjhunwala	Sister
Tanya Lohia	Daughter
Vimla Jain	Spouse's mother
Ajay Jain	Spouse's brother
Renu Gupta	Spouse's sister
Ritu Lohia	
Amit Kumar Lohia	Spouse
Tanya Lohia	Daughter
Vimla Jain	Mother
Ajay Jain	Brother
Renu Gupta	Sister
Raj Kumar Lohia	Spouse's brother
Renu Aggarwal	Spouse's sister
Lata Jhunjhunwala	Spouse's sister

B. Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

Sr. No.	Name of Promoter Group Entities
1.	Anjali Capfin Private Limited
2.	Anshita Holdings Private Limited
3.	KLPR-B Realities Private Limited
4.	Lohia Aerospace Systems Private Limited
5.	Lohia Engineering and Design Services Private Limited
6.	Lohia Group Housing Private Limited
7.	Modern Real Estates Private Limited
8.	Northern Borates Private Limited
9.	Northern Metals Private Limited
10.	OmSatya Commotrade Private Limited
11.	Shruti Finsec Private Limited
12.	Saumya Real Estates Private Limited
13.	Sparetex Private Limited
14.	Tanya Homes Private Limited
15.	United Trade.Net (India) Private Limited
16.	Vivsun Engineering Industries Private Limited
17.	Vivsun Exports Private Limited
18.	Welways Industries Private Limited
19.	Lohfam Finsec LLP
20.	Lohia Universal Traders LLP
21.	Murli Manohar Real Estates LLP
22.	Petal Realtors LLP
23.	Shri Foundries and Engg. Works LLP
24.	SNL Enterprises LLP
25.	M/s Bharat Textile Corporation
26.	M/s Krafts Palace

Sr. No.	Name of Promoter Group Entities
27.	M/s Saga Ventures
28.	M/s Sanjay Cold Storage
29.	M/s T R Cones
30.	Ajay Jain HUF
31.	Arun Bhartiya HUF
32.	Jagdish Prasad Arun Kumar HUF
33.	J P Bhartiya HUF
34.	Jagdish Prasad Bhartiya Smaller HUF
35.	M P Jain HUF
36.	Naveen Kumar Modi HUF
37.	Nirmal Kumar Jhunjhunwala HUF
38.	Rajiv Kumar Modi HUF
39.	Sanjay Kumar Modi HUF
40.	Sundeep Aggarwal HUF

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies” includes:

- (i) such companies (other than the Subsidiaries) with which our Company had related party transactions, during the period for which Restated Consolidated Financial Information have been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards; and
- (ii) any other companies which are considered material by our Board.

In addition, for the purposes of (ii) above, our Board in its meeting held on August 27, 2022 has considered and adopted the Materiality Policy, *inter alia*, for identification of companies that shall be considered material and shall be disclosed as a group company in the Draft Red Herring Prospectus, if it is a member of the Promoter Group entities in terms of regulation 2(1)(pp) of the SEBI ICDR Regulations, and our Company has entered into one or more transactions with such company during the last completed fiscal year (and relevant stub period), which individually or cumulatively in value exceeds 10% of the revenue from operations of our Company for the last completed Fiscal Year as per the Restated Consolidated Financial Information to be included in this Draft Red Herring Prospectus.

Based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Board has identified the following as our group companies (“**Group Companies**”):

Group Companies incorporated in India

1. Anjali Capfin Private Limited
2. Anshita Holdings Private Limited
3. Anther Vinimay Private Limited
4. Industrial Yarns & Threads (India) Private Limited
5. Injectoplast Private Limited
6. LR Moulds Private Limited
7. Lohia Aerospace Systems Private Limited
8. Lohia Engineering and Design Services Private Limited
9. Lohia Group Housing Private Limited
10. Lohia Mechatronik Private Limited
11. Rachit Finsec Private Limited
12. Saumya Real Estates Private Limited
13. Shipra Finsec Private Limited
14. Shruti Finsec Private Limited
15. Threads (India) Private Limited
16. United Trade.Net (India) Private Limited
17. Vivsun Engineering Industries Private Limited

Group Companies incorporated outside India

1. Carmenta Sociedad Anonima, Paraguay
2. Einbecker Kennzeichnungssysteme GmbH, Germany
3. L&S Light and Strong Limited, Israel
4. SBI Mechatronik GmbH, Austria

Details of our top five Group Companies

1. Carmenta Sociedad Anonima, Paraguay (“CSA”)

The registered office of CSA is situated at Route 1, Km 17.5, Capiatá, Paraguay.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of CSA for financial years ended December 31, 2021, December 31, 2020 and December 31, 2019 in terms of the SEBI ICDR

Regulations are available on the website of our Company at <https://www.lohiagroup.com/sites/default/files/Group%20Company%20Financial%20Summary.pdf>.

2. Injectoplast Private Limited (“IPL”)

The registered office of IPL is situated at 205, Leela Palace, 7/85, Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of IPL for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on the website of our Company at <https://www.lohiagroup.com/sites/default/files/Group%20Company%20Financial%20Summary.pdf>.

3. L&S Light and Strong Limited, Israel (“LLSL”)

The registered office of LLSL is situated at Ha’adom Street, Kannot Industrial Area, Tel Aviv, Israel.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of LLSL for financial years ended December 31, 2021, December 31, 2020 and December 31, 2019 in terms of the SEBI ICDR Regulations are available on the website of our Company at <https://www.lohiagroup.com/sites/default/files/Group%20Company%20Financial%20Summary.pdf>.

4. SBI Mechatronik GmbH (“SBI”)

The registered office of SBI is situated at Kaplanstraße 12 2020 Hollabrunn, Austria.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of SBI for financial years ended December 31, 2021, December 31, 2020 and December 31, 2019 in terms of the SEBI ICDR Regulations are available on the website of our Company at <https://www.lohiagroup.com/sites/default/files/Group%20Company%20Financial%20Summary.pdf>.

5. Threads (India) Private Limited (“TIPL”)

The registered office of TIPL is situated at 492 Amiliha, GT Road, Chaubepur, Kanpur 209 203, Uttar Pradesh, India.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of TIPL for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on the website of our Company at <https://www.lohiagroup.com/sites/default/files/Group%20Company%20Financial%20Summary.pdf>.

Details of other Group Companies

1. Anjali Capfin Private Limited (“ACPL”)

The registered office of ACPL is situated at Sukhdham, Flat no. E-2, 7/17 (9-10), Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

2. Anshita Holdings Private Limited (“AHPL”)

The registered office of AHPL is situated at Sukhdham, Flat no. E-2, 7/17 (9-10), Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

3. Anther Vinimay Private Limited (“AVPL”)

The registered office of AVPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

4. Einbecker Kennzeichnungssysteme GmbH, Germany (“EK”)

The registered office of EK is situated at Einbecker signage systems GmbH Grimsehlstrasse 52, 37574, Einbeck, Germany.

5. Industrial Yarns & Threads (India) Private Limited (“IYTIPL”)

The registered office of IYTIPL is situated at D-3/A, Panki Industrial Estate, Kanpur 208 022, Uttar Pradesh, India.

6. L R Moulds Private Limited (“L R Moulds”)

The registered office of L R Moulds is situated at B-13, Site-V, Panki Industrial Estate, Kanpur 208 022, Uttar Pradesh, India.

7. Lohia Aerospace Systems Private Limited (“LASPL”)

The registered office of LASPL is situated at D-3/A, Panki Industrial Estate, Kanpur 208 022, Uttar Pradesh, India.

8. Lohia Engineering and Design Services Private Limited (“LEDSPL”)

The registered office of LEDSPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

9. Lohia Group Housing Private Limited (“LGHPL”)

The registered office of LGHPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

10. Lohia Mechatronik Private Limited (“LMPL”)

The registered office of LMPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

11. Rachit Finsec Private Limited (“RFPL”)

The registered office of RFPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

12. Saumya Real Estates Private Limited (“SREPL”)

The registered office of SREPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

13. Shipra Finsec Private Limited (“Shipra Finsec”)

The registered office of Shipra Finsec is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

14. Shruti Finsec Private Limited (“Shruti Finsec”)

The registered office of Shruti Finsec is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

15. United Trade.Net (India) Private Limited (“UTNIPL”)

The registered office of UTNIPL is situated at Sukhdham, Flat No. E-2, 7/17 (9-10) Tilak Nagar, Kanpur 208 002, Uttar Pradesh, India.

16. Vivsun Engineering Industries Private Limited (“VEIPL”)

The registered office of VEIPL is situated at 23, Loni Road, Mohan Nagar, Ghaziabad 201 005, Uttar Pradesh, India.

Interest of Group Companies in our Company

(a) ***In the promotion of our Company***

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have any interest in the promotion of our Company.

(b) ***In the properties acquired by our Company in the past three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired***

Except as stated in “*Related Party Transactions*” on page 333, none of our Group Companies have any interest in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or that are proposed to be acquired by our Company.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery, etc***

Except as stated in “*Related Party Transactions*” on page 333, none of our Group Companies have any interest in any transactions for the acquisition of land, construction of building or supply of machinery, etc.

Common pursuits amongst the Group Companies and with our Company

Our Group Companies, namely ACPL, AVPL, RFPL, Shipra Finsec and Shruti Finsec, are in the same line of business as one of our Subsidiaries, namely Sarjna Capfin Private Limited and are engaged in the business of providing non-banking financial services. Further, our Subsidiaries namely, BNPR-B Realities Private Limited, Focal Infra Developers Private Limited, KPR-A Realities Limited, KPR-C Realities Private Limited, Nalini Buildcon Private Limited, Nupur Real Estates Private Limited are authorised by their constitutional documents to engage in the same line of business as that of our Group Companies, namely LGHPL and SREPL, and are engaged in the business of real estate. There are common pursuits to that extent between these Group Companies and Subsidiaries. We do not perceive any conflict of interest with our Group Companies, and we shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Related business transactions with our Group Companies and significance on the financial performance of our Company

For details of related party transactions between our Company and our Group Companies till they were related parties under the applicable accounting standard, see “*Related Party Transactions*” on page 333.

Litigation

As on date of this Draft Red Herring Prospectus, none of our Group Companies are a party to any pending litigations which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Related Party Transactions*” on page 333, none of our Group Companies have any business interest in our Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act. Our Board at its meeting held on August 27, 2022, approved the dividend distribution policy of the Company, which includes parameters to be considered by the Board for declaration of dividend, with an objective of rewarding the Shareholders of the Company.

The nature and quantum of dividend, if any, will depend on a number of factors, including but not limited to current year profits, existing reserves, future projections of profitability, funds required towards working capital, servicing of outstanding loans and capital expenditure, state of the domestic and global economy, capital market conditions, dividend policy of competitors, and other factors which are likely to have a significant impact on our Company. The consolidated profits earned by the Company may either be retained in the business or used for various purposes by the Company, or it may be distributed to the Shareholders. There is no guarantee that any dividends will be declared or paid by our Company in the future. For details, see “*Risk Factors – Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition*” on page 68.

In addition, our ability to pay dividends may be impacted by a number of other factors, including the Company having strategic priorities which require large investments that would deplete the Company’s cash reserves, uncertainties in the business operations, and regulatory/ contractual restrictions.

The details in respect of dividends paid by our Company in the last three financial years by our Company, is provided below. Please note that no dividend was paid was by the Company April 1, 2022 till the date of this Draft Red Herring Prospectus:

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
No. of Equity Shares	4,226,000	4,550,000	4,850,000
Face value per share (in ₹)	10	10	10
Aggregate Dividend (in ₹)	31,695,000	34,125,000	72,750,000
Dividend per share (in ₹)	₹ 7.5	₹ 7.5	₹ 15 (₹7.5 per equity share two times)
Rate of dividend (%)	75%	75%	75%
Dividend Distribution Tax (%)	NIL	NIL	20.55
Dividend Distribution Tax (in ₹)	NIL	NIL	14,953,976

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Articles of Association and provisions of the SEBI Listing Regulations and other applicable laws. Our Company may pay dividend by cheque, electronic clearance service, as will be approved by our Board in the future. Our Company may also, from time to time, pay interim dividends.

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of
Directors Lohia
Corp Limited
D-3/A, Panki Industrial
Estate, Kanpur, India –
208022

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Lohia Corp Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), and its associate and joint ventures, comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 27 August 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of ₹ 1 each ("Offer") prepared in terms of the requirements of:
 - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)
 - (c) Regulations, 2018, as amended ("ICDR Regulations"); and
 - (d) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1.01(i) to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its associate and joint ventures complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined the Restated Consolidated Financial Information taking into consideration:
 - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 27 May 2022 in connection with the proposed Offer;
 - (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- (c) The concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
- (d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the management from:
 - (a) Audited consolidated financial statements of the Group and its associate and joint ventures as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 August 2022, 01 September 2021 and 04 December 2020.
5. For the purpose of our examination, we have relied on:
 - (a) Auditors' reports issued by us dated 27 August 2022 on the consolidated financial statements of the Group and its joint ventures as at and for the year ended 31 March 2022 as referred in Paragraph 4 above; and
 - (b) Auditors' Report issued by the Previous Auditors, V. Awasthi & Arvind Shrish, who are also the Company's Current Joint Auditor (referred to as 'Previous Auditors') dated 01 September 2021 and 04 December 2020 on the consolidated financial statements of the Group as at and for the years ended 31 March 2021 and 31 March 2020, as referred in Paragraph 4 above

The audits for the financial years ended 31 March 2021 and 31 March 2020 were conducted by the Previous Auditors, and accordingly reliance has been placed on the Restated Consolidated Statement of Assets and Liabilities and the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2021 and 2020 Restated Consolidated Financial Information") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2021 and 2020 Restated Consolidated Financial Information:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2021 and 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2022;
 - (b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
6. As indicated in our audit report referred above:
 - (a) The joint auditors have not audited the financial statements of 18 subsidiaries, which have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of these subsidiaries, Out of the above, the financial statements of 2 subsidiaries have been audited by one of the joint auditors, V. Awasthi & Arvind Shrish and our report in terms of sub-section (3)

of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors whose share of total assets, total revenues and net cash outflows included in the consolidated financial statements, for the relevant years are tabulated below :

(₹. in million)

Particulars	Audited by other auditors (including V. Awasthi & Arvind Shrish)	Audited by V. Awasthi & Arvind Shrish
	As at/ for the year 31 March 2022	As at/ for the year 31 March 2022
Total assets	1,638.38	634.33
Total revenues	94.89	14.44
Net cash outflows	0.46	1.46

Further, of these subsidiaries, 2 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Further, we did not audit the financial statements of 6 subsidiaries (including step down subsidiary) and two joint ventures, which are located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been required to be audited under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the management reports whose share of total assets, total revenues and net cash outflows and share of profit/loss in its joint ventures included in the consolidated financial statements, for the relevant years is tabulated below:

(₹ in million)

Particulars	As at/ for the year 31 March 2022
Total assets	1,095.88
Total revenues	2,435.16
Net cash outflows	57.76

(₹ in million)

Particulars	For the year 31 March 2022
Share of profit/ loss in its joint ventures	14.70

Our opinion on the consolidated financial statements is not modified in respect of these matters.

7. Based on examination report dated 27 August 2022 provided by the Previous Auditors, the audit reports on the consolidated financial statements issued by the Previous Auditors included following other matters:

- (a) We did not audit the financial statements of 16 subsidiaries for the year ended 31 March 2021 and 13 subsidiaries (including one step down subsidiary) for the year ended 31 March 2020, which have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors whose share of total assets, total revenues and net cash inflows included in the consolidated financial statements, for the relevant years are tabulated below:

(₹ in million)

Particulars	As at/ for the year 31 March 2021	As at/ for the year 31 March 2020
Total assets	1,795.71	802.91
Total revenues	175.82	62.64
Net cash inflows	20.41	1.19

Further, of these subsidiaries, 2 subsidiaries for the year ended 31 March 2021 and 1 subsidiary for the year ended 31 March 2020 which are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Further, we did not audit the financial statements of 5 subsidiaries (including step down subsidiary), one associate and two joint ventures for the year ended 31 March 2021 and 31 March 2020 which are located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been required to be audited under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associate and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the management reports whose share of total assets, total revenues and net cash (outflows)/inflows and share of profit/(loss) in its associate and joint ventures included in the consolidated financial statements, for the relevant years is tabulated below:

(₹ in million)

Particulars	As at/ for the year ended 31 March 2021	As at/ for the year ended 31 March 2020
Total assets	1,330.09	1,296.70
Total revenues	1,688.72	1,162.43
Net cash (outflows)/inflows	(16.12)	87.74

(₹ in million)

Particulars	As at/ for the year ended 31 March 2021	As at/ for the year ended 31 March 2020
Share of profit/(loss) in its associate	0.26	(0.01)
Share of loss in its joint ventures	(14.80)	(0.83)

Our opinion on the consolidated financial statements is not modified in respect of these matters.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors and other auditors for the respective years, we report that the Restated Consolidated Financial Information:
- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2021 and 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2022;
- (b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, and BSE Limited in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

For **V. Awasthi & Arvind Shrish**
Chartered Accountants
Firm Registration No: 008099C

Tarun Gupta
Partner
Membership Number.:507892

UDIN: 22507892AQAPXR3142
Place: New Delhi
Date: 27 August 2022

Vivek Awasthi
Partner
Membership Number.:074590

UDIN: 22074590AQAPOC3977
Place: New Delhi
Date: 27 August 2022

Particulars	Note	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	4,266.84	3,319.66	2,384.74
(b) Right-of-use assets	3(a)	441.16	385.95	399.65
(c) Capital work-in-progress	4	181.76	463.81	508.75
(d) Investment properties	5	1,068.99	1,020.42	722.21
(e) Goodwill on consolidation	6(a)	21.23	69.54	69.35
(f) Other intangible assets	6(b)	23.78	45.11	48.43
(g) Investments accounted for using equity method	7(a)	-	38.41	55.76
(h) Financial assets				
(i) Investments	7(b)	-	0.16	0.16
(ii) Trade receivables	14	92.03	28.73	10.79
(iii) Loans	9	23.45	21.66	87.21
(iv) Other financial assets	10	52.81	50.87	45.04
(i) Non current tax assets (net)	11	68.70	79.11	127.72
(j) Deferred tax assets (net)	22	7.03	11.08	-
(k) Other non current assets	12	155.41	303.79	224.68
Total non-current assets		6,403.19	5,838.30	4,684.49
Current assets				
(a) Inventories	13	3,988.97	3,259.35	2,609.62
(b) Financial assets				
(i) Investments	8	1,992.52	2,527.36	2,593.94
(ii) Trade receivables	14	1,013.37	887.08	802.64
(iii) Cash and cash equivalents	15	117.97	282.34	440.72
(iv) Bank balances other than (iii) above	16	18.69	23.96	16.97
(v) Loans	9	4.50	146.59	40.46
(vi) Other financial assets	10	392.57	259.92	210.75
(c) Other current assets	12	740.24	714.30	708.96
		8,268.83	8,100.90	7,424.06
Assets classified as held for sale	17	-	16.90	149.40
Total assets		14,672.02	13,956.10	12,257.95
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	18	42.26	45.50	48.50
(b) Other equity	19	4,873.31	5,350.23	5,223.93
(c) Non-controlling interests		141.52	53.03	97.39
Total equity		5,057.09	5,448.76	5,369.82
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	2,485.80	1,609.34	1,403.58
(ii) Lease liabilities	3(b)	43.11	29.79	39.11
(b) Provisions	21	-	5.22	-
(c) Deferred tax liabilities (net)	22	75.41	192.55	104.28
(d) Other non current liabilities	23	120.60	101.91	40.51
Total non-current liabilities		2,724.92	1,938.81	1,587.48
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	680.11	456.55	2,298.00
(ii) Lease liabilities	3(b)	36.08	33.84	32.17
(iii) Trade payables	25			
(a) Total outstanding dues of micro and small enterprises;		353.57	202.02	116.81
(b) Total outstanding dues of other than iii (a) above		1,465.98	1,220.10	1,179.44
(iv) Other financial liabilities	26	227.67	273.84	391.01
(b) Other current liabilities	23	4,033.44	4,332.46	1,256.98
(c) Provisions	21	90.66	49.37	26.05
(d) Current tax liabilities (net)		2.50	0.35	0.19
Total current liabilities		6,890.01	6,568.53	5,300.65
Total liabilities		9,614.93	8,507.34	6,888.13
Total equity & liabilities		14,672.02	13,956.10	12,257.95

The accompanying notes form an integral part of these restated consolidated financial information.
As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

For **V. Awasthi & Arvind Shrivastava**
Chartered Accountants
Firm's Registration No. : 008099C

For and on behalf of the Board of Directors of
Lohia Corp Limited

Tarun Gupta
Partner
Membership No. 507892

Vivek Awasthi
Partner
Membership No 074590

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Naresh Kumar Gupta
Independent Director
DIN: 00214602

Place : New Delhi
Date : 27 August 2022

Place : New Delhi
Date : 27 August 2022

Shikha Srivastava
Company Secretary
Membership No. A22406

KG Gupta
Chief Financial Officer

Place : New Delhi
Date : 27 August 2022

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Income				
I Revenue from operations	27	22,374.80	13,337.86	10,845.65
II Other income	28	417.18	321.99	158.98
III Total Income		22,791.98	13,659.85	11,004.63
IV Expenses				
Cost of materials consumed	29	14,279.06	7,541.32	5,995.59
Purchases of stock-in-trade		1,271.34	589.44	338.96
Changes in inventories of finished goods, work in progress and stock-in-trade	30	(392.90)	(208.47)	(180.95)
Employee benefits expense	31	1,925.32	1,501.54	1,550.43
Other expenses	32	2,942.97	1,966.61	2,270.38
Expenses before finance costs, depreciation and amortisation expense, exceptional items and tax		20,025.79	11,390.44	9,974.41
Profit before finance costs, depreciation and amortisation expense, exceptional items and tax		2,766.19	2,269.41	1,030.22
Finance costs	33	100.51	153.43	240.41
Depreciation and amortisation expense	34	607.70	430.43	340.28
Total expenses		20,734.00	11,974.30	10,555.10
V Profit before exceptional items, share of profit/(loss) of associates and joint ventures and tax		2,057.98	1,685.55	449.53
Exceptional items	35	52.07	-	-
VI Profit before share of profit/(loss) of associates and joint ventures and tax		2,005.91	1,685.55	449.53
VII Tax expense	36			
a) Current tax		540.96	414.87	122.55
b) Tax relating to earlier years		10.22	23.31	(5.85)
c) Deferred tax		(139.04)	39.53	(56.48)
Total tax expense		412.14	477.71	60.22
VIII Profit before share of profit/(loss) of associates and joint ventures and after tax		1,593.77	1,207.84	389.31
Share of net profit/(loss) of associates and joint ventures		14.70	(14.80)	(0.84)
IX Profit for the year		1,608.47	1,193.04	388.47
X Other comprehensive income				
(A) Items that will not be reclassified to profit or loss				
Gain/(loss) on defined benefit obligation		10.07	(34.89)	49.39
Income tax relating to above		(2.53)	8.78	(11.52)
(B) Items that will be reclassified to profit or loss				
Net gains on cash flow hedges		77.46	184.52	(209.01)
Income tax relating to above		(23.42)	(46.44)	60.75
Foreign currency translation reserve		(31.70)	29.65	(5.06)
		29.88	141.62	(115.45)
XI Total comprehensive income for the year		1,638.35	1,334.66	273.02
Profit attributable to:				
Owners of Lohia Corp Limited		1,519.98	1,218.97	390.71
Non-controlling interests		88.49	(25.93)	(2.24)
Other comprehensive income attributable to:				
Owners of Lohia Corp Limited		29.88	141.62	(115.45)
Non-controlling interests		-	-	-
Total comprehensive income attributable to:				
Owners of Lohia Corp Limited		1,549.86	1,360.59	275.26
Non-controlling interests		88.49	(25.93)	(2.24)
XII Earnings per equity share	37			
Basic earning per share (₹)		13.97	10.91	3.48
Diluted earning per share (₹)		13.97	10.91	3.48

The accompanying notes form an integral part of these restated consolidated financial information.
As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

For **V. Awasthi & Arvind Shrish**
Chartered Accountants
Firm's Registration No. : 008099C

For and on behalf of the Board of Directors of
Lohia Corp Limited

Tarun Gupta
Partner
Membership No. 507892

Vivek Awasthi
Partner
Membership No 074590

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Naresh Kumar Gupta
Independent Director
DIN: 00214602

Place : New Delhi
Date : 27 August 2022

Place : New Delhi
Date : 27 August 2022

Shikha Srivastava
Company Secretary
Membership No. A22406

Place : New Delhi
Date : 27 August 2022

KG Gupta
Chief Financial Officer

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities			
Profit before tax	2,005.91	1,685.55	449.53
Depreciation and amortisation expense	607.70	430.43	340.28
Net (gain)/loss on disposal of property, plant and equipment	(32.16)	6.68	5.34
Finance costs	97.25	153.43	205.51
Interest income from financial assets	(16.85)	(29.75)	(21.20)
Dividend income from investments measured at fair value through profit or loss	-	(30.19)	(0.08)
Provision for doubtful debts and advances	43.84	7.30	-
Net fair value gain on financial assets measured at fair value through profit or loss	(93.23)	(109.82)	(72.38)
Unrealised net foreign exchange differences	(80.11)	(42.01)	240.84
Gain on disposal of subsidiaries	-	(31.93)	-
Net gain on sale of current investments	(65.63)	(60.47)	(17.47)
Exceptional items	52.07	-	-
Operating profit before working capital changes	2,518.79	1,979.22	1,130.37
Adjustments for movement in:			
Changes in inventories	(729.62)	(649.73)	(285.83)
Changes in trade receivables	(182.18)	(113.55)	182.05
Change in loans	0.37	(2.25)	(0.35)
Changes in other financial assets	10.21	(1.68)	(1.57)
Changes in other assets	(19.14)	(38.08)	(209.02)
Changes in trade payables	389.90	123.05	128.99
Changes in other financial liabilities	25.49	(19.81)	(18.20)
Changes in other liabilities	(252.84)	3,184.01	(11.31)
Changes in provisions	46.13	28.55	49.57
Cash generated from operating activities	1,807.11	4,489.73	964.70
Income tax paid	(561.74)	(486.95)	(76.06)
Net cash flows generated from operating activities (A)	1,245.37	4,002.78	888.64
B. Cash flow from investing activities			
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods)	(1,821.91)	(1,702.35)	(1,448.04)
Proceeds from sale of property plant and equipment and assets classified as held for sale	51.95	372.22	96.88
Purchase of investments	(5,935.68)	(4,591.80)	-
Sale proceeds from investments	6,639.90	4,829.55	268.12
Dividend income from investments measured at fair value through profit or loss	-	30.19	0.08
Proceeds from sale of subsidiary	155.71	13.60	-
Proceeds from sale of Joint venture	10.22	-	-
Loan given to related parties and others (net)	137.07	(38.78)	(55.32)
Interest received	16.85	29.75	21.20
Net cash flows used in investing activities (B)	(745.89)	(1,057.62)	(1,117.08)
C. Cash flow from financing activities			
Buyback of equity shares (including distribution of tax)	(1,997.27)	(1,220.50)	-
Redemption of preference shares on acquisition of subsidiary	(100.00)	-	-
Dividend paid	(31.70)	(34.13)	(87.70)
Proceeds from non-current borrowings	1,770.68	1,256.08	395.81
Repayment of non-current borrowings	(657.09)	(1,816.92)	-
Proceeds/(repayment) from current borrowings (net)	502.28	(1,094.50)	394.43
Payment of lease liabilities	(50.53)	(41.65)	(32.84)
Interest payment of lease	(3.02)	(2.97)	(3.84)
Interest paid on borrowings	(94.16)	(150.47)	(236.57)
Net cash flows (used in)/from financing activities (C)	(660.81)	(3,105.06)	429.29
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(161.33)	(159.90)	200.85
Cash and cash equivalents at the beginning of the year	282.34	440.72	235.97
Effects of currency translation on cash and cash equivalents	(3.04)	1.52	3.90
Closing cash and cash equivalents (refer note 15)	117.97	282.34	440.72

Notes:

- The above restated consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
 - Negative figures have been shown in brackets.
 - Refer note 38 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.
- The accompanying notes form an integral part of these restated consolidated financial information.

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For **V. Awasthi & Arvind Shrish**
Chartered Accountants
Firm's Registration No. : 008099C

For and on behalf of the Board of Directors of
Lohia Corp Limited

Tarun Gupta
Partner
Membership No. 507892

Vivek Awasthi
Partner
Membership No 074590

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Naresh Kumar Gupta
Independent Director
DIN: 00214602

Place : New Delhi
Date : 27 August 2022

Place : New Delhi
Date : 27 August 2022

Shikha Srivastava
Company Secretary
Membership No. A22406

KG Gupta
Chief Financial Officer

Place : New Delhi
Date : 27 August 2022

A. Equity share capital

Balance at the beginning of the year
Changes in equity share capital during the year (refer note 18)
Balance at the end of the reporting year

As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
4,550,000	45.50	4,850,000	48.50	4,850,000	48.50
(324,000)	(3.24)	(300,000)	(3.00)	-	-
4,226,000	42.26	4,550,000	45.50	4,850,000	48.50

B. Other equity

Particulars	Reserve and surplus					Other comprehensive income		Total
	Securities premium	General reserve	Capital redemption reserve	Retained earnings	Statutory reserve	Cash flow hedging reserve	Foreign currency translation reserve	
Balance as at 1 April 2019	5.81	285.97	1.14	4,664.92	5.03	69.79	3.71	5,036.37
Profit for the year	-	-	-	390.71	-	-	-	390.71
Other comprehensive income/(loss) (net of tax)	-	-	-	37.87	-	(148.26)	(5.06)	(115.45)
Total comprehensive income for the year	-	-	-	428.58	-	(148.26)	(5.06)	275.26
Dividend paid (including dividend distribution tax)	-	-	-	(87.70)	-	-	-	(87.70)
Amount transferred to statutory reserve	-	-	-	(0.29)	0.29	-	-	-
Balance as at 31 March 2020	5.81	285.97	1.14	5,005.51	5.32	(78.47)	(1.35)	5,223.93
Profit for the year	-	-	-	1,218.97	-	-	-	1,218.97
Other comprehensive income for the year (net of tax)	-	-	-	(26.11)	-	138.08	29.65	141.62
Total comprehensive income for the year	-	-	-	1,192.86	-	138.08	29.65	1,360.59
Amount transferred to capital redemption reserve upon buyback	-	-	3.00	(3.00)	-	-	-	-
Buyback of equity shares (including distribution of tax) (refer note 18)	(5.81)	(285.97)	-	(925.73)	-	-	-	(1,217.51)
Dividend paid	-	-	-	(34.13)	-	-	-	(34.13)
Amount transferred to statutory reserve	-	-	-	(0.34)	0.34	-	-	-
Other adjustments	-	-	-	17.35	-	-	-	17.35
Balance as at 31 March 2021	-	-	4.14	5,252.52	5.66	59.61	28.30	5,350.23
Profit for the year	-	-	-	1,519.98	-	-	-	1,519.98
Adjustment on account of merger (refer note 1)	-	-	-	(1.05)	-	-	-	(1.05)
Other comprehensive income for the year (net of tax)	-	-	-	7.54	-	54.04	(31.70)	29.88
Total comprehensive income for the year	-	-	-	1,526.47	-	54.04	(31.70)	1,548.81
Amount transferred to capital redemption reserve upon buyback	-	-	3.24	(3.24)	-	-	-	-
Buyback of equity shares (including distribution of tax)	-	-	-	(1,994.03)	-	-	-	(1,994.03)
Dividend paid	-	-	-	(31.70)	-	-	-	(31.70)
Amount transferred to statutory reserve	-	-	-	(3.81)	3.81	-	-	-
Balance as at 31 March 2022	-	-	7.38	4,746.21	9.47	113.65	(3.40)	4,873.31

(This space is intentionally left blank)

C. Non-controlling interests

Particulars	Amount
Balance as at 1 April 2019	65.63
Profit/(loss) for the year	(2.24)
Adjustment for changes in ownership interest	34.00
Balance as at 31 March 2020	97.39
Profit/(loss) for the year	(25.93)
Other adjustments	(18.43)
Balance as at 31 March 2021	53.03
Profit for the year	88.49
Balance as at 31 March 2022	141.52

The above restated consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

For **V. Awasthi & Arvind Shrish**
Chartered Accountants
Firm's Registration No. : 008099C

For and on behalf of the Board of Directors of
Lohia Corp Limited

Tarun Gupta
Partner
Membership No. 507892

Vivek Awasthi
Partner
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Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Naresh Kumar Gupta
Independent Director
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Place : New Delhi
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Company Secretary
Membership No. A22406

KG Gupta
Chief Financial Officer

Place : New Delhi
Date : 27 August 2022

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

1. Group information

Lohia Corp Limited referred to as “the Company” or “the Holding Company” is a public limited company domiciled in India with its registered office located at D/3 A Panki Industrial Estate, Kanpur. The Holding Company is a manufacturer of complete range of machines required by HDPE /PP woven fabric industry (for plastic woven sacks, FIBC, tarpaulins etc.) It has four manufacturing units situated at:

- a. D-3/A Panki Industrial Estate, Kanpur
- b. Lohia Industrial Complex Chaubepur, Kanpur
- c. C-3 & C-4, Site 1, Panki Industrial Area, Kanpur and
- d. 486, C1, Peenya Industrial Area, 14th Cross, Peenya IV Phase, Bangalore

The restated consolidated financial information (financial statements) comprise the Holding Company and its subsidiaries (referred to collectively as the ‘Group’) and the Group’s interest in associates and joint ventures. Refer note 49 for entities considered in consolidation.

The Allahabad Bench of National Company Law Tribunal (NCLT), through its order dated 24 January 2022 had approved the scheme of Amalgamation of its Holding Company- Shree Holding Limited, with the Holding Company with effect from 1 April 2021. Since, it is reorganization of internal structure as defined in scheme, therefore, the Holding Company had accounted for the merger under the pooling of interest method with effect from 1 April 2021.

The financial statements have been authorised for issue by the Board of Directors on 27 August 2022.

1.01 Basis of preparation and presentation

(i) Basis of preparation

The Restated consolidated financial information relates to the Group and has been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offer (‘IPO’) of equity shares of the Company (referred to as the “Issue”). The Restated consolidated financial information comprise the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Consolidated Financial Information”).

The Restated consolidated financial information has been compiled by the Management of the Holding Company to comply in all material aspects with the requirements of;

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

The Restated Consolidated Financial Information have been compiled by the management from audited Consolidated Ind AS financial statements of the Group and its associates and joint ventures as at and for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 August 2022, 01 September 2021 and 04 December 2020 respectively.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the year ended 31 March 2022. This Restated Consolidated financial information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above.

The Restated Consolidated financial information has been prepared so as to contain information/disclosures and

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

incorporating adjustments set out below in accordance with the ICDR Regulations:

- a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;
- b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group and its joint ventures for the year ended 31 March 2022 and the requirements of the SEBI Regulations, if any;
- c. The resultant impact of tax due to the aforesaid adjustments, if any.

(ii) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

(iii) Historical cost convention

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.
- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Property, plant and equipment, intangible assets and intangible assets under development have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.
- Assets held for sale measured at lower of cost or fair value less cost to sell.
- Certain financial assets and liabilities at amortised cost.

(iv) Principles of consolidation

The consolidated financial statements are prepared on the following basis in accordance with Ind AS on “Consolidated Financial Statements” (Ind AS – 110), “Investments in Associates and Joint Ventures” (Ind AS – 28) and “Disclosure of interest in other entities” (Ind AS – 112), specified under Section 133 of the Companies Act, 2013. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group entities separate financial statements.

• **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

• **Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree’s net identifiable assets at the date of acquisition. Changes in the Group’s equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

• **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

• **Equity accounted investees**

The Group’s interests in equity accounted investees comprise interests in associates and joint ventures. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity- accounted investees until the date on which significant influence or joint control ceases.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the consolidated statement of profit and loss.

- **Transactions eliminated on consolidation**

The financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

- **Business combination and Goodwill**

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of preexisting relationships. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the standalone statement of profit and loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any goodwill that arises on account of such business combination is tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of,

Lohia Corp Limited**Corporate Identification No.: U29263UP1981PLC005446****Notes forming part of the restated consolidated financial information's**

the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Parent Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, etc are expensed as incurred.

The restated consolidated financial information are comprised of the financial statements of the members of the Group as under:

S.no.	Name of subsidiaries / Joint ventures / Associates	Country of incorporation	Principal activities	Proportion (%) of equity interest		
				As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
	Subsidiaries					
1	KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")	India	Manufacturing of machines required in synthetic textile industry	100%	100%	100%
2	Lohia Filament Machines Limited	India	Construction and purchase of land and building and to let them out on lease or rent	100%	100%	100%
3	Lohia Global Solutions Private Limited	India	Trading of spares	100%	100%	100%
4	Sarjna Capfin Private Limited	India	Financing industrial enterprise	100%	100%	100%
5	BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")	India	Technical trainings	100%	100%	100%
6	Lohia Injectoplast Private Limited	India	Manufacturing and trading of plastic parts (injection moulding)	100%	100%	100%
7	Lohia Group Electricity Consumers Association	India	Procurement and distribution of electricity	82.50%	82.50%	82.50%
8	Lohia Infra Developers Private Limited (w.e.f. 20 June 2020)	India	Construction and purchase of land and building and to let them out on lease or rent	100%	100%	-
9	Nupur Real Estates Private Limited (w.e.f. 29 June 2020)	India	Construction and purchase of land and building and to let them out on lease or rent	100%	100%	-
10	BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited") (w.e.f. 27 February 2021)	India	Trading of machine and spare parts	100%	100%	-

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

S.no.	Name of subsidiaries / Joint ventures / Associates	Country of incorporation	Principal activities	Proportion (%) of equity interest		
				As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
11	LCL Aviation Private Limited (w.e.f. 17 May 2021)	India	Providing non-scheduled chartered flight services	100%	-	-
12	KPR- C Realities Private Limited (Formerly known as "Project Zero Private Limited") (w.e.f. 30 September 2021)	India	Construction and purchase of land and building and to let them out on lease or rent	100%	-	-
13	Nalini Buildcon Private Limited (w.e.f. 2 December 2021)	India	Construction and purchase of land and building and to let them out on lease or rent	100%	-	-
14	Sunderlam Industries Private Limited (w.e.f. 7 December 2021)	India	Manufacturing of lamination and coating machine	80%	-	-
15	Galuner S.A.	Uruguay	Industrial production of plastic and plastic fabric	100%	100%	100%
16	Leesona Corp	USA	Manufacturing of Industrial winding equipment and spares	100%	100%	100%
17	Ldb Importacao E Exportacao Ltda (w.e.f. 31 March 2022)	Brazil	Import and export of machine, spares and fabrics	100%	-	-
18	Lohia Global Solutions FZE (w.e.f. 22 March 2021)	UAE	Trading of spares	100%	100%	-
19	Lohia Hong Kong Limited (under liquidation)	Hong Kong	Trading of industrial and machinery equipment	100%	100%	100%
20	Lohia Sales & Services Limited (under liquidation w.e.f. 24 March 2022)	India	Trading of woven plastic machines	100%	100%	100%
21	Lohia Mechatronik Private Limited (cease to be a subsidiary w.e.f. 25 February 2021)	India	Manufacturing for auxiliary equipment for plastic extrusion industry	-	100%	100%
22	Lohia Engineering and Design Services Private Limited (cease to be subsidiary w.e.f. 25 March 2021)	India	Software and computer networking	-	100%	100%
23	Lohia Aerospace Systems Private Limited (cease to be subsidiary w.e.f. 30 December 2021)	India	Manufacturing composite components for the aerospace, defense and automobiles	-	100%	100%

Lohia Corp Limited**Corporate Identification No.: U29263UP1981PLC005446****Notes forming part of the restated consolidated financial information's**

S.no.	Name of subsidiaries / Joint ventures / Associates	Country of incorporation	Principal activities	Proportion (%) of equity interest		
				As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
24	SBI Mechatronik GmbH (cease to be subsidiary w.e.f. 4 December 2021)	Austria	Electro-mechanical engineering and automation	-	100%	100%
25	L&S Light & Strong Limited (cease to be subsidiary w.e.f. 28 March 2022)	Israel	Designing and production of composite material in aviation field	-	100%	100%
	Step down subsidiary of Galuner S.A.					
26	Estelar S.A.	Paraguay	Industrial production of plastic and plastic fabric	50.60%	50.60%	50.60%
27	United Trade. Net (India) Private Limited (cease to be step down subsidiary w.e.f. 17 October 2019)	India	Trading of machine parts	-	-	100%
	Joint Ventures					
28	Carmenta Sociedad Anonima (cease to be joint venture w.e.f. 28 March 2022)	Paraguay	Manufacturing of textile and textile products	-	27.95%	27.95%
29	Einbecker Kennzeichnungssysteme GmbH	Germany	Manufacturing of industrial machines	50%	50%	50%
	Associate					
30	Plastic Machines and Solutions. Inc. (cease to be associate w.e.f. 30 September 2020)	Philippines	Trading of machines and machine parts	-	40%	40%

(v) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Holding Company operates, i.e., the functional currency, to be Indian Rupees (₹). The financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

(vi) Going concern

Going concern basis of accounting used for preparation of the accompanying consolidated financial statements is appropriate with no material uncertainty.

1.02 Amended Accounting Standards (Ind AS) and interpretations effective during the year**a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)**

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Group.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Group.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Group.

1.03 Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these consolidated financial statements.

1.04 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses,

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

b) Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

c) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Refer Note 14 for methodology to estimate allowance for expected credit losses in respect of Group's trade receivables.

d) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements. Refer Note 13 for disclosure of such allowance.

e) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain plant and equipment's.

f) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Refer Note 42 for key assumptions used in developing estimate of DBO.

g) Provision for warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

h) Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.05 Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Group's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.06 Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group's entities at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization /settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of profit and loss. Financial instruments designated as hedge instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in the statement of profit and loss.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Holding Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

1.07 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any. At the point, when asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalised and disclosed separately under leasehold improvement.

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. As per the assessment made by the management, property plant and equipment does not comprises any significant components with different useful life.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of profit and loss when such asset is derecognised.

Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other subsequent cost are charged to the statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant & equipments	1 to 20	5 to 20
Furniture and fixtures	5-10	10
Vehicles	5-8	6 to 10
Office equipments	3-16	5
Computers	3-5	3

Land freehold is not depreciated.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

1.08 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Though, the Group measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are based on an annual evaluation for the respective area.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the statement of profit and loss in the period of de-recognition.

1.09 Intangible assets

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

De-recognition

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets under Development.

Subsequent cost

Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in statement of profit and loss, as incurred.

Amortisation

Amortisation of intangible assest is calculated over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year. Amortisation has been charged based on the following useful lives;

Asset category	Useful life (in years)
Technical knowhow	4-5
Patents	4-5
Software	3-6

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

1.10 Assets held for sale

Non-current assets or disposal group comprising of assets and liabilities are classifies as 'held for sale' when all the following criteria are met:

- decision has been made to sell
- the assets are available for immediate sale in its present condition.
- the assets are being actively marketed, and
- sale has been agreed or is expected to be concluded within 12 months of the Balance sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non current assets held for sale are not depreciated or amortised.

1.11 Leases

The Group as a Lessee

The Group assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Group is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lessor transfers the ownership of the underlying asset to the Group at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur.

The Group as a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

1.12 Impairment of non-financial assets

The Group, at each balance sheet date, reviews carrying values of its non-financial assets and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount, being higher of fair value less costs of disposal and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. 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. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. For assets, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

1.13 Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

1.14 Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

The Group pays contribution under provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme, part of the pension fund scheme and social security for eligible employees. The Group recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Group has no obligations other than to make the specified contributions.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans are the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences

The liabilities for compensated absences that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

1.15 Revenue recognition

Sale of goods

Sales are recognised when control of the products is transferred, which happens when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the acceptance of the products by the customer.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts and incentive schemes and the revenue is only recognised to the extent that it is highly probable that a significant reversal in the revenue will not occur. A refund liability (included in other current liabilities) is recognised for the variable consideration payable to the customer in relation to sales made until the end of the reporting period. Revenue is net of sales returns. The validity of assumptions used to estimate variable consideration and expected return of products is reassessed annually.

A receivable is recognised when the goods are delivered as this is the point in time when the consideration is

unconditional because only passage of time is required before the payment is due.

Service revenue

Service income is recognised on accrual basis in the accounting period in which the services are rendered as per the contractual terms with the customers.

Rental income

Revenue in respect of rental and maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Group satisfies performance obligations by delivering the services as per contractual agreed terms.

Sale of scrap

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Interest income

Interest income is recognized on time proportion basis using the effective interest rate method.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Export incentive

Export incentive is recognized when it is reasonably certain that the collection will be made.

1.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants that compensate the Group for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

1.17 Inventories

Raw materials and stores, work in progress, stock-in-trade and finished goods

Raw materials and stores, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade comprises cost of purchases.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on a weighted average basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Spare parts including other items are carried on weighted average basis.

1.18 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.19 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid as per the payment cycle of the Group. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.20 Provisions, contingent assets and liabilities

Provisions

Provisions for legal claims and warranties are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

I. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

II. Investments in mutual funds and other investments – Investments in mutual funds and other investments are subsequently measured at fair value through profit and loss (FVTPL).

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets are measured at amortised cost e.g., loans, deposits and trade receivables
- Trade receivables under Ind-AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

credit risk to be identified on a timely basis.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Re-classification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.22 Measurement of fair values

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- c) Cost approach – Replacement cost method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.23 Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Lohia Corp Limited
Corporate Identification No.: U29263UP1981PLC005446
Notes forming part of the restated consolidated financial information's

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax:

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the

Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

1.24 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 41 for segment reporting policy and disclosure.

1.25 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above.

1.26 Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its equity shares. Basic EPS is calculated by dividing the Statement of profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting statement of profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.27 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.28 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.29 Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

1.30 Measurement of profit before finance costs, depreciation and amortisation expense, exceptional items and tax expense

The Group has elected to profit before finance costs, depreciation and amortisation expense, exceptional items and tax expense as a separate line item on the face of the statement of profit and loss.

In the measurement, the Group includes interest income but does not include finance costs, depreciation and amortization expense, exceptional item and tax expense.

1.31 Amendment to Accounting Standards (Ind AS) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact on its financial statements.

1.32 Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case-to-case basis, mainly following items would be evaluated for disclosure as exceptional items:

- a) Provision for other than temporary diminution in the value of non-current investment.
- b) In case of other significant item of income or expense, not covered above, the same would be evaluated on a case-to-case basis for disclosure under exceptional items.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

2 Property, plant and equipment

Particulars	Land freehold	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Gross carrying amount								
Balance as at 01 April 2019	235.85	911.58	2377.90	79.50	183.60	136.30	111.00	4,035.73
Additions for the year	11.90	81.37	557.29	22.54	14.82	16.64	31.12	735.68
Disposals for the year	-	(171.30)	(23.50)	(2.90)	(13.40)	-	(0.20)	(211.30)
Balance as at 31 March 2020	247.75	821.65	2,911.69	99.14	185.02	152.94	141.92	4,560.11
Additions for the year	17.51	86.58	1,125.83	20.56	16.81	27.30	20.38	1,314.97
Disposals for the year*	-	(22.36)	(32.49)	(0.98)	(25.89)	(0.32)	(3.21)	(85.25)
Translation exchange difference	-	1.12	15.67	0.10	0.57	3.44	5.35	26.25
Balance as at 31 March 2021	265.26	886.99	4,020.70	118.82	176.51	183.36	164.44	5,816.08
Additions for the year	31.87	358.88	1,516.16	22.08	60.00	29.27	37.98	2,056.24
Disposals for the year*	(52.22)	(292.96)	(353.69)	(4.67)	(17.51)	(15.58)	(16.62)	(753.25)
Translation exchange difference	-	0.17	4.91	0.01	(1.43)	0.36	0.34	4.36
Balance as at 31 March 2022	244.91	953.08	5,188.08	136.24	217.57	197.41	186.14	7,123.43
Accumulated depreciation								
Balance as at 01 April 2019	-	227.25	1,389.20	40.90	111.90	97.80	78.80	1,945.85
Additions for the year	-	29.66	185.80	10.88	24.60	13.33	13.65	277.92
Disposals for the year	-	(11.70)	(23.00)	(0.90)	(12.80)	-	-	(48.40)
Balance as at 31 March 2020	-	245.21	1,552.00	50.88	123.70	111.13	92.45	2,175.37
Depreciation charge for the year	-	30.13	261.14	15.09	23.34	16.18	16.40	362.28
Disposal of assets for the year*	-	(10.36)	(15.75)	(0.33)	(19.92)	(0.14)	(1.23)	(47.73)
Translation exchange difference	-	0.78	1.38	0.03	0.39	1.51	2.41	6.50
Balance as at 31 March 2021	-	265.76	1,798.77	65.67	127.51	128.68	110.03	2,496.42
Depreciation charge for the year	-	36.51	411.31	18.32	26.25	18.50	20.96	531.85
Disposal of assets for the year*	-	(5.56)	(131.56)	(0.47)	(13.77)	(5.70)	(13.02)	(170.08)
Translation exchange difference	-	0.12	(0.66)	(0.07)	(0.90)	0.21	(0.30)	(1.60)
Balance as at 31 March 2022	-	296.83	2,077.86	83.45	139.09	141.69	117.67	2,856.59
Net carrying amount as at 31 March 2022	244.91	656.25	3,110.22	52.79	78.48	55.72	68.47	4,266.84
Net carrying amount as at 31 March 2021	265.26	621.23	2,221.93	53.15	49.00	54.68	54.41	3,319.66
Net carrying amount as at 31 March 2020	247.75	576.44	1,359.69	48.26	61.32	41.81	49.47	2,384.74

(i) See Note 47 for information on property, plant and equipment pledged as security by the Group.

(ii) See Note 39 for disclosure of contractual commitment for the acquisition of property, plant and equipments.

(iii) Title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Group are in the name of the Group.

(iv) * Includes disposal on loss of control on subsidiaries. Refer note 48

3(a) Right-of-use assets

Particulars	Land leasehold	Building leasehold	Total
Gross carrying amount			
Balance as at 01 April 2019	152.48	-	152.48
Additions for the year	0.29	28.36	28.65
Addition on account of transition to Ind AS 116	218.79	71.93	290.72
Balance as at 31 March 2020	371.56	100.29	471.85
Additions for the year	0.84	25.52	26.36
Translation exchange difference	6.28	10.32	16.60
Balance as at 31 March 2021	378.68	136.13	514.81
Additions for the year	12.99	114.92	127.91
Disposals for the year*	(47.34)	(79.11)	(126.45)
Translation exchange difference	-	0.79	0.79
Balance as at 31 March 2022	344.33	172.73	517.06
Accumulated amortisation			
Balance as at 01 April 2019	36.19	-	36.19
Amortisation for the year	5.15	30.86	36.01
Balance as at 31 March 2020	41.34	30.86	72.20
Amortisation for the year	13.61	36.03	49.64
Translation exchange difference	3.39	3.63	7.02
Balance as at 31 March 2021	58.34	70.52	128.86
Amortisation for the year	8.86	47.17	56.03
Disposals for the year*	(44.39)	(67.10)	(111.49)
Translation exchange difference	0.46	2.04	2.50
Balance as at 31 March 2022	23.27	52.63	75.90
Net carrying amount as at 31 March 2022	321.06	120.10	441.16
Net carrying amount as at 31 March 2021	320.34	65.61	385.95
Net carrying amount as at 31 March 2020	330.22	69.43	399.65

* Includes disposal on loss of control on subsidiaries. Refer note 48

3(b) Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Non-current	43.11	29.79	39.11
Current	36.08	33.84	32.17
Total	79.19	63.63	71.28

The movement in lease liabilities (non-current and current) are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Balance as at beginning of the year	63.63	71.28	-
Add: Addition	75.31	25.53	100.28
Add: Interest expense on lease liabilities	3.02	2.97	3.84
Less: Rent expense (total cash outflow)	(50.53)	(41.65)	(32.84)
Less: Disposals for the year*	(12.54)	-	-
Translation exchange difference	0.30	5.50	-
Balance as at end of the year	79.19	63.63	71.28

* Includes disposal on loss of control on subsidiaries. Refer note 48

Disclosure of lease

The Group has leases for land and buildings. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset (ROU) can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities. For leases over buildings, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

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i) The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Amortisation expense on right-of-use assets	56.03	49.64	36.01
Interest expense on lease liabilities	3.02	2.97	3.84
Rent expense (total cash outflow)	(50.53)	(41.65)	(32.84)
	8.52	10.96	7.01

ii) Lease payments not recognised as a liability

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Expenses relating to short term leases and leases of low-value assets (included in other expenses)*	49.60	43.83	36.24
	49.60	43.83	36.24

* The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 49.60 (31 March 2021 ₹ 43.83 and 31 March 2020 ₹ 36.24).

iii) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022, 31 March 2021 and 31 March 2020:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Less than one years	36.08	33.84	32.17
One to five years	43.11	29.79	39.11
More than five years	-	-	-
	79.19	63.63	71.28

iv) The lease table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of ROU assets leased	Range of remaining term (in years)	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
31 March 2022					
Buildings	9	1-63	9.18	9	9
Land leasehold	11	1-57	33	-	-
31 March 2021					
Buildings	7	1-3	0.83	7	7
Land leasehold	12	1-58	34	-	-
31 March 2020					
Buildings	6	1-3	0.89	6	6
Land leasehold	12	1-59	35	-	-

v) Extension and termination options

Extension and termination options are included in a number of properties leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

vi) No residual value guarantees in the lease contracts.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

4 Capital work-in-progress

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2020
Capital work-in-progress	181.76	463.81	508.75
Total	181.76	463.81	508.75

Notes:

- (i) Capital work-in-progress mainly comprises of plant and equipments and buildings under construction, installation and cost of asset not ready for use as at year end.
- (ii) There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022, 31 March 2021 and 31 March 2020.

Ageing for capital work-in-progress as at 31 March 2022, 31 March 2021 and 31 March 2020

Project in progress	Amount in capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2022	179.70	2.06	-	-	181.76
31 March 2021	263.35	199.70	-	0.76	463.81
31 March 2020	507.84	0.91	-	-	508.75

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

5 Investment properties

Particulars	Land freehold	Buildings	Total
Gross carrying amount			
Balance as at 01 April 2019	219.06	547.82	766.88
Additions for the year	-	-	-
Balance as at 31 March 2020	219.06	547.82	766.88
Additions for the year	270.65	35.81	306.46
Balance as at 31 March 2021	489.71	583.63	1,073.34
Additions for the year	57.11	-	57.11
Balance as at 31 March 2022	546.82	583.63	1,130.45
Accumulated depreciation			
Balance as at 01 April 2019	-	25.89	25.89
Depreciation charge for the year	-	18.78	18.78
Balance as at 31 March 2020	-	44.67	44.67
Depreciation charge for the year	-	8.25	8.25
Balance as at 31 March 2021	-	52.92	52.92
Depreciation charge for the year	-	8.54	8.54
Balance as at 31 March 2022	-	61.46	61.46
Net carrying amount as at 31 March 2022	546.82	522.17	1,068.99
Net carrying amount as at 31 March 2021	489.71	530.71	1,020.42
Net carrying amount as at 31 March 2020	219.06	503.15	722.21

Information regarding income and expenditure on investment properties

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment properties	11.23	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	(2.22)	(1.94)	-
Gain/(loss) arising from investment properties before interest, depreciation and indirect expenses	9.01	(1.94)	-
Less: Depreciation	(8.54)	(8.25)	(18.78)
Gain/(loss) arising from investment properties before indirect expenses	0.47	(10.19)	(18.78)

Minimum lease payments receivable under operating leases (non-cancellable) of investment properties are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Less than one year	0.77	-	-
One to five years	-	-	-
More than five years	-	-	-

Fair value

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Land freehold	871.13	770.37	499.72
Buildings	786.08	583.63	547.82
Total	1,657.21	1,354.00	1,047.54

Estimation of fair value

The Group's investment properties consist of two class of assets i.e. Land freehold and buildings, which has been determined based on the nature, characteristics and risks of each property. Land freehold of net carrying value ₹ 546.82 (31 March 2021: ₹ 489.71 and 31 March 2020: ₹ 219.06) having fair value of ₹ 871.13 (31 March 2021: ₹ 770.37 and 31 March 2020: ₹ 499.72) and buildings of net carrying value ₹ 522.17 (31 March 2021: ₹ 530.71 and 31 March 2020: ₹ 503.15) having fair value of ₹ 786.08 (31 March 2021: ₹ 583.63 and 31 March 2020: ₹ 547.82) has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued and for some of its properties, it has been determined using the circle rate applicable for the area and the Group has adopted the circle rate as applicable for its fair valuation. The fair value measurement for investment property has been categorised as Level 2 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research, market trend, contracted rentals, terminal yeilds, discount rates and comparable values, as appropriate.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

6(a) Goodwill on consolidation**Changes in the net carrying amount of goodwill is summarized as below:**

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance at the beginning of the year	69.54	69.35	69.35
Addition	14.15	5.16	-
Disposal	(46.82)	-	-
Impairment for the year	(15.64)	(4.97)	-
Closing balance at the end of the year	21.23	69.54	69.35

Movement of impairment loss is summarized as below:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance at the beginning of the year	4.97	-	-
Addition	15.64	4.97	-
Deletion	-	-	-
Closing balance at the end of the year	20.61	4.97	-

Impairment testing of goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the respective businesses.

The Group performed its annual impairment test for years ended 31 March 2022, 31 March 2021 and 31 March 2020. Goodwill acquired in business combinations are tested for impairment at individual CGU level. The recoverable amount of a CGU is the higher of its fair value less cost to sell or its value-in-use. On the basis of aforesaid evaluation, an impairment of ₹ 15.64 (31 March 2021: ₹ 4.97, 31 March 2020: Nil) have been recorded in statement of profit and loss under exceptional items.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

6(b) Other intangible assets

Particulars	Technical knowhow	Patents	Software	Total
Gross carrying amount				
Balance as at 01 April 2019	53.43	10.87	108.18	172.48
Additions for the year	4.58	-	33.34	37.92
Translation exchange difference	(0.09)	-	(0.05)	(0.14)
Balance as at 31 March 2020	57.92	10.87	141.47	210.26
Additions for the year	-	-	3.95	3.95
Translation exchange difference	-	-	3.37	3.37
Balance as at 31 March 2021	57.92	10.87	148.79	217.58
Additions for the year	-	-	11.65	11.65
Disposal for the year*	-	-	(27.86)	(27.86)
Translation exchange difference	-	-	(1.45)	(1.45)
Balance as at 31 March 2022	57.92	10.87	131.13	199.92
Accumulated amortisation				
Balance as at 01 April 2019	53.43	10.33	90.50	154.26
Amortisation during the year	0.62	0.50	6.45	7.57
Translation exchange difference	-	-	-	-
Balance as at 31 March 2020	54.05	10.83	96.95	161.83
Amortisation during the year	1.12	0.04	9.10	10.26
Translation exchange difference	-	-	0.38	0.38
Balance as at 31 March 2021	55.17	10.87	106.43	172.47
Amortisation during the year	1.12	-	10.16	11.28
Disposal for the year*	-	-	(7.26)	(7.26)
Translation exchange difference	-	-	(0.35)	(0.35)
Balance as at 31 March 2022	56.29	10.87	108.98	176.14
Net carrying amount as at 31 March 2022	1.63	-	22.15	23.78
Net carrying amount as at 31 March 2021	2.75	-	42.36	45.11
Net carrying amount as at 31 March 2020	3.87	0.04	44.52	48.43

* Includes disposal on loss of control on subsidiaries. Refer note 48

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7 Non current investments

7(a) Investments accounted for using equity method

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Investment in unquoted equity shares			
(Accounted using equity method per Ind AS 28 Investment in Associates and Joint Ventures)			
(a) Investment in associate			
Nil (31 March 2021: Nil, 31 March 2020: 20,00,000) equity shares of M/s Plastics Machines and Solutions Inc. of PHP 1 each, fully paid up	-	-	2.46
(b) Investment in Joint venture			
Nil (31 March 2021: 50, 31 March 2020: 50) equity shares of M/s Carmenta Sociedad Anonima, Paraguay of Gs 5,00,00,000 each fully paid up	-	28.25	24.80
50,002 (31 March 2021: 50,002, 31 March 2020:50,002) equity shares of M/s Einbecker Kennzeichnungssysteme GmbH, Germany of Gs 5 each fully paid up	10.16	10.16	28.50
Less: Provision for impairment in value of investment	(10.16)	-	-
Aggregate value of unquoted non-current investment	-	38.41	55.76
Aggregate amount of unquoted investments	-	38.41	55.76
Aggregate amount of impairment in value of investments	10.16	-	-

7(b) Particulars

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Investment in unquoted equity shares, valued at fair value through profit and loss			
5 (31 March 2021: 5, 31 March 2020: Nil) shares of M/s Plastics Machinery Manufacturers Association of India (PMMAI) of Rs 100 each fully paid up	-	-	-
Nil (31 March 2021: 63,680, 31 March 2020: Nil) shares of LDB Importacao E Exportacao Ltda, Brazil	-	-	-
2000 (31 March 2021:2000, 31 March 2020: Nil) shares of M/s Polywest Beteiligungs GmbH, Germany of Eur 1 each fully paid up	-	0.16	0.16
	-	0.16	0.16
Aggregate amount of unquoted investments	-	0.16	0.16
Aggregate amount of impairment in value of investments	-	-	-

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

Particulars	As at	As at	As at	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2020	31 March 2022	31 March 2021	31 March 2020
	Numbers			Amount		
8 Current investments						
(Fair value through profit & loss)						
Investment in equity instruments (fully paid-up)						
Quoted Investments						
TAAL Enterprises Limited (Face value ₹ 10)	25	25	25	0.04	0.01	-
Aurum PropTech Limited(Formerly Known as Majesco Limited)						
(Face value ₹ 5)	-	19,700	-	-	1.30	-
Total				0.04	1.31	-
Investments in debenture & bonds (quoted)						
IIFL Market linked Non Convertible Debentures - IECF series III	-	2,000	2,000	-	234.84	221.34
(Face value ₹ 1,00,000)						
SBI Prep SR-IV 8.15% bond	200	-		212.37	-	-
Total				212.37	234.84	221.34
Investments in mutual funds & bonds (quoted)						
Birla Sunlife Dynamic Bond Fund Direct - (G)	-	3,030,374	3,030,374	-	109.37	100.50
Birla Sunlife Dynamic Bond Fund Direct - (G) (Segregated Portfolio-1)	3,030,374	3,030,374	3,030,374	1.80	4.40	4.60
Franklin India Low Duration Fund - (G)	82,904	2,165,934	5,773,850	2.65	50.27	119.10
Franklin India Low Duration Fund Retail (Segregated Portfolio-2 Vodafone Idea)	4,849,771	5,315,984	5,773,850	1.65	-	-
Franklin India Low Duration Fund Retail (Segregated Portfolio-1 Vodafone Idea)	-	-	5,773,850	-	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan - (G)	-	-	9,550,000	-	-	262.72
Franklin India Ultra Short Bond Fund Super Institutional Plan - (G) (Segregated Portfolio-1 Vodafone Idea)	-	-	9,550,000	-	-	-
UTI Short Term Income Fund-(G)	-	-	5,943,996	-	-	128.60
Birla Sun Life Dynamic Bond Fund - Retail - (G)	-	4,091,218	4,091,218	-	141.10	130.40
Birla Sun Life Dynamic Bond Fund - Retail - (G)(Segregated Portfolio-1)	4,091,218	4,091,218	4,091,218	2.34	5.72	5.97
Franklin India Short Term Income -Retail Plan-(G)	3,718	39,800	43,418	17.52	158.88	166.40
Franklin India Short Term Income Retail (Segregated Portfolio-1 Vodafone Idea)	-	-	43,418	-	-	-
Franklin India Short Term Income Retail (Segregated Portfolio-2 Vodafone Idea)	36,469	39,975	43,418	3.20	-	-
Franklin India Short Term Income Retail (Segregated Portfolio-3 Yes bank)	43,418	43,418	43,418	-	-	-
Franklin India Income Opportunities Fund - (G)	-	-	7,714,345	-	-	172.90
Franklin India Income Opportunities Fund Retail (Segregated Portfolio-1 Vodafone Idea)	-	-	7,714,345	-	-	-
Franklin India Income Opportunities Fund Retail (Segregated Portfolio-2 Vodafone Idea)	6,479,700	7,102,598	7,714,345	3.12	-	-
Franklin India Credit risk Fund-Direct-(G)	449,604	4,325,311	5,779,779	10.80	95.36	114.50
Franklin India Credit Risk Fund Direct (Segregated Portfolio-1 Vodafone Idea)	-	-	5,779,779	-	-	-
Franklin India Credit Risk Fund Direct (Segregated Portfolio-2 Vodafone Idea)	4,854,752	5,321,442	5,779,779	2.63	-	-
Franklin India Credit Risk Fund Direct (Segregated Portfolio-3 Yes Bank)	5,779,779	5,779,779	5,779,779	-	-	-
Franklin India Dynamic Accrual Fund-Direct - (G)	239,848	4,990,649	8,267,560	19.80	376.51	587.26
Franklin India Dynamic Accrual Fund Direct (Segregated Portfolio-1 Vodafone Idea)	-	-	8,267,560	-	-	-
Franklin India Dynamic Accrual Fund Direct (Segregated Portfolio-2 Vodafone Idea)	6,944,375	7,611,943	8,267,560	5.56	-	-
Franklin India Dynamic Accrual Fund Direct (Segregated Portfolio-3 Yes Bank)	8,267,560	8,267,560	8,267,560	-	-	-
Birla Sun Life Credit Risk Fund - Direct Plan-(G)	15,050,834	15,050,834	15,050,834	260.08	243.61	221.41
Birla Sun Life Credit Risk Fund - Direct Plan-(G) (Segregated Portfolio-1)	15,050,834	15,050,834	15,050,834	2.56	6.26	6.53
ICICI Pru Credit Risk Fund -Direct Plan-(G)	7,707,446	7,707,446	7,707,446	209.27	194.83	178.41
Kotak Medium Term Fund -Direct Plan-(G)	10,012,750	10,012,750	10,012,750	198.13	184.92	172.10
DSP Arbitrage Fund Direct (G)	16,689,477	16,689,477	-	208.13	199.93	-
ICICI Pru Ultra Short Term Fund Direct Plan (G)	13,116,220	13,116,220	-	313.62	300.07	-
ICICI Pru Arbitrage Fund Direct (G)	14,064,949	3,564,198	-	411.97	99.98	-
Nippon India Overnight Fund - Direct (G)	-	1,086,271	-	-	120.00	-
ICICI Pru Equity saving fund direct	2,905,142	-	-	52.79	-	-
Kotak Saving Fund-Growth	-	-	37,208	-	-	1.20
Nippon India Arbitrage Fund Direct Plan Growth Option	306,626	-	-	7.00	-	-
ICICI Prudential Ultra Short Term Fund Direct Plan Growth Option	1,545,854	-	-	36.96	-	-
Nippon India Arbitrage Fund Direct Plan Growth Option	373,770	-	-	8.53	-	-
Total				1,780.11	2,291.21	2,372.60
Total current investments				1,992.52	2,527.36	2,593.94
Aggregate amount of quoted investments and market value thereof				1,992.52	2,527.36	2,593.94
Aggregate amount of unquoted investments				-	-	-
Aggregate amount of impairment in the value of investments				-	-	-

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
9	Loans						
	(Unsecured, considered good unless otherwise stated)	Non-current	Current	Non-current	Current	Non-current	Current
	Loans to related parties	-	-	-	59.89	68.00	36.73
	Loans to employees*	3.35	4.50	2.55	3.37	1.96	3.73
	Loans to others	20.10	-	19.11	83.33	17.25	-
	Credit impaired						
	Loans to related parties	-	16.39	-	-	-	-
	Less: Allowance for doubtful loans	-	(16.39)	-	-	-	-
	Loans to others	-	-	-	13.53	13.08	-
	Less: Allowance for doubtful loans	-	-	-	(13.53)	(13.08)	-
		23.45	4.50	21.66	146.59	87.21	40.46
	*These loans given to employees are as per terms specified in policies of the Group.						
	Breakup for loan receivable:						
	Loans receivables considered good - unsecured;	23.45	4.50	21.66	146.59	87.21	40.46
	Loans receivables which have significant increase in credit risk;	-	16.39	-	13.53	13.08	-
	Less: Impairment for loan	-	(16.39)	-	(13.53)	(13.08)	-
		23.45	4.50	21.66	146.59	87.21	40.46
	Note:						
	Loan are granted to promoter, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other persons, that are repayable on demand.						
	31 March 2022 ^						
	Type of borrower					Amount of loan outstanding	Percentage to the total loans
	Promoter					-	-
	Directors					-	-
	KMP's					-	-
	Related parties					16.39	44.92%
	31 March 2021 ^						
	Type of borrower					Amount of loan outstanding	Percentage to the total loans
	Promoter					-	-
	Directors					-	-
	KMP's					-	-
	Related parties					59.89	34.06%
	31 March 2020 ^						
	Type of borrower					Amount of loan outstanding	Percentage to the total loans
	Promoter					-	-
	Directors					-	-
	KMP's					-	-
	Related parties					104.73	77.54%
	Terms of loans receivable as on 31 March 2022 ^						
S no.	Name of the parties	Nature	Interest rate	Tenure of repayment		Non-current	Current
1	Polywest Beteiligungs Gmbh	Others	7.00%	Principal amount is repayable on 22 April 2027		20.10	-
2	Einbecker Kennzeichnungssysteme Gmbh	Related party	9.00%	Repayable on demand		-	16.39
	Terms of loans receivable as on 31 March 2021 ^						
S no.	Name of the parties	Nature	Interest Rate	Tenure of repayment		Non-current	Current
1	Carmenta Sociedad Anonima	Related party	12.00%	Principal amount is repayable by 31 March 2022		-	29.56
2	Einbecker Kennzeichnungssysteme Gmbh	Related party	9.00%	Repayable on demand		-	15.51
3	Polywest Beteiligungs Gmbh	Others	7.00%	Principal amount is repayable on 22 April 2027		19.11	-
4	HCP Enterprises Limited	Others	7.25%	Repayable on demand		-	80.02
5	Ldb Importacao E Exportacao Ltd A	Others	7.50%	Repayable on demand		-	16.84
6	Anjali Capfin Private Limited	Related party	7.00%	Repayable on demand		-	8.80
7	Lohfam Finsec LLP	Related party	4.00%	Repayable on demand		-	1.77
8	Lohia Engineering and Design Services Private Limited	Related party	7.25%	Repayable on demand		-	0.22
9	Rachit Finsec Private Limited	Related party	7.00%	Repayable on demand		-	4.03
	Terms of loans receivable as on 31 March 2020 ^						
S no.	Name of the parties	Nature	Interest Rate	Tenure of repayment		Non-current	Current
1	BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited")	Related party	7.00%	Repayable on demand		-	17.83
2	Rachit Finsec Private Limited	Related party	7.00%	Repayable on demand		-	4.90
3	Anjali Capfin Private Limited	Related party	7.00%	Repayable on demand		-	0.30
4	Einbecker Kennzeichnungssysteme Gmbh	Related party	9.00%	Repayable on demand		-	13.70
5	Polywest Beteiligungs Gmbh	Others	7.00%	Principal amount is repayable on 22 April 2027		17.25	-
6	Carmenta Sociedad Anonima	Related party	12.00%	Principal amount is repayable by 31 March 2022		68.00	-
7	Ldb Importacao E Exportacao Ltda	Others	7.50%	Repayable on demand		13.08	-
	^ Amounts are before impairment for loan						
		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
10	Other financial assets						
	(Unsecured, considered good unless otherwise stated)	Non-current	Current	Non-current	Current	Non-current	Current
	Security deposits	52.25	41.75	48.59	19.43	41.26	17.63
	Derivative assets (net)	-	210.61	-	60.31	-	-
	Bank deposits with more than twelve months maturity	0.56	-	2.28	-	3.78	-
	Export incentives recoverable	-	123.24	-	156.83	-	160.46
	Others	-	27.74	-	23.35	-	32.66
	Less: Loss allowance	-	(10.77)	-	-	-	-
		52.81	392.57	50.87	259.92	45.04	210.75
	11 Non current tax assets (net)						
	Income tax (net of provision)						
					68.70	79.11	127.72
					68.70	79.11	127.72
		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
12	Other assets						
	(Unsecured, considered good unless otherwise stated)	Non-current	Current	Non-current	Current	Non-current	Current
	Capital advances	151.72	-	293.30	-	212.04	-
	Advance to trade suppliers	-	419.09	-	448.67	-	489.33
	Advances to employees	-	49.78	-	7.29	-	11.84
	Prepaid expenses	3.69	88.81	10.49	89.88	12.64	67.14
	Goods and service tax recoverable	-	178.49	-	162.85	-	117.55
	Gratuity fund (refer note no. 42)	-	-	-	-	-	21.31
	Others	-	4.07	-	5.61	-	1.79
		155.41	740.24	303.79	714.30	224.68	708.96

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
13 Inventories (valued at lower of cost or net realisable value, unless otherwise stated)			
Raw materials	1,703.78	1,665.64	1,299.15
Work-in-progress	993.24	846.21	607.23
Finished goods	386.44	311.78	371.02
Stock-in-trade	-	1.83	-
Consumable stores and spares	144.68	125.02	79.30
Goods in transit			
Raw materials	472.13	193.21	164.16
Finished goods	278.63	115.66	87.21
Stock-in-trade	10.07	-	1.55
	3,988.97	3,259.35	2,609.62

Note: Value of inventories stated above are after provisions (net of reversal) ₹ 39.25 (31 March 2021: ₹ 57.29 and 31 March 2020: ₹ 21.91) for write-downs to net realisable value and provision for slow moving and obsolete items.

		As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
14	Trade receivables	Non-current	Current	Non-current	Current	Non-current	Current
	(a) Trade receivables considered good - secured;	-	-	-	-	-	-
	(b) Trade receivables considered good - unsecured;	92.03	988.44	28.73	887.08	10.79	802.64
	(c) Trade receivables which have significant increase in credit risk;	-	62.41	-	21.50	-	14.15
	(d) Trade receivables - credit impaired.	-	-	-	-	-	-
	Less: Loss allowance	-	(37.48)	-	(21.50)	-	(14.15)
		92.03	1,013.37	28.73	887.08	10.79	802.64

Note: There is no amount is due from directors or officers of the Holding Company and its subsidiaries.

Ageing for trade receivable - outstanding as at 31 March 2022

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	215.97	655.06	178.68	53.80	0.36	1.53	1,105.40
Which have significant increase in credit risk	-	-	-	0.04	2.19	3.59	5.82
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	31.66	-	31.66
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	215.97	655.06	178.68	53.84	34.21	5.12	1,142.88
Less: Loss allowance							(37.48)
							1,105.40

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Ageing for trade receivable - outstanding as at 31 March 2021

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	63.33	704.73	101.41	46.34	-	-	915.81
Which have significant increase in credit risk	-	-	-	15.33	2.78	3.39	21.50
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	63.33	704.73	101.41	61.67	2.78	3.39	937.31
Less: Loss allowance							(21.50)
							915.81

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Ageing for trade receivable - outstanding as at 31 March 2020

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	25.43	671.70	98.23	18.07	-	-	813.43
Which have significant increase in credit risk	-	-	-	8.97	2.65	2.53	14.15
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	25.43	671.70	98.23	27.04	2.65	2.53	827.58
Less: Loss allowance							(14.15)
							813.43

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
15 Cash and cash equivalents			
Balances with banks			
-In current accounts	87.31	261.64	434.66
-In EEFC accounts	27.36	14.32	1.09
Cash on hand	3.30	5.81	4.97
Balances in deposits with original maturity of less than three months	-	0.57	-
	117.97	282.34	440.72

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
16 Bank balances other than cash and cash equivalents			
Earmarked balances with banks*	-	10.89	16.40
Balances in deposits with original maturity of more than three months but less than twelve months**	18.69	13.07	0.57
	18.69	23.96	16.97

* It consist of balances kept in bank account on account of capital reduction subsequently transferred to Investor Education and Protection Fund (IEPF).

** It consist of fixed deposits with bank held as security against the borrowings, guarantees.

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
17 Assets classified as held for sale			
Building	-	16.90	149.40
	-	16.90	149.40

Note: During the year ended 31 March 2021, the Group had indentified Building of ₹ 16.90, (net book value ₹ 16.90) which has been moved from property, plant and equipment to assets classified as held for sale. During the year ended 31 March 2022, the Group had sold these assets for a consideration of ₹ 27.69 millions and recognised the gain on sale in the statement of profit and loss.

During the year ended 31 March 2020, the Group had indentified Building of ₹ 149.40, (net book value ₹ 159.10) and furniture of ₹ NIL, (net book value ₹ 1.92) which has been moved from property, plant and equipment to assets classified as held for sale. During the year ended 31 March 2021, the Group had sold these assets for a consideration of ₹ 137.67 millions and recognised the loss on sale in the statement of profit and loss.

The assets classified as held for sale have been accounted at lower of carrying amount and fair value less costs to sell. The fair value of building classified as assets held for sale has been determined based on the agreement entered.

The carrying value and fair value less cost to sell of building classified as assets held for sale is detailed below:

	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value less costs to sell	Carrying value	Fair value less costs to sell	Carrying value	Fair value less costs to sell
Building	-	-	16.90	27.69	161.02	149.40
	-	-	16.90	27.69	161.02	149.40

18 Equity share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each as follows :

Particulars	Number of shares	Amount
Authorised share capital		
As at 1 April 2019	12,000,000	120.00
Add: Increase in authorised share capital	-	-
As at 31 March 2020	12,000,000	120.00
Add: Increase in authorised share capital	-	-
As at 31 March 2021	12,000,000	120.00
Add: Increase on account of merger*	450,000	4.50
Add: Increase in authorised share capital**	12,550,000	125.50
As at 31 March 2022	25,000,000	250.00

* Pursuant to National Company Law Tribunal (NCLT) order no. 19/ALD/2021 connected with 18/ALD/2021 dated 24 January 2022, the authorised share capital of erstwhile Holding Company- Shree Holdings Limited has been merged in the authorised share capital of the Holding Company.

** Pursuant to the special resolution passed at extra ordinary general meeting held on 7 March 2022, the members approved to increase the authorised share capital of the Holding Company from ₹ 124.50 divided into 1,24,50,000 equity shares of ₹ 10 each to ₹ 250 divided into 2,50,00,000 equity shares of ₹ 10 each by increase of 1,25,50,000 equity shares of ₹ 10 each.

Issued, subscribed & fully paid

The issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each as follows :

Particulars	Number of shares	Amount
As at 1 April 2019	4,850,000	48.50
Less: Equity shares bought back during the year	-	-
As at 31 March 2020	4,850,000	48.50
Less: Equity shares bought back during the year (Refer note 'f' below)	(300,000)	(3.00)
As at 31 March 2021	4,550,000	45.50
Less: Equity shares bought back during the year (Refer note 'f' below)	(324,000)	(3.24)
As at 31 March 2022	4,226,000	42.26

a. Reconciliation of equity capital outstanding at the beginning and at the end of the reporting period :

Particulars	Number of Shares	Amount	Number of Shares	Amount
As at 1 April 2019	4,850,000	48.50		
Less: Equity shares bought back during the year	-	-		
As at 31 March 2020	4,850,000	48.50		
Less: Equity shares bought back during the year	(300,000)	(3.00)		
As at 31 March 2021	4,550,000	45.50		
Less: Equity shares bought back during the year	(324,000)	(3.24)		
As at 31 March 2022	4,226,000	42.26		

b. The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Holding Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held. The Holding Company declares and pays dividend in indian rupees. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c. Numbers of shares held by each shareholder holding more than 5% shares in the Holding Company

	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	% of share	No. of shares	% of share	No. of shares	% of share	No. of shares
Shree Holdings Limited (refer note 1)	-	-	89.54%	4,074,000	84.00%	4,074,000
Mr. Raj Kumar Lohia	26.06%	1,101,242	-	-	-	-
Mr. Amit Kumar Lohia	10.05%	424,695	-	-	-	-
Mr. Ajay Lohia	8.97%	379,260	-	-	-	-
Mr. Jitendra Kumar Lohia	10.49%	443,400	-	-	-	-
Mr. Alok Kumar Lohia	6.20%	261,921	-	-	-	-
Mr. Anurag Lohia	8.85%	374,171	-	-	-	-
Mr. Gaurav Lohia	9.64%	407,400	-	-	-	-
Ms. Shradha Lohia	7.37%	311,661	-	-	-	-
Ms. Anuja Lohia	6.99%	295,550	-	-	-	-

d. Details of shares held by the Holding Company :

	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Shree Holdings Limited (refer note 1)	-	-	4,074,000	40.74	4,074,000	40.74

e. Disclosure of shareholding of promoters

	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
Promoter Name	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Shree holdings limited (refer note 1)	-	-	4,074,000	89.54%	4,074,000	84.00%
Mr. Raj Kumar Lohia	1,101,242	26.06%	177,000	3.89%	227,000	4.68%
Mr. Amit Kumar Lohia	424,695	10.05%	60,000	1.32%	100,000	2.06%
Ms. Neela Lohia	41,000	0.97%	41,000	0.90%	67,000	1.38%
Ms. Ritu Lohia	153,700	3.64%	-	-	-	-
Mr. Gaurav Lohia	407,400	9.64%	-	-	-	-

f. Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting year.

- The Board of Directors of the Holding Company at its meeting held on 26 September, 2018 approved the buyback of upto 1,04,000 fully paid equity shares of ₹ 10 each, at a price not exceeding ₹ 2,500/- payable in cash, upto an amount not exceeding ₹ 260.00 millions from the open market. Pursuant to the aforesaid buyback offer, the Holding Company has bought back and extinguished 104,000 Equity Shares of ₹ 10 each during the year 2018-19.
- The Board of Directors of the Holding Company at its meeting held on 11 January, 2021 approved the buyback of upto 3,00,000 fully paid equity shares of ₹ 10 each, at a price not exceeding ₹ 3,300/- payable in cash, upto an amount not exceeding ₹ 990.00 millions from the open market. Pursuant to the aforesaid buyback offer, the Holding Company has bought back and extinguished 300,000 Equity Shares of ₹ 10 each during the year 2020-21.
- The Board of Directors of the Holding Company at its meeting held on 2 March, 2022 approved the buyback of upto 3,24,000 fully paid equity shares of ₹ 10 each, at a price not exceeding ₹ 5,000/- payable in cash, upto an amount not exceeding ₹ 1,620.00 millions from the open market. Pursuant to the aforesaid buyback offer, the Holding Company has bought back and extinguished 324,000 Equity Shares of ₹ 10 each during the year 2021-22.
- The Holding Company has neither issued any shares pursuant to contract without payment being received in cash nor allotted as fully paid up by way of bonus shares in the current year and immediately preceding five years.

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
19 Other equity			
Securities premium	-	-	5.81
General reserve	-	-	285.97
Capital redemption reserve	7.38	4.14	1.14
Retained earnings	4,746.21	5,252.52	5,005.51
Statutory reserve	9.47	5.66	5.32
Cash flow hedging reserve	113.65	59.61	(78.47)
Foreign currency translation reserve	(3.40)	28.30	(1.35)
	4,873.31	5,350.23	5,223.93
a. Securities premium			
Balance at the beginning of the year	-	5.81	5.81
Less:- Utilised towards buyback of equity shares (refer note 18)	-	(5.81)	-
Balance at the end of the year	-	-	5.81
b. General reserve			
Balance at the beginning of the year	-	285.97	285.97
Less:- Utilised towards buyback of equity shares (refer note 18)	-	(285.97)	-
Balance at the end of the year	-	-	285.97
c. Capital redemption reserve			
Balance at the beginning of the year	4.14	1.14	1.14
Add: Transfer from retained earnings	3.24	3.00	-
Balance at the end of the year	7.38	4.14	1.14
d. Retained earnings			
Balance at the beginning of the year	5,252.52	5,005.51	4,664.92
Add:- Profit for the year	1,519.98	1,218.97	390.71
Less:- Adjustment on account of merger (refer note 1)	(1.05)	-	-
Add:- Other comprehensive income for the year (net of tax)	7.54	(26.11)	37.87
Less:- Transfer to capital redemption reserve	(3.24)	(3.00)	-
Less:- Utilised towards buyback of equity shares (including distribution tax on buyback)	(1,994.03)	(925.73)	-
Less:- Dividend paid (including dividend distribution tax)	(31.70)	(34.13)	(87.70)
Less: Transfer to statutory reserve	(3.81)	(0.34)	(0.29)
Less: Other adjustments	-	17.35	-
Balance at the end of the year	4,746.21	5,252.52	5,005.51
e. Statutory reserve			
Balance at the beginning of the year	5.66	5.32	5.03
Movement during the year	3.81	0.34	0.29
Balance at the end of the year	9.47	5.66	5.32
f. Cash flow hedging reserve			
Balance at the beginning of the year	59.61	(78.47)	69.79
Movement during the year	77.46	184.52	(209.01)
Income tax related to above	(23.42)	(46.44)	60.75
Balance at the end of the year	113.65	59.61	(78.47)
g. Foreign currency translation reserve			
Balance at the beginning of the year	28.30	(1.35)	3.71
Movement during the year	(31.70)	29.65	(5.06)
Balance at the end of the year	(3.40)	28.30	(1.35)
Total	4,873.31	5,350.23	5,223.93

Description of reserves:

Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve represents the reserve created by keeping aside a part of profit earned by the business for fulfilling various business needs like meeting contingencies, offsetting future losses, paying dividend, bonus issue etc.

Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when the Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Retained earnings

All the profits or losses made by the Company are transferred to retained earnings from statement of profit and loss.

Statutory reserve

Reserve fund is created as per the terms of section 45IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 1.21. Amounts are subsequently reclassified to profit or loss.

Foreign currency translation reserve

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiaries entities.

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	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
20 Borrowings			
Secured			
Term loans from bank*	2,828.90	1,915.05	2,557.45
Less: Current maturities of long term debts (refer note 24)	(343.10)	(410.75)	(1,153.87)
Unsecured			
From others	-	105.04	-
	2,485.80	1,609.34	1,403.58

*Net of prepaid ancillary borrowing cost ₹ 2.08 (31 March 2021: ₹ Nil and 31 March 2020: ₹ 0.25)

Refer note 45 for disclosure of fair analysis of their maturity profiles.

The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

The borrowings obtained by the Group from banks have been applied for the purposes for which such loans were was taken.

Terms of borrowings

As at 31 March 2022

S no.	Nature of loan and securities	Belongs to	Terms of repayment
1	Term loan from HDFC Bank of ₹ 320.00 (sanctioned amount of ₹ 750.00) secured by specific plant & Holding Company machineries.	Holding Company	Principal amount being repayable in 24 quarterly installments of ₹ 160.00 each starting from 15 June 2023. Rate of interest at 6.25% p.a. payable monthly.
2	Foreign currency term loan from Federal Bank of US\$ 10.00 Million (equivalent ₹ 751.68) secured by specific Holding Company plant & machineries.	Holding Company	Principal amount being repayable in 24 quarterly installments of US\$ 0.42 Million each starting from 23 March 2023. Rate of interest at 2.65% p.a. payable monthly.
3	Term loan from Axis Bank of ₹ 400.00 secured by specific plant & machineries.	Holding Company	Principal amount being repayable in 20 quarterly installments of ₹20.00 each starting from 30 June 2023. Rate of interest at 6% p.a. payable monthly. Term loans have been swapped into USD through a INR to USD currency swap at fixed USDIBOR of 2.1% p.a.
4	Project term loan of ₹ 261.63 (availed amount ₹ 299.00 against sanctioned amount of ₹ 450.00 and it was taken in two tranches of ₹ 250.00 and ₹ 49.00) from HDFC Bank for financing of project for manufacturing of plastic woven fabrics/bags situated at C-3 & C-4 Panki Industrial Estate, Kanpur. Secured by exclusive charge on immovable and movable fixed assets and current assets of the project Lohia Packaging Solutions situated at C-3 & C-4 Panki Industrial Estate, Kanpur.	Holding Company	Principal amount is repayable in 24 quarterly installments of ₹ 12.46 each from 30 September 2021. Rate of interest at 1year MCLR + 30 bps currently being 7.5% p.a. (reset every year) (31 March 2021: 7.95% p.a.).
5	Project term loan of ₹ 220.00 (Sanctioned amount ₹ 250.00) from HDFC Bank taken in 2 tranches of ₹ 120.00 and ₹ 100.00. Secured by way of first charge on the on the entire fixed assets both movables and immovables at plant site in Chaubepur, Kanpur of Lohia Aerospace System Private Limited on pari passu basis.	Subsidiary	Principal amount is repayable in 18 quarterly installments from 31 December 2022. First 4 quarterly installments - ₹ 3.30 each Next 4 quarterly installments - ₹ 7.70 each Next 4 quarterly installments - ₹ 11.00 each Remaining 6 quarterly installments - ₹ 22.00 each The loan is repaid during the current period. Rate of interest at 3 months MCLR + 45 bps.
6	Term loan from Axis Bank of ₹ 80.00 (Sanctioned amount of ₹ 100.00) secured by way of first charge on the on the entire fixed assets both movables and immovables at plant site in Chaubepur, kanpur of Lohia Aerospace System Private Limited on pari passu basis.	Subsidiary	Principal amount is repayable in 18 quarterly installments of ₹ 12.22 each from 31 December 2022. First 4 quarterly installment - ₹ 1.20 each Next 4 quarterly installment - ₹ 2.80 each Next 4 quarterly installment - ₹ 4.00 each Next 6 quarterly installment - ₹ 8.00 each The loan is repaid during the current period. Rate of interest at 3 months MCLR + 20 bps .
7	Term loan of ₹ 1096.00 (availed amount ₹ 1100.00) from HDFC Bank taken in 2 tranches of ₹ 850.00 and ₹ 250.00. Secured by hypothecation of specific plant & machinery valued at ₹ 1172.50 plus extention of charge of immovable assets already offered as security to HDFC Bank to secure project term loan of ₹ 28.65 as mentioned in sub clause (2) of the agreement.	Holding Company	Part of principal amount of ₹ 850.00 has been repaid in 4 quarterly installments of ₹ 1.00 each with remaining amount being repayable in quarterly installments of ₹ 52.88 each. Term Loan of ₹ 250.00 is repayable in 16 quarterly installments of ₹ 15.63 each starting from 29 September 2022. Rate of interest rate at 6.90% p.a. and 6.75% p.a. payable monthly. (31 March 2021: 6.75% p.a.).Term loans have been swapped into EURO through a INR to EURO currency swap at fixed EURIBOR of 1.2% p.a. & 1.35% p.a. respectively.
8	Term loan of ₹ 150.00 from Citi Bank N.A. secured by lien over specified investment in mutual fund units.	Holding Company	Principal amount being repayable after 2 years from the date of drawdown, i.e. on 19 July 2022. The loan is repaid during the current period. Rate of interest at 3 month T-Bill rate (reset every 3 months) + 285bps (31 March 2021: 6.21% p.a.) and payable monthly.
9	External commercial borrowing (ECB) of USD 5.00 million from HSBC secured by way of first charge on all unencumbered plant & machinery at Panki and Chaubepur unit of the Group at Kanpur, hypothecation of fixed assets financed out of the proceeds of the ECB, equitable mortgage over specified land & building at village Mallawan, Kanpur and second charge, by way of hypothecation on current assets of the Holding Company.	Holding Company	Principal amount being repayable 28 June 2021, the loan is repaid during the current period. Rate of interest at Libor + 100 bps payable quarterly. (31 March 2021: Libor + 100 bps and 31 March 2020: Libor + 100 bps)

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

As at 31 March 2021

S no.	Nature of loan and securities	Belongs to	Terms of repayment
1	Project term loan of ₹ 250.00 (availed amount ₹ 250.00 against sanctioned amount of ₹ 450.00) from HDFC Bank for financing of project for manufacturing of plastic woven fabrics/bags situated at C-3 & C-4 Panki Industrial Estate, Kanpur. Secured by exclusive charge on immovable and movable fixed assets and current assets of the project Lohia Packaging Solutions situated at C-3 & C-4 Panki Industrial Estate, Kanpur.	Holding Company	Principal amount is repayable in 24 quarterly installments of ₹ 10.42 each from 30 September 2021. Rate of interest at 1year MCLR + 30 bps currently being 7.5% p.a. (reset every year).
2	Term loan of ₹ 1096.00 (availed amount ₹ 1100.00) from HDFC Bank taken in 2 tranches of ₹ 850.00 and ₹ 250.00. Secured by hypothecation of specific plant & machinery valued at ₹ 1172.50 plus extension of charge of immovable assets already offered as security to HDFC Bank to secure project term loan of ₹ 28.65 as mentioned in sub clause (2) of the agreement.	Holding Company	Part of principal amount of ₹ 850.00 has been repaid in 4 quarterly installments of ₹ 1.00 each with remaining amount being repayable in quarterly installments of ₹ 52.88 each. Term Loan of ₹ 250.00 is repayable in 16 quarterly installments of ₹ 15.63 each starting from 29 September 2022. Rate of interest rate at 6.90% p.a. and 6.75% p.a. payable monthly. Term loans have been swapped into EURO through a INR to EURO currency swap at fixed EURIBOR of 1.2% p.a. & 1.35% p.a. respectively.
3	Term loan of ₹ 150.00 from Citi Bank N.A. secured by lien over specified investment in mutual fund units.	Holding Company	Principal amount being repayable after 2 years from the date of drawdown, i.e. on 19 July 2022. The loan is repaid during the current period. Rate of interest at 3 month T-Bill rate (reset every 3 months) + 285bps.and payable monthly.
4	External commercial borrowing (ECB) of USD 15.00 million from HSBC secured by way of first charge on all unencumbered plant & machinery at Panki and Chaubepur unit of the Group at Kanpur, hypothecation of fixed assets financed out of the proceeds of the ECB, equitable mortgage over specified land & building at village Mallawan, Kanpur and second charge, by way of hypothecation on current assets of the Holding Company.	Holding Company	Principal amount of USD 10.00 million has been repaid during the period and remaining amount of USD 5.00 million being repayable on 28 June 2021. Rate of interest at Libor + 100 bps payable quarterly. (31 March 2021: Libor + 100 bps)
5	Project term loan of ₹ 220.00 (sanctioned amount ₹ 250.00) from HDFC Bank taken in 2 tranches of ₹ 120.00 and ₹ 100.00. Secured by way of first charge on the on the entire fixed assets both movables and immovables at plant site in Chaubepur, Kanpur of Lohia Aerospace System Private Limited on pari passu basis.	Subsidiary	Principal amount is repayable in 18 quarterly installments from 31 December 2022. First 4 quarterly installments - ₹ 3.30 each Next 4 quarterly installments - ₹ 7.70 each Next 4 quarterly installments - ₹ 11.00 each Remaining 6 quarterly installments - ₹ 22.00 each Rate of interest at 3 months MCLR + 45 bps.
6	Term loan from Axis Bank of ₹ 80.00 (sanctioned amount of ₹ 100.00) secured by way of first charge on the on the entire fixed assets both movables and immovables at plant site in Chaubepur, Kanpur of Lohia Aerospace System Private Limited on pari passu basis.	Subsidiary	Principal amount is repayable in 18 quarterly installments of ₹ 12.22 each from 31 December 2022. First 4 quarterly installment - ₹ 1.20 each Next 4 quarterly installment - ₹ 2.80 each Next 4 quarterly installment - ₹ 4.00 each Next 6 quarterly installment - ₹ 8.00 each Rate of interest at 3 months MCLR + 20 bps .
7	Borrowing from Microplast S.A of US\$ 2 Million. No security given.	Subsidiary	Principal amount being repayable on 31 July 2022, and the company has right to extend the loan. Rate of interest at 9.00% p.a.

As at 31 March 2020

S no.	Nature of loan and securities	Belongs to	Terms of repayment
1	External commercial borrowing (ECB) of USD 15.00 million from HSBC secured by way of first charge on all unencumbered plant & machinery at Panki and Chaubepur unit of the Group at Kanpur, hypothecation of fixed assets financed out of the proceeds of the ECB, equitable mortgage over specified land & building at village Mallawan, Kanpur and second charge, by way of hypothecation on current assets of the Holding Company.	Holding Company	Principal amount of USD 10.00 million and USD 5.00 million being repayable on 08 April 2021 and 28 June 2021 respectively. Rate of interest at Libor + 100 bps payable quarterly. (31 March 2019: Libor + 100 bps)
2	Term loan from Kotak Mahindra Bank of ₹ 190.00 secured by lien over specified investments in mutual funds units.	Holding Company	Principal amount being repayable after 1.5 years from the date of drawdown, i.e. on 6 September 2022. The loan is repaid during the current period. Rate of interest at RBI Repo rate (reset every 3 months) + 235bps (31 March 2019: 6.21% p.a.) and payable monthly.

21	Provisions	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
		Non-current	Current	Non-current	Current	Non-current	Current
	Gratuity	-	18.14	5.22	-	-	-
	Leave encashment	-	2.02	-	18.95	-	1.49
	Provision for warranties (refer note 40)	-	70.50	-	30.42	-	24.56
		-	90.66	5.22	49.37	-	26.05

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22 Deferred tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities	75.41	192.55	104.28
Deferred tax assets	7.03	11.08	-
	(68.38)	(181.47)	(104.28)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (net)			
a Recognition of deferred tax assets and liabilities			
Deferred tax liabilities			
Property, plant and equipment	154.33	115.75	63.84
Investment properties	-	5.03	-
Investment at FVTPL	55.46	88.80	122.56
Provision for employee benefits	-	-	4.99
Cash flow hedge	38.22	14.80	-
Others	0.74	17.14	15.12
Total deferred liabilities	248.75	241.52	206.51
Deferred tax assets			
Brought forward capital losses	23.96	41.49	28.76
Provision for doubtful debts and advances	13.56	8.82	6.85
Impairment losses	44.13	20.08	45.39
Provision for warranties	17.74	7.66	6.18
Lease liabilities (net of right-of-use assets)	0.83	0.21	0.35
Cash flow hedge	-	-	31.64
Derivative assets	69.91	-	-
Provision for employee benefits	5.07	5.62	-
Others	16.91	4.48	-
Total deferred tax assets	192.11	88.36	119.17
Add: Deferred tax assets not recognised by subsidiaries*	11.74	28.31	16.94
Net deferred tax liabilities	68.38	181.47	104.28

*Some of the subsidiaries of the Holding Company has not recognised deferred tax assets in absence of convincing evidences that sufficient taxable profits will be available against which such deferred tax asset shall be utilised amounting to ₹ 11.74 (31 March 2021 ₹ 28.31 and 31 March 2020 ₹ 16.94), therefore, the Group has recognised deferred tax asset to the extent of deferred tax liabilities as at respective reporting dates.
Unrecognised tax losses of ₹ 11.74 will expire from assessment year 2028-29 to assessment year 2030-31.

Particulars	As at 31 March 2021	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2022
b Movement in deferred tax balances				
Deferred tax assets				
Brought forward capital losses	41.49	(17.53)	-	23.96
Provision for doubtful debts and advances	8.82	4.74	-	13.56
Impairment losses	20.08	24.05	-	44.13
Provision for warranties	7.66	10.08	-	17.74
Lease liabilities (net of right-of-use assets)	0.21	0.62	-	0.83
Derivative assets	-	69.91	-	69.91
Provision for employee benefits	5.62	1.98	(2.53)	5.07
Others	4.48	12.43	-	16.91
Sub total (a)	88.36	106.28	(2.53)	192.11
Deferred tax liabilities				
Property, plant and equipment	115.75	38.58	-	154.33
Investment properties	5.03	(5.03)	-	-
Investment at FVTPL	88.80	(33.34)	-	55.46
Cash flow hedge	14.80	-	23.42	38.22
Others	17.14	(16.40)	-	0.74
Sub total (b)	241.52	(16.19)	23.42	248.75
Net deferred tax liabilities (b)-(a)	153.16	(122.47)	25.95	56.64
Add: Deferred tax assets not recognised by subsidiaries	28.31	(16.57)	-	11.74
Net deferred tax liabilities recognised	181.47	(139.04)	25.95	68.38

Particulars	As at 31 March 2020	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2021
c Movement in deferred tax balances				
Deferred tax assets				
Brought forward capital losses	28.76	12.73	-	41.49
Provision for doubtful debts and advances	6.85	1.97	-	8.82
Impairment losses	45.39	(25.31)	-	20.08
Provision for warranties	6.18	1.48	-	7.66
Lease liabilities (net of right-of-use assets)	0.35	(0.14)	-	0.21
Others	-	4.48	-	4.48
Sub total (a)	87.53	(4.79)	-	82.74
Deferred tax liabilities				
Property, plant and equipment	63.84	51.91	-	115.75
Investment properties	-	5.03	-	5.03
Investment at FVTPL	122.56	(33.76)	-	88.80
Cash flow hedge	(31.64)	-	46.44	14.80
Provision for employee benefits	4.99	(1.83)	(8.78)	(5.62)
Others	15.12	2.02	-	17.14
Sub total (b)	174.87	23.37	37.66	235.90
Net deferred tax liabilities (b)-(a)	87.34	28.16	37.66	153.16
Add: Deferred tax assets not recognised by subsidiaries	16.94	11.37	-	28.31
Net deferred tax liabilities recognised	104.28	39.53	37.66	181.47

Particulars		As at 31 March 2019	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2020
d	Movement in deferred tax balances				
	Deferred tax assets				
	Brought forward capital losses	35.15	(6.39)	-	28.76
	Provision for doubtful debts and advances	9.51	(2.66)	-	6.85
	Impairment losses	42.46	2.93	-	45.39
	Provision for warranties	5.20	0.98	-	6.18
	Cash flow hedge	(29.11)	-	60.75	31.64
	Lease liabilities (net of right-of-use assets)	-	0.35	-	0.35
	Others	1.89	(1.89)	-	-
	Sub total (a)	65.10	(6.68)	60.75	119.17
	Deferred tax liabilities				
	Property, plant and equipment	131.52	(67.68)	-	63.84
	Investment at FVTPL	128.78	(6.22)	-	122.56
	Provision for employee benefits	-	(6.53)	11.52	4.99
	Others	5.43	9.69	-	15.12
	Sub total (b)	265.73	(70.74)	11.52	206.51
	Net deferred tax liabilities (b)-(a)	200.63	(64.06)	(49.23)	87.34
	Add: Deferred tax assets not recognised by subsidiaries	9.36	7.58	-	16.94
	Net deferred tax liabilities recognised	209.99	(56.48)	(49.23)	104.28
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	
23	Other liabilities	Non-current	Current	Non-current	Current
	Deferred income - government grant*	120.60	32.64	101.91	12.02
	Revenue received in advance**	-	3,904.92	-	4,207.05
	Advance for sale of assets held for sale	-	-	-	27.49
	Statutory liabilities	-	95.88	-	81.59
	Others	-	-	-	4.31
		120.60	4,033.44	101.91	4,332.46
				40.51	1,256.98

*The Holding Company has recognised grant in respect of duty saved on procurement of capital goods under EPCG scheme of central Government. Under EPCG Scheme the Holding Company has an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods procured, to be fulfilled in 6 years reckoned from date of authorisation. The expected export obligations required to be fulfilled in future years as at 31 March 2022 is ₹ 1150.09 (31 March 2021: ₹ 643.50 and 31 March 2020: ₹ 1119.22)

**The revenue received in advance represents contract liability balance outstanding as at the respective dates. The revenue received in advance outstanding as at 1 April 2021 and 1 April 2020 respectively were recognised to the extent of revenue satisfaction of the associated performance obligations during the year ended 31 March 2022 and 31 March 2021 respectively.

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	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
24 Borrowings			
Secured			
Short term borrowings from banks	182.45	-	1,014.11
Current maturities of long term borrowings from bank*	343.10	410.75	1,153.87
Unsecured			
From related party	2.24	-	110.02
From others	152.32	45.80	20.00
	680.11	456.55	2,298.00

*Net of prepaid ancillary borrowing cost ₹ 0.73 (31 March 2021: ₹ 0.26 and 31 March 2020 : ₹ 1.03)

Refer note 45 for disclosure of analysis of their maturity profiles.

The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

The borrowings obtained by the Group from banks have been applied for the purposes for which such loans were taken.

Terms of borrowings
As at 31 March 2022

S no.	Nature of loan and securities	Belongs to	Terms of repayment
1	Short term borrowing from HDFC Bank Limited in form of cash credit of ₹ 31.50. Secured by entire current assets of the Company (both present & future) excluding investment in mutual funds and other financial securities.	Holding Company	Repayable on demand with maximum tenor of six months. Rate of interest at 3 Month MCLR, applicable rate being 6.95% p.a. as on 31 March 2022.
2	Short term borrowing from State bank of India in form of cash credit of ₹ 0.95. Secured by entire current assets of the Company (both present & future) excluding investment in mutual funds and other financial securities.	Holding Company	Repayable on demand. Rate of interest at 15 basis points above 3 Month MCLR, applicable rate being 6.80% p.a. as on 31 March 2022.
3	Short term borrowing from Axis Bank Limited in form of export packing credit of ₹ 150.00. Secured by entire current assets of the Company (both present & future) excluding investment in mutual funds and other financial securities.	Holding Company	Repayable on demand in 180 days. Rate of interest at 115 basis points above RBI Repo Rate, applicable rate being 5.15% p.a. as on 31 March 2022.
4	Short term borrowing from related party consist of borrowing from Injectoplast Private Limited of ₹ 73.23. No security given.	Subsidiary	Principal amount being repayable after 1 years from the date of drawdown, i.e. on 10 August 2022. The loan is repaid during the current period. Rate of interest at 4.00% p.a.(31 March 2021: 4.00% p.a)
5	Short term borrowing from others consist of borrowing from Mecroplast S.A of US\$ 2 Million (Equivalent ₹ 151.62). No security given.	Subsidiary	Principal amount being repayable on 31 July 2022, and the company has right to extend the loan. Rate of interest at 9.00% p.a.
6	Short term borrowing from others consist of borrowing from Morning Glory of ₹ 0.70. No security given.	Subsidiary	Principal amount being repayable after 11 months from the date of drawdown, i.e. on 16 July 2022. The loan is repaid during the current period. Rate of interest at 4.5% p.a.

As at 31 March 2021

S no.	Nature of loan and securities	Belongs to	Terms of repayment
1	Short term borrowing from others consist of borrowing from Morning Glory of ₹ 73.23 (outstanding balance NIL). No security given.	Subsidiary	Principal amount being repayable after 11 months from the date of drawdown, i.e. on 16 July 2022. The loan is repaid during the current period. Rate of interest at 4.5% p.a.

As at 31 March 2020

S no.	Nature of loan and securities	Belongs to	Terms of repayment
1	Short term borrowing from others consist of borrowing from Shipra Finsec Private Limited of ₹ 20.00. No security given.	Holding Company	Principal amount being repayable on demand. Rate of interest at 9.00% p.a.
2	Short term borrowing from related party consist of borrowing from Anjali Capfin Private Limited of ₹ 23.01. No security given.	Holding Company	Principal amount being repayable on demand. Rate of interest at 9.00% p.a.
3	Short term borrowing from related party consist of borrowing from Anthar Vinmay Private Limited of ₹ 42.01. No security given.	Holding Company	Principal amount being repayable on demand. Rate of interest at 9.00% p.a.
4	Short term borrowing from related party consist of borrowing from Anthar Vinmay Private Limited of ₹ 45.01. No security given.	Holding Company	Principal amount being repayable on demand. Rate of interest at 9.00% p.a.
5	Short term borrowing from HSBC in form of Export packing credit Loan of ₹ 1153.87 Secured by specific mutual funds.	Holding Company	Principal amount being repayable on demand. Rate of interest at 4.80% p.a.
6	Short term borrowing from HDFC Bank Limited in form of working capital loan of ₹ 400.00 Secured by primary charge on the entire current assets of the Company (both present & future)	Holding Company	Repayable on demand. Rate of interest at 3 Month MCLR, applicable rate being 7.90% p.a.
7	Short term borrowing from SBI Bank in form of working capital loan of ₹ 400.00 Secured by charge on the entire current assets of the Company (both present & future)	Holding Company	Repayable on demand. Rate of interest at 3 Month MCLR, applicable rate being 7.65% p.a.
8	Short term borrowing from SBI Bank in form of Export packing credit loan of ₹ 39.80 Secured by charge on the entire current assets of the Company (both present & future).	Holding Company	Repayable on demand. Rate of interest at 3 Month MCLR, applicable rate being 7.65% p.a.
9	Short term borrowing from SBI Bank in form of current account of ₹ 165.37 Secured by charge on the entire current assets of the Company (both present & future)	Holding Company	Repayable on demand. Rate of interest at 15 basis points above 3 Month MCLR, applicable rate being 8.05% p.a.

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	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
25 Trade payables			
(a) Total outstanding dues of micro and small enterprises;	353.57	202.02	116.81
(b) Total outstanding dues of other than (a) above	1,465.98	1,220.10	1,179.44
	1,819.55	1,422.12	1,296.25

Ageing for trade payable - outstanding as at 31 March 2022

Particulars	Outstanding for following periods from due date					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	258.03	87.14	3.57	1.64	3.19	353.57
Others	1,187.86	254.99	10.80	2.96	9.37	1,465.98
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	1,445.89	342.13	14.37	4.60	12.56	1,819.55

Note: There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Ageing for trade payable - outstanding as at 31 March 2021

Particulars	Outstanding for following periods from due date					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	173.74	20.97	2.88	1.30	3.13	202.02
Others	931.92	265.98	5.72	3.42	13.06	1,220.10
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	1,105.66	286.95	8.60	4.72	16.19	1,422.12

Note: There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Ageing for trade payable - outstanding as at 31 March 2020

Particulars	Outstanding for following periods from due date					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	57.15	53.76	2.53	2.95	0.42	116.81
Others	428.24	719.06	14.10	10.46	7.58	1,179.44
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	485.39	772.82	16.63	13.41	8.00	1,296.25

Note: There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

The following disclosures are required under Sec 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to micro, small and medium enterprises which are also required as per Ind AS Schedule III:

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:			
Principal	353.57	202.02	116.81
Interest	0.31	0.88	-
ii) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.19	0.88	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	1.19	0.88	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
26 Other financial liabilities			
Employee benefits payables	196.39	150.47	133.81
Derivative liabilities (net)	-	-	126.49
Capital creditors	31.16	116.24	121.80
Others #	0.12	7.13	8.91
	227.67	273.84	391.01

Includes ₹ Nil (31 March 2021 ₹ 6.70 and 31 March 2020 ₹ 6.70) towards liability to shareholders on capital reduction.

Note: There are no amounts due for payment to the Investor Education and Protection Fund (IEPF) under section 125 of the Companies Act, 2013 as at the year end.

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	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
27 Revenue from operations			
Revenue from contracts with customers			
Sale of manufacturing goods	20,791.84	12,543.65	10,163.71
Sale of traded goods	1,181.25	532.32	318.86
Sale of services	21.06	20.21	46.24
Other operating revenues	380.65	241.68	316.84
	22,374.80	13,337.86	10,845.65
a. Details of performance obligation associated with revenue recognition			
Satisfaction of performance obligations:-			
The Group's revenue is derived from the single performance obligation to transfer products. Revenue from sale of products is recognised when control of the products has transferred, being when the goods are made available to the carrier or the buyer has taken the possession of the goods, depending on the delivery terms, the risk of loss has been transferred and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.			
b. Variable considerations associated with such sales			
The customer incentive is recognised based on purchases made by the customers and contractors in line with ongoing schemes and incentive programmes rolled out by the Group. Revenue are net of incentives to customers and contractors amounting to ₹ 80.97 (31 March 2021 ₹ 63.02 and 31 March 2020 ₹ 37.54).			
i Reconciliation of revenue recognised with contract price			
Contract price	22,106.04	13,233.38	10,591.11
Adjustments:			
Sales return	(30.92)	(74.18)	(24.76)
Rebates & discounts	(80.97)	(63.02)	(37.54)
Revenue from operations	21,994.15	13,096.18	10,528.81
ii Contract balances			
Revenue received in advance (refer note 23)*	3,904.92	4,207.05	1,119.22
*Movement in contract liability is on account of normal course of business.			
c. Breakup of other operating revenues			
Scrap sales	222.38	125.54	108.21
Export incentives	142.51	110.80	206.98
Rental income	11.14	-	-
Interest income from financial assets	4.62	5.34	1.65
	380.65	241.68	316.84
d. There is no significant judgement being applied in estimation of revenue			
28 Other income			
Interest income from financial assets	16.85	29.75	21.20
Dividend income from investments measured at fair value through profit or loss	-	30.19	0.08
Net fair value gain on financial assets measured at fair value through profit or loss	93.23	109.82	72.38
Net gain on sale of current investments	65.63	60.47	17.47
Gain on disposal of subsidiaries (refer note 48)	-	31.93	-
Net gain on disposal of property, plant and equipment	32.16	-	-
Income from government grants (refer note 23)	90.53	34.29	-
Net foreign exchange differences	94.42	17.50	23.19
Other miscellaneous income	24.36	8.04	24.66
	417.18	321.99	158.98
Interest income comprises of :-			
Interest on bank deposits	2.62	0.78	0.77
Interest on inter corporate deposits	6.41	24.51	9.36
Interest income from financial asset other than above	7.82	4.46	11.07
	16.85	29.75	21.20
29 Cost of material consumed	14,279.06	7,541.32	5,995.59
30 Changes in inventories of finished goods, work in progress and stock-in-trade			
Closing Stocks :			
Work in progress	993.24	846.21	607.23
Finished goods	665.07	427.44	458.23
Stock-in-trade	10.07	1.83	1.55
	1,668.38	1,275.48	1,067.01
Opening Stocks :			
Work in progress	846.21	607.23	678.16
Finished goods	427.44	458.23	207.90
Stock-in-trade	1.83	1.55	-
	1,275.48	1,067.01	886.06
	(392.90)	(208.47)	(180.95)

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
31 Employee benefits expense			
Salaries and wages	1,653.53	1,300.25	1,349.37
Contributions to provident and other funds	177.30	140.80	151.01
Staff welfare expenses	94.49	60.49	50.05
	1,925.32	1,501.54	1,550.43
32 Other expenses			
Consumption of stores and spares	220.95	140.82	96.26
Power and fuel	283.41	200.90	162.04
Repairs and maintenance to -			
Plant and equipment	246.95	145.11	101.42
Buildings	67.76	52.95	36.36
Others	150.34	116.92	74.21
Telecommunication expenses	15.58	13.62	13.61
Rent charges	49.60	43.83	36.24
Rates and taxes	3.89	12.49	19.99
Legal and professional charges	296.95	199.38	155.25
Travelling and conveyance	127.02	47.48	202.35
Insurance	24.03	20.79	16.69
Commission on sales	299.90	252.17	425.01
Freight and forwarding expenses	453.39	241.23	208.66
Fees for technical services	89.08	82.88	182.89
Warranty expenses (refer note 40)	138.70	86.47	24.60
Provision for doubtful debts and advances	43.84	7.30	-
Net loss on disposal of property, plant and equipment	-	6.68	5.34
Corporate social responsibility	24.56	23.54	9.52
Vehicle running and maintenance	92.09	71.88	58.17
Advertisement and marketing expenses	105.54	54.67	207.87
Bank charges	18.74	15.09	16.03
Miscellaneous expenses**	190.65	130.41	217.87
	2,942.97	1,966.61	2,270.38
**Miscellaneous expenses include ₹ 1.80 (31 March 2021 ₹ 1.80 and 31 March 2020 ₹ 1.80) paid to non executive directors for sitting fees and Commission.			
33 Finance costs			
Interest expenses on borrowings	97.43	150.46	201.67
Interest on lease liability	3.02	2.97	3.84
Exchange difference regarded as an adjustment to borrowing costs	-	-	34.90
Interest on others	0.06	-	-
	100.51	153.43	240.41
34 Depreciation and amortisation expense			
Depreciation on property, plant and equipment	531.85	362.28	277.92
Amortisation of right-of-use assets	56.03	49.64	36.01
Depreciation on investment properties	8.54	8.25	18.78
Amortisation of other intangible assets	11.28	10.26	7.57
	607.70	430.43	340.28
35 Exceptional items			
Gain on disposal of subsidiaries (refer note 48)	(4.95)	-	-
Loss on disposal of control on joint venture	32.73	-	-
Impairment of goodwill on consolidation	14.13	-	-
Diminution in value of investments accounted for using equity method (refer note 7a)	10.16	-	-
	52.07	-	-
36 A- Income tax recognised in statement of profit and loss			
Current tax			
Current tax on profits for the year	540.96	414.87	122.55
Adjustments for current tax of prior periods	10.22	23.31	(5.85)
Total current tax expense	551.18	438.18	116.70
Total deferred tax (benefit)/expense	(139.04)	39.53	(56.48)
Income tax expense	412.14	477.71	60.22

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
B. Reconciliation of tax			
Profit before tax	2,005.91	1,685.55	449.53
Effective tax rate	25.17%	25.17%	25.17%
Current tax expense on profit before tax at the effective income tax rate in India	504.85	424.22	113.14
Long term capital gain taxed at different rate	(52.86)	(18.54)	(11.84)
Corporate social responsibility expenditure	6.18	5.92	2.40
Income tax relating to earlier years	10.22	23.31	(5.85)
Adjustments relating to subsidiaries	(26.03)	47.89	1.60
Tax difference on elimination adjustments	(24.97)	(9.53)	2.92
Change in tax rate	-	-	(56.13)
Others	(5.25)	4.44	13.98
	412.14	477.71	60.22

37 Earnings per share

The Group's earnings per share is determined based on the net profit attributable to the shareholders' of the Holding Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings/(loss) per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Net profit attributable to the equity shareholders	1,519.98	1,218.97	390.71
Number of equity shares at the beginning of the year (absolute)	4,550,000	4,850,000	4,850,000
Total number of shares outstanding at the end of the year (absolute)	4,226,000	4,550,000	4,850,000
Total number of shares outstanding post stock split in the ratio of 1:10 (absolute) (refer note below)	42,260,000	45,500,000	48,500,000
Add: Impact of bonus shares issued subsequent to period end in the ratio of 3:2 (absolute) (refer note below)	63,390,000	63,390,000	63,390,000
Total number of shares outstanding post bonus issue (absolute)	105,650,000	108,890,000	111,890,000
Weighted average number of shares used in basic earning per share (absolute)	108,747,973	111,594,110	111,890,000
Weighted average number of shares used in diluted earning per share (absolute)	108,747,973	111,594,110	111,890,000
Basic earning per share (₹)	13.97	10.91	3.48
Diluted earning per share (₹)	13.97	10.91	3.48
Nominal value of equity share (₹)	10	10	10
Nominal value of equity share post stock split (₹)	1	1	1

Note: The impact of events mentioned in note no 55 in relation to stock split and bonus shares has been considered retrospectively for the purpose of calculation of basic and diluted earning per share for 31 March 2022, 31 March 2021 and 31 March 2020.

Particulars	Number of shares
Number of equity shares as at 31 March 2022	4,226,000
Number of equity shares post stock split	42,260,000
Number of equity shares with bonus shares (3 bonus shares for 2 equity shares)	105,650,000

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

38 Net debt reconciliation

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Borrowings	3,165.91	2,065.89	3,701.58
Lease liabilities	79.19	63.63	71.28
Cash and cash equivalents	117.97	282.34	440.72
Current investments	1,992.52	2,527.36	2,593.94
Net debt	1,134.61	(680.18)	738.20

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 31 March 2021	282.34	2,527.36	2,020.09	45.80	63.63	(680.18)
Cash flows (net)	(161.33)	(628.07)	(657.09)	-	(50.53)	81.78
Addition	-	-	1,770.68	502.28	75.31	2,348.27
Interest expenses	-	-	-	-	3.02	3.02
Non cash movement^	(3.04)	93.23	(304.78)	(211.07)	(12.24)	(618.28)
Net debt as at 31 March 2022	117.97	1,992.52	2,828.90	337.01	79.19	1,134.61

^ Includes disposal on loss of control on subsidiaries. Refer note 48

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 31 March 2020	440.72	2,593.94	2,561.28	1,140.30	71.28	738.20
Cash flows (net)	(159.90)	(176.40)	(1,816.92)	(1,094.50)	(41.65)	(2,616.77)
Addition	-	-	1,256.08	-	25.53	1,281.61
Interest expenses	-	-	-	-	2.97	2.97
Non cash movement	1.52	109.82	19.65	-	5.50	(86.19)
Net debt as at 31 March 2021	282.34	2,527.36	2,020.09	45.80	63.63	(680.18)

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 31 March 2019	235.97	2,772.04	2,039.63	745.87	-	(222.51)
Cash flows (net)	200.85	(250.48)	-	-	(32.84)	16.79
Addition	-	-	395.81	394.43	100.28	890.52
Interest expenses	-	-	-	-	3.84	3.84
Non cash movement	3.90	72.38	125.84	-	-	49.56
Net debt as at 31 March 2020	440.72	2,593.94	2,561.28	1,140.30	71.28	738.20

*Non-current borrowings includes current maturity of ₹ 343.10 (31 March 2021 : ₹ 410.75 and 31 March 2020 : ₹ 1157.70) and interest accrued.

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	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
39 Contingent liabilities, contingent assets and commitments :			
a. Claims against the Group not acknowledged as debts	43.28	43.28	38.00
The Holding Company is contesting certain claims filed against the Holding Company by past employees and external parties in various forums. Based on the available documentation and expert views, the Holding Company has created provisions wherever required and for balance matters, it believes that more likely than not, these disputes would not result in additional outflow of resources.			
b. Contingent liability of direct and indirect tax			
(i) Sales tax matters under appeal	3.56	3.56	7.2
(ii) Income tax	33.63	-	-
i) The Holding Company is contesting a case in the Hon'ble Allahabad High Court against penalty imposed under section 4B (5) of Uttar Pradesh Trade Tax Act, 1948. Based on the available documents and management views, it believes that more likely than not, these disputes would not result in additional outflow of resources.			
ii) The Holding Company has received show cause notice from Income tax department on 27 May 2022, against which the Holding Company has filed reply with the department and waiting for their responses for taking further course of action. Based on the available documentation and tax experts view, the Holding Company believes that more likely than not, these disputes would not result in additional outflow of resources.			
c. Capital and other commitments			
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	105.69	301.79	213.30
d. Corporate guarantees given			
The Holding Company has issued corporate guarantee aggregating ₹ 350.00 (31 March 2021 ₹ 350.00 and 31 March 2020 ₹ Nil) on behalf of its erstwhile subsidiary Lohia Aerospace Systems Private Limited. Liabilities outstanding in the books for which corporate guarantee has been issued aggregates ₹ 301.39 (31 March 2021 ₹ 301.90 and 31 March 2020 ₹ Nil).			
e. There is no contingent assets as at 31 March 2022, 31 March 2021 and 31 March 2020.			
f. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company and its subsidiaries which are covered under the Act towards provident fund and gratuity. The ministry of labour and employment had released draft rules for the Code on Social Security, 2020 on 13 November 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Holding Company and its subsidiaries which are covered under the Act will assess the impact and its evaluation once the subject rules are notified. The Holding Company and its subsidiaries which are covered under the Act will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.			
40 Provision for warranties			

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	30.42	24.56	20.30
Add: Amount provided during the year	138.70	86.47	24.60
Less: Amount utilised against provision	(98.62)	(80.61)	(20.34)
Closing balance	70.50	30.42	24.56

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

41. Segment reporting

The operating segment is the level at which discrete financial information is available. Business segments are identified considering:

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

Business Segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

- Core business includes manufacturing of complete range of machines required by HDPE /PP woven fabric industry (for plastic woven sacks, FIBC, tarpaulins etc.)
- Non-core business includes financing industrial enterprise and construction, purchase of land and building and to let them out on lease or rent and other businesses.
- Unallocable includes investment in joint ventures and associate.

The above business segments have been identified considering:

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman and Managing Director.

(I) Primary segment information**For the year ended 31 March 2022**

Particulars	Core business	Non-core business	Unallocable	Total
Segment revenue				
External turnover	21,410.83	963.97	-	22,374.80
Inter segment turnover	-	-	-	-
Total segment revenue	21,410.83	963.97	-	22,374.80
Segment results before finance costs, exceptional items, share of profit/(loss) of associates and joint ventures and tax	2,182.38	(23.89)	-	2,158.49
Less: Finance costs	85.82	14.69	-	100.51
Profit before exceptional items, share of profit/(loss) of associates and joint ventures and tax	2,096.56	(38.58)	-	2,057.98
Less: Exceptional items	-	9.18	42.89	52.07
Profit before share of profit/(loss) of associates and joint ventures and tax	2,096.56	(47.76)	(42.89)	2,005.91
Less: Tax (including adjustment of tax relating to earlier years)	545.14	6.04	-	551.18
Less: Deferred tax	(122.41)	(16.63)	-	(139.04)
Profit before share of profit/(loss) of associates and joint ventures and after tax	1,673.83	(37.17)	(42.89)	1,593.77
Add: Share of net profit/(loss) of associates and joint ventures	-	-	14.70	14.70
Profit for the year	1,673.83	(37.17)	(28.19)	1,608.47
Other information				
Segment assets	13,387.60	1,284.42	-	14,672.02
Segment liabilities	9,609.01	5.92	-	9,614.93
Capital expenditure	1,677.36	575.55	-	2,252.91
Depreciation and amortisation expense	547.97	59.73	-	607.70

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For the year ended 31 March 2021

Particulars	Core business	Non-core business	Unallocable	Total
Segment revenue				
External turnover	12,619.18	718.68	-	13,337.86
Inter segment turnover	-	-	-	-
Total segment revenue	12,619.18	718.68	-	13,337.86
Segment results before finance costs, exceptional items, share of profit/(loss) of associates and joint ventures and tax	1,825.65	13.33	-	1,838.98
Less: Finance costs	139.82	13.61	-	153.43
Profit before exceptional items, share of profit/(loss) of associates and joint ventures and tax	1,685.83	(0.28)	-	1,685.55
Less: Exceptional items	-	-	-	-
Profit before share of profit/(loss) of associates and joint ventures and tax	1,685.83	(0.28)	-	1,685.55
Less: Tax (including adjustment of tax relating to earlier years)	436.55	1.63	-	438.18
Less: Deferred tax	42.94	(3.41)	-	39.53
Profit before share of profit/(loss) of associates and joint ventures and after tax	1,206.34	1.50	-	1,207.84
Add: Share of net profit/(loss) of associates and joint ventures	-	-	(14.80)	(14.80)
Profit for the year	1,206.34	1.50	(14.80)	1,193.04

Particulars	Core business	Non-core business	Unallocable	Total
Other information				
Segment assets	11,913.95	2,003.74	38.41	13,956.10
Segment liabilities	8,003.62	503.72	-	8,507.34
Capital expenditure	1,330.73	321.01	-	1,651.74
Depreciation and amortisation expense	387.75	42.68	-	430.43

For the year ended 31 March 2020

Particulars	Core business	Non-core business	Unallocable	Total
Segment revenue				
External turnover	10,437.61	408.04	-	10,845.65
Inter segment turnover	-	-	-	-
Total segment revenue	10,437.61	408.04	-	10,845.65
Segment results before finance costs, exceptional items, share of profit/(loss) of associates and joint ventures and tax	723.51	(33.57)	-	689.94
Less: Finance costs	232.39	8.02	-	240.41
Profit before exceptional items, share of profit/(loss) of associates and joint ventures and tax	491.12	(41.59)	-	449.53
Less: Exceptional items	-	-	-	-
Profit before share of profit/(loss) of associates and joint ventures and tax	491.12	(41.59)	-	449.53
Less: Tax (including adjustment of tax relating to earlier years)	115.90	0.80	-	116.70
Less: Deferred tax	(56.56)	0.08	-	(56.48)
Profit before share of profit/(loss) of associates and joint ventures and after tax	431.78	(42.47)	-	389.31
Add: Share of net profit/(loss) of associates and joint ventures	-	-	(0.84)	(0.84)
Profit for the year	431.78	(42.47)	(0.84)	388.47

Other information				
Segment assets	10,698.87	1,503.32	55.76	12,257.95
Segment liabilities	6,580.97	307.16	-	6,888.13
Capital expenditure	763.34	38.91	-	802.25
Depreciation and amortisation expense	314.15	26.13	-	340.28

(II) Secondary segment information

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Segment revenue			
Within India	14,490.00	7,528.15	4,804.94
Outside India	7,884.80	5,809.71	6,040.71
Total	22,374.80	13,337.86	10,845.65
Segment non-current assets			
Within India	5,956.58	5,256.07	3,999.46
Outside India	181.36	282.65	289.00
Total	6,137.94	5,538.72	4,288.46

42 Employee benefits:

(i) Defined contribution plans:

Defined contribution plans are provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme, part of the pension fund scheme and social security scheme for eligible employees. The Group recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Group has no obligations other than to make the specified contributions.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to Government provident fund and Family pension fund	83.17	66.28	72.27
Contribution to Employee state insurance	8.91	7.09	7.08
Contribution to Superannuation scheme	1.13	1.19	1.89
Contribution to National pension scheme.	12.75	10.43	15.61
Social security contribution	14.05	5.61	3.36
	120.01	90.60	100.21

(ii) Defined benefit plans

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan for the Holding Company employees and for certain category of employees of subsidiaries, it is unfunded. The Holding Company makes contributions to Group Gratuity Trust cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Compensated absences

The Group provides for compensated absences to employees as per the leave rules of the Group. The amount of leave entitlement payable is basis the accumulated privilege leave days on exit from service due to retirement, resignation or death determined on the employees last drawn monthly salary divided by 30 days and multiplied by the accumulated leave days. The compensated absences plan is a funded plan for the Holding Company employees and the Holding Company makes contributions to scheme administered by the LIC of India.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Compensated absences plan and Gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

Net assets / (liability) as at year end

Particulars	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
A. I. Change in defined benefit obligation during the year						
Present value of obligations at the beginning of the year	343.90	144.02	295.87	143.20	310.03	147.02
Included in statement of profit and loss:						
Current service cost	34.81	25.37	30.36	23.58	29.21	20.60
Interest cost	23.39	9.79	19.23	9.31	21.08	10.00
Past service cost	-	-	-	-	-	-
Included in other comprehensive income:						
Actuarial losses/ (gains) arising from:						
Experience adjustments	(51.17)	(3.74)	26.92	(6.91)	(9.91)	0.50
Financial assumptions	39.09	(4.26)	9.13	3.75	(38.66)	(18.25)
Others						
Benefits paid	(25.72)	(25.15)	(37.03)	(27.64)	(15.87)	(16.67)
Present value of obligation at the end of the year*	364.30	146.03	344.48	145.29	295.88	143.20
*Includes unfunded present obligation of ₹ Nil (31 March 2021: ₹ 1.86 and 31 March 2020: ₹ Nil)						
II. Change in fair value of plan assets during the year						
Plan assets at the beginning of the year	346.82	142.01	317.19	141.71	310.02	147.00
Included in statement of profit and loss:						
Expected return on plan assets	23.13	10.07	20.86	8.91	20.60	9.49
Included in other comprehensive income:						
Actuarial (losses)/ gains on plan assets	(2.01)	(1.73)	1.16	0.54	0.82	0.20
Others:						
Employer's contribution	11.50	31.50	35.72	0.41	1.51	1.00
Benefits paid	(24.98)	(19.23)	(28.11)	(9.56)	(15.76)	(15.98)
Plan assets at the end of the year as per actuary	354.46	162.62	346.82	142.01	317.19	141.71
Benefits pending reimbursement from LIC	(8.30)	(18.61)	(7.56)	(15.67)	-	-
Plan assets at the end of the year	346.16	144.01	339.26	126.34	317.19	141.71

Particulars	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
III. Reconciliation of present value of defined benefit obligation and fair value of plan assets						
1. Present Value of obligation as at year end	(364.30)	(146.03)	(344.48)	(145.29)	(295.88)	(143.20)
2. Fair Value of plan assets at year end	346.16	144.01	339.26	126.34	317.19	141.71
3. Funded status (Surplus/(Deficit))	(18.14)	(2.02)	(5.22)	(18.95)	21.31	(1.49)
Net asset/(liability)	(18.14)	(2.02)	(5.22)	(18.95)	21.31	(1.49)

	Year ended 31 March 2022		Year ended 31 March 2021		Year ended 31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
IV. Expenses recognised in the statement of profit and loss						
1. Current service cost	34.81	25.37	30.36	23.58	29.21	20.60
2. Interest cost	23.39	9.79	19.23	9.31	21.08	10.00
3. Net actuarial (gain)/loss	-	(8.00)	-	(3.16)	-	(17.75)
4. Past service cost	-	-	-	-	-	-
5. Expected return on plan assets	(23.13)	(8.34)	(20.86)	(9.45)	(20.60)	(9.69)
Total expense	35.07	18.82	28.73	20.28	29.69	3.16

	Year ended 31 March 2022		Year ended 31 March 2021		Year ended 31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
V. Expenses recognised in the statement of other comprehensive Income						
1. Net actuarial (gain)/loss	(12.08)	-	36.05	-	(48.57)	-
2. Expected return on plan assets excluding interest income	2.01	-	(1.16)	-	(0.82)	-
	(10.07)	-	34.89	-	(49.39)	-

B. Major category of plan assets

	As at 31 March 2022				As at 31 March 2021				As at 31st March 2020			
Particulars	Gratuity		Compensated absences		Gratuity		Compensated absences		Gratuity		Compensated absences	
	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
Funds managed by Life Insurance Corporation of India	100%	346.16	100%	144.01	100%	339.26	100%	126.34	100%	317.19	100%	141.71

C. Actuarial assumptions:

	As at 31 March 2022		As at 31 March 2021		As at 31st March 2020	
Particulars	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
1. Discount rate	6.80%	6.80%	6.50%	6.50%	6.80%	6.80%
2. Expected rate of return on plan assets	6.80%	6.80%	6.50%	6.50%	6.80%	6.80%
3. Expected rate of salary increase	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4. Attrition rate	3% to 1%	3% to 1%	3% to 1%	3% to 1%	3% to 1%	3% to 1%
5. Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)
6. Retirement age*	60	60	60	60	60	60

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

* except in case of Chairman and Managing Director

D. Present benefit obligation at the end of the year as per schedule III to the Companies Act, 2013

	As at 31 March 2022		As at 31 March 2021		As at 31st March 2020	
Particulars	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Non-current liability (amount due over one year)	-	-	5.22	-	(21.31)	-
Current liability (amount due within one year)	18.14	2.02	-	18.95	-	1.49

E. Sensitivity analysis

	As at 31 March 2022		As at 31 March 2021		As at 31st March,2020	
Particulars	Increase	Decrease	Increase	Decrease	Increase	Decrease
Compensated absences fund						
Discount rate (1% movement)	(12.66)	15.16	(11.90)	14.24	(11.71)	13.97
Expected rate of future salary increase (1% movement)	14.98	(12.75)	14.02	(11.95)	13.81	(11.79)
Withdrawal rate (1% movement)	(0.10)	0.11	(0.22)	0.45	(0.14)	0.16
Gratuity fund						
Discount rate (1% movement)	(29.98)	35.09	(28.94)	34.40	(25.41)	29.70
Expected rate of future salary increase (1% movement)	34.66	(30.17)	33.38	(29.06)	29.34	(25.59)
Withdrawal rate (1% movement)	(0.18)	0.19	(0.41)	0.44	(0.13)	0.14

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The method and type of assumptions used in preparing the sensitivity analysis did not change as compared to previous year.

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F. Expected contributions to defined benefit plans for the year ending 31 March 2023 is ₹ 34.69 (31 March 2022 ₹ 30.47 and 31 March 2021 ₹ 19.01).

G. Expected maturity analysis of undiscounted defined benefit plans

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	31 March 2020
	Gratuity	Gratuity	Gratuity
Year 1	34.69	30.47	19.01
Year 2	34.56	14.13	15.67
Year 3	23.42	45.55	23.28
Year 4	22.38	19.83	28.52
Year 5	25.95	19.73	19.50
Year 6 to Year 10	188.23	169.76	144.84

Description of risk exposures:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- (i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a return lesser than the yield. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level.
 - (ii) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits obligation will tend to increase.
 - (iii) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.
 - (iv) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
- H. The impact on employee benefit obligations pursuant to change in actuarial assumptions is taken to other comprehensive income.

I. Significant estimates :

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information**43 Disclosure in respect of related parties pursuant to IndAS 24 :****A. Related party and their relationship.****(a) Holding Company**

Shree Holdings Limited (cease to be exist 1 April 2021 "Refer Note no. 1")

(b) Subsidiaries**Domestic:****Wholly owned subsidiaries**

KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")

Lohia Filament Machines Limited

Lohia Global Solutions Private Limited

Sarjna Capfin Private Limited

BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")

Lohia Injectoplast Private Limited

Lohia Mechatronik Private Limited (cease to be a subsidiary w.e.f. 25 February 2021)

Lohia Engineering and Design Services Private Limited (cease to be subsidiary w.e.f. 25 March 2021)

Lohia Aerospace Systems Private Limited (cease to be subsidiary w.e.f. 30 December 2021)

Lohia Sales & Services Limited (under liquidation w.e.f. 24 March 2022)

Lohia Infra Developers Private Limited (w.e.f. 20 June 2020)

Nupur Real Estates Private Limited (w.e.f. 29 June 2020)

BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited") (w.e.f. 27 February 2021)

LCL Aviation Private Limited (w.e.f. 17 May 2021)

KPR- C Realities Private Limited (Formerly known as "Project Zero Private Limited") (w.e.f. 30 September 2021)

Nalini Buildcon Private Limited (w.e.f. 2 December 2021)

Other subsidiaries

Lohia Group Electricity Consumers Association

Sunderlam Industries Private Limited (w.e.f. 7 December 2021)

Foreign:**Wholly owned subsidiaries**

Galuner S.A., Uruguay

Lohia Hong Kong Limited, Hong Kong

Leesona Corp, USA

SBI Mechatronik GmbH, Austria (cease to be subsidiary w.e.f. 4 December 2021)

L&S Light & Strong Limited, Israel (cease to be subsidiary w.e.f. 28 March 2022)

Ldb Importacao E Exportacao Ltda (w.e.f. 31 March 2022)

Lohia Global Solutions FZE, UAE (w.e.f. 22 March 2021)

Other subsidiaries

United Trade. Net (India) Private Limited (cease to be step down subsidiary of Sarjna Capfin Private Limited w.e.f. 17 October 2019)

Estelar SA, Paraguay (step down subsidiary of Galuner S.A, Uruguay)

(c) Associates

Plastic Machines and Solutions. Inc., Philippines (cease to be associate w.e.f. 30 September 2020)

(d) Joint Venture

Carmenta Sociedad Anonima, Paraguay (cease to be joint venture w.e.f. 28 March 2022)

Einbecker Kennzeichnungssysteme GmbH, Germany

(e) Other enterprises over which key management personnel/relative/director exercise significant influence /control.

Threads (India) Limited

LR Moulds Private Limited

Industrial Yarns & Threads (India) Private Limited

Murli Manohar Real Estates LLP

Saumya Real Estates Private Limited

Anther Vinimay Private Limited

Shruti Finsec Private Limited

Rachit Finsec Private Limited

Anshita Holdings Private Limited

Vivsun Engineering Industries Private Limited

Rishabh Kumar Lohia Memorial Trust

Injectoplast Private Limited

Anjali Capfin Private Limited

Lohfam Finsec LLP

Lohia Group Housing Private Limited

Shipra Finsec Private Limited

Shri Foundries & Engg. Works LLP

(f) Key management personnel and relatives of Holding Company and its subsidiaries**Key management personnel**

Mr. Raj Kumar Lohia (Chairman & Managing Director)

Mr. Vinay Sah (Joint Managing Director)

Mr. Amit Kumar Lohia (Chief Financial Officer till 25 April 2022)

Mr. K.G Gupta (Chief Financial Officer w.e.f. 25 April 2022)

Mr. Gaurav Lohia (Chief operating officer)

Mr. Anurag Lohia (Whole Time Director)

Mr. P.K Mukherjee (Whole Time Director)

Mr. Ujjal De (Director)

Mr. Gopal Chandra Lohia (Director)

Mr. Naresh Kumar Gupta (Director)

Ms. Stuti Singhania Agarwal (Director)

Mr. Arvind Kumar Bhargava (Company Secretary till 31 March 2021)

Ms. Shikha Srivastava (Company Secretary w.e.f. 1 April 2021)

Mr. Siddharth Lohia

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(g) Relatives of key management personnel

Ms. Neela Lohia
Mr. Alok Kumar Lohia
Ms. Garima Lohia
Ms. Anuja Lohia
Mr. Jitendra Kumar Lohia
Ms. Mansi Lohia
Ms. Radha Devi Lohia
Mr. Ajay Kumar Lohia
Ms. Ritu Lohia
Ms. Jamuna Devi Lohia
Mr. Vijay Lohia
Ms. Urmila Devi

(h) Post employment benefit plans

Lohia Corp Limited Employees Group Gratuity Trust.
Lohia Corp Limited Employees Superannuation Fund

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

B. Related party transactions and balances (including eliminated on consolidation)**Lohia Corp Limited**

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of manufacturing goods*	97.02	45.88	121.52
	Lohia Global Solutions Private Limited	11.98	29.38	99.45
	Lohia Global Solutions FZE, UAE	49.40	1.86	-
	Threads (India) Limited	5.64	7.62	6.57
	Others	30.00	7.02	15.50
2	Scrap sales*	1.93	2.04	3.02
	LR Moulds Private Limited	1.93	2.04	3.02
3	Other miscellaneous income*	7.92	19.44	3.86
	Lohia Aerospace Systems Private Limited	3.91	4.51	-
	Threads (India) Limited	0.44	2.77	3.32
	Lohia Mechatronik Private Limited	0.07	6.09	-
	Injectoplast Private Limited	2.51	-	-
	Lohia Global Solutions Private Limited	-	5.95	-
	Sunderlam Industries Private Limited	0.81	-	-
	Others	0.18	0.12	0.54
4	Sale of property, plant and equipment*	16.32	569.67	-
	Lohia Mechatronik Private Limited	16.32	-	-
	Lohia Filament Machines Limited	-	432.00	-
	Ms. Garima Lohia	-	137.67	-
5	Purchase of goods and services*	55.85	106.59	71.94
	Lohia Global Solutions FZE, UAE	7.48	-	-
	Lohia Global Solutions Private Limited	-	76.71	-
	Vivsun Engineering Industries Private Limited	21.00	-	-
	United Trade.Net India Private Limited	-	-	45.95
	Murli Manohar Real Estates LLP	9.60	9.60	9.60
	Saumya Real Estates Private Limited	10.80	10.80	10.80
	Others	6.97	9.48	5.59
6	Purchase of property, plant and equipment*	2.20	-	-
	Lohia Global Solutions Private Limited	2.20	-	-
7	Employee benefit expenses^	143.97	137.02	191.37
	Mr. Raj Kumar Lohia	54.81	45.87	78.68
	Mr. Amit Kumar Lohia	24.63	20.58	34.77
	Mr. Gaurav Lohia	18.27	15.18	16.70
	Mr. Anurag Lohia	19.37	24.25	41.12
	Others	26.89	31.14	20.10
8	Director sitting fees and commission	1.80	1.80	1.80
	Mr. Naresh Kumar Gupta	0.60	0.60	0.60
	Mr. Gopal Chandra Lohia	0.60	0.60	0.60
	Ms. Stuti Singhania Agarwal	0.60	0.60	0.60
9	Corporate social responsibility	13.65	16.50	-
	Rishabh Kumar Lohia Memorial Trust	13.65	16.50	-
10	Contribution in superannuation fund	1.13	1.19	1.89
	Lohia Corp Limited Employees superannuation fund	1.13	1.19	1.89
11	Contribution in employees group gratuity	11.50	35.72	1.50
	Lohia Corp Limited Employees Group Gratuity Trust	11.50	35.72	1.50
12	Recovered/recoverable from trust	24.98	28.11	15.76
	Lohia Corp Limited Employees Group Gratuity Trust	24.98	28.11	15.76
13	Dividend on equity shares	29.36	34.13	70.79
	Shree holding limited	-	30.55	61.11
	Mr. Raj Kumar Lohia	8.26	1.33	3.41
	Mr. Anurag Lohia	2.81	0.38	1.19
	Mr. Gaurav Lohia	3.06	-	-
	Mr. Amit Kumar Lohia	3.19	0.45	1.50
	Mr. Jitendra Kumar Lohia	3.32	0.27	0.54
	Mr. Ajay Kumar Lohia	2.84	0.30	-
	Others	5.88	0.85	3.04
14	Amount paid on buy back of equity shares	1,620.00	990.00	-
	Mr. Raj Kumar Lohia	125.00	165.00	-
	Mr. Anurag Lohia	243.00	95.70	-
	Ms. Ritu Lohia	250.00	-	-
	Mr. Alok Kumar Lohia	245.00	198.00	-
	Mr. Amit Kumar Lohia	570.00	132.00	-
	Mr. Ajay Kumar Lohia	137.00	198.00	-
	Ms. Anuja Lohia	50.00	115.50	-
	Ms. Neela Lohia	-	85.80	-
15	Loans given	2,459.51	3,279.25	674.66
	Threads (India) Limited	-	434.00	40.00
	Sarjna Capfin Private Limited	2,048.20	2,084.00	195.00
	Lohia Aerospace Systems Private Limited	106.88	345.75	361.77
	Others	304.43	415.50	77.89

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
16	Interest income from financial assets	26.99	66.47	38.04
	Lohia Filament Machines Limited	6.10	5.34	4.59
	KPR-A Realities Limited	-	9.93	10.12
	L&S Light & strong Limited, Israel	4.71	4.73	4.61
	Lohia Aerospace Systems Private Limited	4.09	11.77	7.32
	Lohia Mechatronik Private Limited	-	-	0.01
	Lohia Infra Developers Private Limited	3.22	4.89	-
	Carmenta Sociedad Anonima,Paraguay	2.87	5.89	6.12
	Threads (India) Limited	-	9.55	0.02
	Others	6.00	14.37	5.25
17	Receipts towards loan / interest repayment and adjustments	2,479.07	3,853.88	464.80
	Sarjna Capfin Private Limited	2,049.04	2,085.61	195.00
	Lohia Aerospace Systems Private Limited	124.03	526.40	187.15
	Threads (India) Limited	-	443.55	40.00
	Others	306.00	798.32	42.65
18	Borrowings taken	3,695.44	1,281.50	1,898.50
	Sarjna Capfin Private Limited	3,498.44	875.50	-
	Anther Vinimay Private Limited	197.00	241.00	-
	Rachit Finsec Private Limited	-	165.00	845.00
	Shruti Finsec Private Limited	-	-	256.50
	Anjali Finsec Private Limited	-	-	797.00
19	Finance costs	5.10	1.77	18.34
	Sarjna Capfin Private Limited	4.77	0.58	-
	Anther Vinimay Private Limited	0.33	0.94	-
	Rachit Finsec Private Limited	-	0.25	4.78
	Shruti Finsec Private Limited	-	-	4.96
	Anjali Finsec Private Limited	-	-	8.60
20	Repayment of borrowings	3,627.31	1,283.27	1,916.82
	Sarjna Capfin Private Limited	3,429.98	876.08	-
	Anther Vinimay Private Limited	197.33	241.94	-
	Shruti Finsec Private Limited	-	-	261.45
	Anjali Finsec Private Limited	-	-	805.59
	Rachit Finsec Private Limited	-	165.25	849.78
21	Investments			
	(a) Purchases / investment in share capital	307.90	1,308.92	409.46
	SBI Mechatronik GmbH,Austria	-	-	101.50
	Lessona Corp,USA	-	-	208.55
	LCL Aviation Private Limited	99.00	-	-
	Nalini Buildcon Private Limited	100.00	-	-
	Vivsun Engineering Industries Private Limited	88.00	-	-
	Galuner S.A.,Uruguay	-	36.92	79.31
	Sarjna Capfin Private Limited	-	150.00	-
	Nupur Real Estates Private Limited	-	144.90	-
	Lohia Aerospace Systems Private Limited	-	199.90	-
	Lohia Filament Machines Limited	-	432.00	-
	KPR-A Realities Limited	-	164.00	-
	Others	20.90	181.20	20.10
	(b) Investments sold/redeemed	351.47	13.54	-
	SBI Mechatronik GmbH, Austria	107.76	-	-
	Ms. Jamuna Devi Lohia	88.00	-	-
	Anshita Holdings Private Limited	100.00	-	-
	Lohia Aerospace Systems Private Limited	50.00	-	-
	Mr. Jitendra Kumar Lohia	-	6.75	-
	Ms Radha Devi Lohia	-	6.75	-
	Mr. Alok Kumar Lohia	-	0.04	-
	Others	5.71	0.04	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
22	Loans and security deposit	233.14	201.18	713.69
	Lohia Filament Machines Limited	95.02	-	67.63
	Lohia Aerospace Systems Private Limited	-	13.06	181.94
	KPR-A Realities Limited	-	-	149.03
	Lohia Engineering Design and Services Private Limited	-	-	0.07
	Lohia Global Solutions FZE, UAE	52.38	14.70	-
	Leesona Corp,USA	22.72	-	-
	L&S Light & strong Limited, Israel	-	99.29	-
	Carmenta Sociedad Anonima,Paraguay	-	29.56	68.00
	L&S Light & Strong Limited, Israel	-	-	97.43
	Others	63.02	44.57	149.59
23	Borrowings	73.23	-	-
	Sarjna Capfin Private Limited	73.23	-	-
24	Corporate guarantee	301.39	301.90	-
	Lohia Aerospace Systems Private Limited	301.39	301.90	-
25	Trade and other payables	5.32	8.95	3.44
	Lohia Filament Machines Limited	1.26	-	-
	Lohia Mechatronik Private Limited	3.47	-	-
	Lohia Global Solutions Private Limited	-	8.39	-
	Einbecker Kennzeichnungssysteme GmbH,Germany	-	0.10	-
	United Trade.Net India Private Limited	-	-	2.48
	Plastics Machines and Solutions Inc.	-	-	0.96
	Sunderlam Industries Private Limited	0.59	-	-
	Ms. Garima Lohia	-	0.46	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
26	Trade and other receivables	89.10	25.78	111.60
	Leesona Corp, USA	8.89	-	-
	Lohia Global Solutions FZE, UAE	54.44	13.89	-
	Lohia Corp Limited Employees Group Gratuity Trust	7.47	7.02	-
	Lohia Global Solutions Private Limited	2.29	-	93.06
	Lohia Aerospace Systems Private Limited	0.07	-	12.88
	Others	15.94	4.87	5.66

^ Employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.

KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of property, plant and equipment*	-	-	6.69
	Lohia Aerospace Systems Private Limited	-	-	6.69
2	Purchase of goods and services*	-	-	3.10
	Lohia Corp Limited	-	-	3.10
3	Loans given	7.50	2.29	-
	Anjali Capfin Private Limited	2.05	-	-
	Shruti Finsec Private Limited	2.06	-	-
	Sarjna Capfin Private Limited	0.55	2.29	-
	Rachit Finsec Private Limited	2.84	-	-
4	Interest income from financial assets	0.10	-	-
	Anjali Capfin Private Limited	0.03	-	-
	Shruti Finsec Private Limited	0.01	-	-
	Sarjna Capfin Private Limited	-	-	-
	Rachit Finsec Private Limited	0.06	-	-
5	Receipts towards loan / interest repayment and adjustments	9.89	-	-
	Anjali Capfin Private Limited	2.09	-	-
	Shruti Finsec Private Limited	2.07	-	-
	Sarjna Capfin Private Limited	2.84	-	-
	Rachit Finsec Private Limited	2.89	-	-
6	Borrowings taken	-	2.75	3.85
	Lohia Corp Limited	-	2.75	3.85
	Anjali Capfin Private Limited	-	-	-
7	Finance costs	-	9.93	10.12
	Lohia Corp Limited	-	9.93	10.12
8	Repayment of borrowings	-	161.71	3.60
	Lohia Corp Limited	-	161.71	3.60
	Anjali Capfin Private Limited	-	-	-
9	Issue of share capital	-	164.00	-
	Lohia Corp Limited	-	164.00	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
10	Loans	-	2.29	-
	Sarjna Capfin Private Limited	-	2.29	-
11	Borrowings	-	-	149.03
	Lohia Corp Limited	-	-	149.03

Lohia Filament Machines Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Other miscellaneous income	4.29	5.23	0.66
	Lohia Corp Limited	4.29	5.23	0.66
2	Purchase of property, plant and equipment*	-	432.00	-
	Lohia Corp Limited	-	432.00	-
3	Borrowings taken	100.65	144.08	0.52
	Lohia Corp Limited	100.56	40.61	0.52
	Sarjna Capfin Private Limited	0.09	103.47	-
4	Finance costs	6.17	5.44	4.59
	Lohia Corp Limited	6.10	5.34	4.59
	Sarjna Capfin Private Limited	0.07	0.10	-
5	Repayment of borrowings	115.35	113.59	1.26
	Lohia Corp Limited	11.63	113.58	1.26
	Sarjna Capfin Private Limited	103.72	0.01	-
6	Issue of share capital	-	432.00	-
	Lohia Corp Limited	-	432.00	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
7	Borrowings	95.02	103.56	67.63
	Lohia Corp Limited	95.02	-	67.63
	Sarjna Capfin Private Limited	-	103.56	-
8	Trade and other receivables	1.26	-	-
	Lohia Corp Limited	1.26	-	-

Lohia Global Solutions Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of traded goods*	25.08	76.71	-
	Lohia Global Solutions FZE	25.08	-	-
	Lohia Corp Limited	-	76.71	-
2	Sale of property, plant and equipment*	2.20	-	-
	Lohia Corp Limited	2.20	-	-
3	Purchase of goods and services*	11.98	35.33	99.45
	Lohia Corp Limited	11.98	35.33	99.45
4	Issue of share capital	-	-	20.00
	Lohia Corp Limited	-	-	20.00
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
5	Trade and other payables	2.29	-	93.06
	Lohia Corp Limited	2.29	-	93.06
6	Trade and other receivables	25.08	8.39	-
	Lohia Global Solutions FZE	25.08	-	-
	Lohia Corp Limited	-	8.39	-

Sarjna Capfin Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Loans given	9,346.65	2,607.80	25.00
	Lohia Corp Limited	3,498.44	875.50	-
	Lohia Aerospace Systems Private Limited	-	26.50	25.00
	Alok Kumar Lohia	1,263.84	-	-
	Amit Kumar Lohia	3,315.26	1,524.80	-
	Others	1,269.11	181.00	-
2	Interest income from financial assets	9.67	3.13	0.01
	Lohia Corp Limited	4.77	0.58	-
	Amit Kumar Lohia	2.34	2.37	-
	Alok Kumar Lohia	0.97	-	-
	Lohia Aerospace Systems Private Limited	0.02	0.02	0.01
	Others	1.57	0.16	-
3	Receipts towards loan / interest repayment and adjustments	9,317.69	2,458.40	-
	Lohia Corp Limited	3,429.98	876.08	-
	Amit Kumar Lohia	3,317.60	1,527.17	-
	Alok Kumar Lohia	1,264.81	-	-
	Lohia Aerospace Systems Private Limited	26.52	25.02	-
	Others	1,278.78	30.13	-
4	Borrowings taken	2,377.29	2,086.29	195.00
	Lohia Corp Limited	2,048.20	2,084.00	195.00
	KPR-A Realities Private Limited	0.55	2.29	-
	Injectoplast Private Limited	270.90	-	-
	Amit Kumar Lohia	57.64	-	-
5	Finance costs	3.33	1.61	-
	Lohia Corp Limited	0.84	1.61	-
	Injectoplast Private Limited	2.49	-	-
6	Repayment of borrowings	2,380.67	2,085.61	195.00
	Lohia Corp Limited	2,049.04	2,085.61	195.00
	KPR-A Realities Private Limited	2.84	-	-
	Injectoplast Private Limited	271.15	-	-
	Amit Kumar Lohia	57.64	-	-
7	Issue of share capital	-	150.00	-
	Lohia Corp Limited	-	150.00	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
	The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:			
8	Loans and security deposit	218.47	177.55	25.01
	Lohia Corp Limited	73.23	-	-
	Nupur Real Estates Private. Limited	1.82	1.49	-
	Lohia Infra Developers Private. Limited.	49.34	45.95	-
	Sundaram Industries Private. Limited.	35.06	-	-
	LCL Aviation Private. Limited.	28.02	-	-
	Lohia Group Electricity Consumers Association	0.10	0.04	-
	Lohia Aerospace Systems Private. Limited.	-	26.51	25.01
	Lohia Injectoplast Private Limited	30.90	-	-
	Lohia Filament Machines Limited	-	103.56	-
9	Borrowings	2.24	2.29	-
	Injectoplast Private Limited	2.24	-	-
	KPR-A Realities Limited	-	2.29	-

BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Borrowings taken	-	0.87	-
	Lohia Corp Limited	-	0.87	-
2	Finance costs	-	2.43	2.54
	Lohia Corp Limited	-	2.43	2.54
3	Repayment of borrowings	-	41.07	-
	Lohia Corp Limited	-	41.07	-
4	Issue of Share Capital	-	41.50	-
	Lohia Corp Limited	-	41.50	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
5	Borrowings	-	-	37.78
	Lohia Corp Limited	-	-	37.78

Lohia Injectoplast Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Purchase of property, plant and equipment*	28.49	-	-
	Rishab Kumar Lohia Memorial Trust	28.49	-	-
2	Loans given	0.03	-	-
	Anjali Capfin Private Limited	0.03	-	-
3	Receipts towards loan / interest repayment and adjustments	0.08	0.04	-
	Anjali Capfin Private Limited	0.08	0.04	-
4	Borrowings taken	30.87	-	-
	Sarjna Capfin Private Limited	30.87	-	-
5	Finance costs	0.03	-	-
	Sarjna Capfin Private Limited	0.03	-	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
6	Loans and security deposit	-	0.05	-
	Anjali Capfin Private Limited	-	0.05	-
7	Borrowings	30.90	-	-
	Sarjna Capfin Private Limited	30.90	-	-

Lohia Mechatronik Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Other miscellaneous income*	-	2.50	-
	Lohia Corp Limited	-	2.50	-
2	Purchase of goods and services*	-	6.09	0.05
	Lohia Corp Limited	-	6.09	0.05
3	Borrowings taken	-	58.14	0.96
	Lohia Corp Limited	-	58.14	0.96
4	Finance costs	-	1.39	0.01
	Lohia Corp Limited	-	1.39	0.01
5	Repayment of borrowings	-	60.49	-
	Lohia Corp Limited	-	60.49	-
6	Issue of share capital	-	-	0.10
	Lohia Corp Limited	-	-	0.10
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
7	Borrowings	-	-	0.97
	Lohia Corp Limited	-	-	0.97

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

Lohia Engineering and Design Services Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Borrowings taken	-	0.02	-
	Lohia Corp Limited	-	0.02	-
2	Finance cost	-	0.01	-
	Lohia Corp Limited	-	0.01	-
3	Repayment of borrowings	-	0.09	-
	Lohia Corp Limited	-	0.09	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
4	Borrowings	-	-	0.07
	Lohia Corp Limited	-	-	0.07

Lohia Aerospace Systems Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Purchase of goods and services*	3.91	7.63	15.76
	Lohia Corp Limited	3.91	4.51	11.46
	L&S Light & Strong Limited, Israel	-	3.12	4.30
2	Purchase of property, plant and equipment	-	-	32.99
	KPR-A Realities Limited	-	-	6.69
	Lohia Sales & Services Limited	-	-	26.30
3	Borrowings taken	106.88	372.25	429.77
	Lohia Corp Limited	106.88	345.75	361.77
	Sarjna Capfin Private Limited	-	26.50	25.00
	Anjali Capfin Private Limited	-	-	23.00
	Shipra Finsec Private Limited	-	-	20.00
4	Finance costs	4.11	11.79	7.33
	Lohia Corp Limited	4.09	11.77	7.32
	Sarjna Capfin Private Limited	0.02	0.02	0.01
	Anjali Capfin Private Limited	-	-	-
5	Repayment of Borrowings	150.55	594.42	187.15
	Lohia Corp Limited	124.03	526.40	187.15
	Sarjna Capfin Private Limited	26.52	25.02	-
	Anjali Capfin Private Limited	-	23.00	-
	Shipra Finsec Private Limited	-	20.00	-
6	Investments purchased	50.00	-	-
	Lohia Corp Limited	50.00	-	-
7	Issue of share capital	-	199.90	-
	Lohia Corp Limited	-	199.90	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
8	Borrowings	-	39.57	249.95
	Lohia Corp Limited	-	13.06	181.94
	Sarjna Capfin Private Limited	-	26.51	25.01
	Anjali Capfin Private Limited	-	-	23.00
	Shipra Finsec Private Limited	-	-	20.00
9	Corporate guarantee taken	301.39	301.90	-
	Lohia Corp Limited	301.39	301.90	-
10	Trade and other payables	0.07	-	13.70
	Lohia Corp Limited	0.07	-	12.88
	L&S Light & Strong Limited, Israel	-	-	0.82

Lohia Sales and Services Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of property, plant and equipment	-	-	26.30
	Lohia Aerospace Systems Private Limited	-	-	26.30
2	Loans given	10.74	-	5.00
	Rachit Finsec Private Limited	0.83	-	-
	Shruti Finsec Private Limited	4.98	-	5.00
	Anjali Capfin Private Limited	4.93	-	-
3	Interest income from financial assets	0.22	0.28	0.07
	Rachit Finsec Private Limited	0.12	0.28	0.07
	Shruti Finsec Private Limited	0.02	-	-
	Anjali Capfin Private Limited	0.08	-	-
4	Receipts towards loan / interest repayment and adjustments	14.99	1.22	0.11
	Rachit Finsec Private Limited	4.98	1.22	0.11
	Shruti Finsec Private Limited	5.00	-	-
	Anjali Capfin Private Limited	5.01	-	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
5	Borrowings taken	-	0.01	5.18
	Lohia Corp Limited	-	0.01	5.18
6	Finance cost	-	0.01	0.80
	Lohia Corp Limited	-	0.01	0.80
7	Repayment of borrowings	-	1.02	26.07
	Lohia Corp Limited	-	1.02	26.07
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
8	Loans and security deposit	-	4.03	4.97
	Rachit Finsec Private Limited	-	4.03	4.97
9	Borrowings	-	-	1.00
	Lohia Corp Limited	-	-	1.00

Lohia Infra Developers Private Limited

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
1	Interest income from financial assets	-	0.02	-
	Anjali Capfin Private Limited	-	0.02	-
2	Receipts towards loan / interest repayment and adjustments	-	0.37	-
	Anjali Capfin Private Limited	-	0.37	-
3	Borrowings taken	95.35	321.12	-
	Lohia Corp Limited	46.05	139.88	-
	Sarjna Capfin Private Limited	49.30	45.91	-
	Lohfam Finsec LLP	-	135.33	-
4	Finance cost	3.30	6.27	-
	Lohia Corp Limited	3.22	4.89	-
	Sarjna Capfin Private Limited	0.08	0.04	-
	Lohfam Finsec LLP	-	1.34	-
5	Repayment of borrowings	95.26	282.21	-
	Lohia Corp Limited	49.27	144.77	-
	Sarjna Capfin Private Limited	45.99	-	-
	Mr. Siddharth Lohia	-	0.77	-
	Lohfam Finsec LLP	-	136.67	-
6	Issue of share capital	-	98.90	-
	Lohia Corp Limited	-	98.90	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
7	Borrowings	49.34	45.95	-
	Sarjna Capfin Private Limited	49.34	45.95	-

Nupur Real Estates Private Limited

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
1	Interest income from financial assets	-	0.01	-
	Anjali Capfin Private Limited	-	0.01	-
2	Receipts towards loan / interest repayment and adjustments	-	0.23	-
	Anjali Capfin Private Limited	-	0.23	-
3	Borrowings taken	3.56	278.53	-
	Lohia Corp Limited	1.72	140.11	-
	Sarjna Capfin Private Limited	1.84	2.09	-
	Lohfam Finsec LLP	-	135.33	-
	Siddhartha Lohia	-	1.00	-
4	Finance cost	0.11	7.25	-
	Lohia Corp Limited	0.11	5.99	-
	Sarjna Capfin Private Limited	-	-	-
	Lohfam Finsec LLP	-	1.26	-
5	Repayment of borrowings	3.33	284.29	-
	Lohia Corp Limited	1.83	146.10	-
	Sarjna Capfin Private Limited	1.50	0.60	-
	Mr. Siddharth Lohia	-	1.00	-
	Lohfam Finsec LLP	-	136.59	-
6	Issue of share capital	-	144.90	-
	Lohia Corp Limited	-	144.90	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
7	Borrowings taken	1.82	1.49	-
	Sarjna Capfin Private Limited	1.82	1.49	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited")

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Loans given	8.63	8.48	-
	Anjali Capfin Private Limited	-	8.48	-
	Shruti Finsec Private Limited	8.63	-	-
2	Interest income from financial assets	0.25	0.02	-
	Anjali Capfin Private Limited	0.21	0.02	-
	Shruti Finsec Private Limited	0.04	-	-
3	Receipts towards loan / interest repayment and adjustments	17.38	0.02	-
	Anjali Capfin Private Limited	8.71	0.02	-
	Shruti Finsec Private Limited	8.67	-	-
4	Borrowings taken	-	2.99	2.02
	Lohia Corp Limited	-	2.99	2.02
5	Finance cost	-	1.25	1.13
	Lohia Corp Limited	-	1.25	1.13
6	Repayment of borrowings	-	22.01	-
	Lohia Corp Limited	-	22.01	-
7	Issue of share capital	-	30.60	-
	Lohia Corp Limited	-	30.60	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
8	Loans	-	8.50	-
	Anjali Capfin Private Limited	-	8.50	-
9	Borrowings	-	-	17.78
	Lohia Corp Limited	-	-	17.78

LCL Aviation Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Purchase of goods and services*	0.09	-	-
	Lohia Corp Limited	0.09	-	-
2	Borrowings taken	80.00	-	-
	Lohia Corp Limited	52.00	-	-
	Sarjna Capfin Private Limited	28.00	-	-
3	Finance cost	0.67	-	-
	Lohia Corp Limited	0.65	-	-
	Sarjna Capfin Private Limited	0.02	-	-
4	Repayment of borrowings	52.65	-	-
	Lohia Corp Limited	52.65	-	-
5	Issue of share capital	99.00	-	-
	Lohia Corp Limited	99.00	-	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
6	Borrowings	28.02	-	-
	Sarjna Capfin Private Limited	28.02	-	-
7	Trade and other payables	0.10	-	-
	Lohia Corp Limited	0.10	-	-

KPR- C Realities Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Purchase of property, plant and equipment	10.12	-	-
	Rishab Kumar Lohia Memorial Trust	10.12	-	-
2	Loans Given	0.05	-	-
	Anjali Capfin Private Limited	0.05	-	-
3	Receipts towards loan / interest repayment and adjustments	0.08	-	-
	Anjali Capfin Private Limited	0.08	-	-
4	Borrowings taken	14.42	-	-
	Lohia Corp Limited	14.42	-	-
5	Finance cost	0.09	-	-
	Lohia Corp Limited	0.09	-	-
6	Repayment of borrowings	14.42	-	-
	Lohia Corp Limited	14.42	-	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

Nalini Buildcon Private Limited

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
1	Purchase of property, plant and equipment	10.36	-	-
	Rishab Kumar Lohia Memorial Trust	10.36	-	-
2	Loans given	34.50	-	-
	Anjali Capfin Private Limited	30.70	-	-
	Shruti Finsec Private Limited	3.80	-	-
3	Interest income from financial assets	1.67	-	-
	Anjali Capfin Private Limited	1.66	-	-
	Shruti Finsec Private Limited	0.01	-	-
4	Receipts towards loan / interest repayment and adjustments	88.72	-	-
	Anjali Capfin Private Limited	84.91	-	-
	Shruti Finsec Private Limited	3.81	-	-
5	Borrowings taken	14.55	-	-
	Mr. Siddharth Lohia	14.55	-	-
6	Repayment of borrowings	14.55	-	-
	Mr. Siddharth Lohia	14.55	-	-
7	Issue of Share Capital	100.00	-	-
	Lohia Corp Limited	100.00	-	-

Lohia Group Electricity Consumers Association

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
1	Borrowings taken	0.21	0.06	-
	Lohia Corp Limited	0.10	0.02	-
	Sarjna Capfin Private Limited	0.11	0.04	-
2	Finance cost	0.01	-	-
	Lohia Corp Limited	0.01	-	-
3	Repayment of borrowings	0.16	0.04	-
	Lohia Corp Limited	0.11	0.04	-
	Sarjna Capfin Private Limited	0.05	-	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
4	Borrowings	0.10	0.04	-
	Sarjna Capfin Private Limited	0.10	0.04	-

Sunderlam Industries Private Limited

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
1	Purchase of goods and services*	1.82	-	-
	Lohia Corp Limited	1.82	-	-
2	Borrowings taken	67.50	-	-
	Lohia Corp Limited	32.50	-	-
	Sarjna Capfin Private Limited	35.00	-	-
3	Finance cost	0.52	-	-
	Lohia Corp Limited	0.46	-	-
	Sarjna Capfin Private Limited	0.06	-	-
4	Repayment of borrowings	32.91	-	-
	Lohia Corp Limited	32.91	-	-
5	Issue of Equity Share Capital	0.80	-	-
	Lohia Corp Limited	0.80	-	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
6	Borrowings	35.06	-	-
	Sarjna Capfin Private Limited	35.06	-	-
The following Balances are outstanding at the end of the reporting period in relation to transactions with related persons				
7	Trade and other receivables	0.59	-	-
	Lohia Corp Limited	0.59	-	-

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

Galuner S.A.

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Purchase of goods and services	6.41	4.27	-
	Lohia Corp Limited	6.41	4.27	-
2	Issue of share capital	-	36.92	79.31
	Lohia Corp Limited	-	36.92	79.31
3	Trade and other payables	4.08	1.16	-
	Lohia Corp Limited	4.08	1.16	-

Lohia Hong Kong Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Borrowings taken	-	-	5.72
	Lohia Corp Limited	-	-	5.72
2	Repayment of Borrowings	0.36	48.52	-
	Lohia Corp Limited	0.36	48.52	-
The following Balances are outstanding at the end of the reporting period in relation to transactions with related persons				
3	Borrowings	11.26	10.85	60.15
	Lohia Corp Limited	11.26	10.85	60.15

Leesona Corp

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of manufacturing goods	-	0.06	-
	Lohia Corp Limited	-	0.06	-
2	Purchase of goods and services	8.76	2.09	-
	Lohia Corp Limited	8.76	2.09	-
3	Borrowings taken	22.29	14.93	-
	Lohia Corp Limited	22.29	14.93	-
4	Finance costs	0.22	0.15	-
	Lohia Corp Limited	0.22	0.15	-
5	Repayment of Borrowings	-	14.78	-
	Lohia Corp Limited	-	14.78	-
6	Issue of share capital	-	-	208.55
	Lohia Corp Limited	-	-	208.55
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
7	Borrowings	22.72	-	-
	Lohia Corp Limited	22.72	-	-
8	Trade and other payables	8.89	-	-
	Lohia Corp Limited	8.89	-	-

SBI Mechatronik GmbH

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Other miscellaneous income	-	-	3.11
	Lohia Corp Limited	-	-	3.11
2	Redemption of preference shares	-	107.76	-
	Lohia Corp Limited	-	107.76	-
3	Issue of share capital	-	-	101.50
	Lohia Corp Limited	-	-	101.50

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

L&S Light & Strong Limited, Israel

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of manufacturing goods	-	3.12	4.30
	Lohia Aerospace Systems Private Limited	-	3.12	4.30
2	Borrowings taken	-	-	7.83
	Lohia Corp Limited	-	-	7.83
3	Finance costs	4.71	4.73	4.61
	Lohia Corp Limited	4.71	4.73	4.61
4	Repayment of Borrowings	108.93	-	-
	Lohia Corp Limited	108.93	-	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
5	Borrowings	-	99.29	97.43
	Lohia Corp Limited	-	99.29	97.43
6	Trade and other receivables	-	-	0.82
	Lohia Aerospace Systems Private Limited	-	-	0.82

Ldb Importacao E Exportacao Ltda

S.No.	Particulars	Year ended	Year ended	Year ended
		31 March 2022	31 March 2021	31 March 2020
		Total	Total	Total
The following Balances are outstanding at the end of the reporting period in relation to transactions with related persons				
1	Borrowings	17.15	-	-
	Lohia Corp Limited	17.15	-	-
2	Trade and other payables	1.76	-	-
	Lohia Corp Limited	1.76	-	-

Lohia Global Solutions FZE

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of traded goods	7.48	-	-
	Lohia Corp Limited	7.48	-	-
2	Purchase of goods and services	74.48	1.86	-
	Lohia Corp Limited	49.40	1.86	-
	Lohia Global Solutions Private Limited	25.08	-	-
3	Borrowings taken	34.89	14.92	-
	Lohia Corp Limited	34.89	14.92	-
4	Finance costs	2.17	0.18	-
	Lohia Corp Limited	2.17	0.18	-
5	Issue of share capital	-	9.99	-
	Lohia Corp Limited	-	9.99	-
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
6	Borrowings	52.38	14.70	-
	Lohia Corp Limited	52.38	14.70	-
7	Trade and other payables	79.52	13.89	-
	Lohia Corp Limited	54.44	13.89	-
	Lohia Global Solutions Private Limited	25.08	-	-

United Trade. Net (India) Private Limited

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Sale of traded goods*	-	-	45.95
	Lohia Corp Limited	-	-	45.95
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:				
2	Trade and other receivables	-	-	2.48
	Lohia Corp Limited	-	-	2.48

Estelar S.A.

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
		Total	Total	Total
1	Purchase of goods and services	5.72	-	0.89
	Lohia Corp Limited	5.72	-	0.89
2	Borrowings taken	-	-	0.02
	Lohia Corp Limited	-	-	0.02
3	Repayemnt of Loan	-	-	2.68
	Lohia Corp Limited	-	-	2.68
4	Trade and other payables	2.92	1.33	1.91
	Lohia Corp Limited	2.92	1.33	1.91

Note: Disclosure of entity wise transactions are given for material transactions within each category.

* Excluding goods and service tax

Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

44. Fair value measurements

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sales.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2022	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	1,105.40	1,105.40	-	-	1,105.40
Cash and cash equivalents	-	-	117.97	117.97	-	-	117.97
Bank balances other than cash and cash equivalents	-	-	18.69	18.69	-	-	18.69
Loans	-	-	27.95	27.95	-	-	27.95
Other financial assets	-	-	234.77	234.77	-	-	234.77
Derivative assets	56.42	154.19	-	210.61	-	210.61	-
Investments*	1,992.52	-	-	1,992.52	1,992.52	-	-
Total	2,048.94	154.19	1,504.78	3,707.91	1,992.52	210.61	1,504.78
Financial liabilities							
Borrowings	-	-	3,165.91	3,165.91	-	-	3,165.91
Trade payables	-	-	1,819.55	1,819.55	-	-	1,819.55
Other financial liabilities	-	-	227.67	227.67	-	-	227.67
Lease liabilities	-	-	79.19	79.19	-	-	79.19
Total	-	-	5,292.32	5,292.32	-	-	5,292.32

*Investments in equity shares, mutual fund and debentures and bonds.

As at 31 March 2021	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	915.81	915.81	-	-	915.81
Cash and cash equivalents	-	-	282.34	282.34	-	-	282.34
Bank balances other than cash and cash equivalents	-	-	23.96	23.96	-	-	23.96
Loans	-	-	168.25	168.25	-	-	168.25
Other financial assets	-	-	250.48	250.48	-	-	250.48
Derivative assets	0.70	59.61	-	60.31	-	60.31	-
Investments*	2,527.52	-	-	2,527.52	2,527.36	0.16	-
Total	2,528.22	59.61	1,640.84	4,228.67	2,527.36	60.47	1,640.84
Financial liabilities							
Borrowings	-	-	2,065.89	2,065.89	-	-	2,065.89
Trade payables	-	-	1,422.12	1,422.12	-	-	1,422.12
Other financial liabilities	-	-	273.84	273.84	-	-	273.84
Lease liabilities	-	-	63.63	63.63	-	-	63.63
Total	-	-	3,825.48	3,825.48	-	-	3,825.48

*Investments in equity shares, mutual fund and debentures and bonds

As at 31 March 2020	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	813.43	813.43	-	-	813.43
Cash and cash equivalents	-	-	440.72	440.72	-	-	440.72
Bank balances other than cash and cash equivalents	-	-	16.97	16.97	-	-	16.97
Loans	-	-	127.67	127.67	-	-	127.67
Other financial assets	-	-	255.79	255.79	-	-	255.79
Investments*	2,594.10	-	-	2,594.10	2,593.94	0.16	-
Total	2,594.10	-	1,654.58	4,248.68	2,593.94	0.16	1,654.58
Financial liabilities							
Borrowings	-	-	3,701.58	3,701.58	-	-	3,701.58
Trade payables	-	-	1,296.25	1,296.25	-	-	1,296.25
Other financial liabilities	-	-	264.52	264.52	-	-	264.52
Derivative liabilities	-	126.49	-	126.49	-	126.49	126.49
Lease liabilities	-	-	71.28	71.28	-	-	71.28
Total	-	126.49	5,333.63	5,460.12	-	126.49	5,460.12

*Investments in equity shares, mutual fund and debentures and bonds

Notes:

The carrying amounts of loans, trade receivables, other financial assets, trade payables, other bank balances and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits are calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair values of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Valuation techniques used to determine fair values

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants.

Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate the fair value.

Derivative financial assets/liabilities: The Group enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are determined using forward exchange rates at the balance sheet date.

Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

45. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk- interest rate and foreign currency

(i) Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors of the Holding Company has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors of Holding Company on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee of the Holding Company is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee of the Holding Company.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Trade receivables

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivable amounting to ₹ 1,105.40 (net of loss allowance) (31 March 2021: ₹ 915.81 and 31 March 2020: ₹ 813.43). The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has a credit risk management policy in place to limit credit losses due to non-performance of financial counterparties and customers. The Group monitors its exposure to credit risk on an ongoing basis at various levels. Outstanding customer receivables are regularly monitored. The Group closely monitors the acceptable financial counterparty credit limits and revise where required in line with the market circumstances. Due to the geographical spread and the diversity of the Group's customers, the Group are not subject to any significant concentration of credit risks at balance sheet date. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous entities and assessed for impairment collectively. The calculation is based on credit losses historical data. The Group has evaluated that the concentration of risk with respect to trade receivables to be low. Trade and other receivables are written off when there is no reasonable expectation of recovery post identification on case to case basis. On account of adoption of IndAS 109, the Group uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. Specific case to case provision is made in respect of credit impaired customers.

A summary of the Group's exposure to credit risk for trade receivables based on the ageing are as follows:

Ageing of receivables	As at 31 March		As at 31 March 2021		As at 31 March 2020	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
Less than 180 days	871.03	-	768.06	-	697.13	-
More than 180 days	271.85	37.48	169.25	21.50	130.45	14.15
Total	1,142.88	37.48	937.31	21.50	827.58	14.15

The movement in the allowance for impairment in respect of trade receivables are as follows:

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	21.50	14.15	14.15
Bad debt written off	(3.20)	(11.12)	-
Expected credit loss during the year	19.18	18.47	-
Balance at the end of the year	37.48	21.50	14.15

Significant estimates: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

Cash and cash equivalents, current investments and derivatives

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Details of undrawn facilities of the Group from bank (fund based as well as non fund based):

Particular	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Expiring within one year (bank overdraft and other facilities)	1,267.55	1,920.00	590.81
Total	1,267.55	1,920.00	590.81

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2022	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Borrowings*	-	680.11	2,110.68	375.12	3,165.91
Trade payables	-	1,819.55	-	-	1,819.55
Other financial liabilities	-	227.67	-	-	227.67
Lease liabilities	-	36.08	43.11	-	79.19
Total	-	2,763.41	2,153.79	375.12	5,292.32

As at 31 March 2021	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Borrowings*	-	456.55	1,567.67	41.67	2,065.89
Trade payables	-	1,422.12	-	-	1,422.12
Other financial liabilities	-	273.84	-	-	273.84
Lease liabilities	-	33.84	29.79	-	63.63
Total	-	2,186.35	1,597.46	41.67	3,825.48

*including contractual interest payable at prevalent/agreed rate of interest.

As at 31 March 2020	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Borrowings*	-	2,298.00	1,403.58	-	3,701.58
Trade payables	-	1,296.25	-	-	1,296.25
Other financial liabilities	-	264.52	-	-	264.52
Derivative liabilities	-	126.49	-	-	126.49
Lease liabilities	-	32.17	39.11	-	71.28
Total	-	4,017.43	1,442.69	-	5,460.12

*including contractual interest payable at prevalent/agreed rate of interest.

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The Group has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the year ending 31 March 2022, 31 March 2021 and 31 March 2020.

(iv) Market risk

Market risk is the risk that arises from changes in market prices such as foreign exchange rates. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk and the market value of the investments. Thus, the Group's exposure to market risk is a function of investing and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in financial assets and unhedged foreign currency, revenues and costs.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US dollar and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Group. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the ₹ cash flows of highly probable forecast transactions.

The Group uses foreign currency forwards to hedge its exposure to foreign currency risk. The Group's policy is to hedge the risk of changes in foreign currency. The Group uses forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Group designate both change in spot and forward element of forward contracts to hedge exposure in foreign currency risk on highly probable forecast sales.

The Group also entered into foreign currency principal and interest swap which have not been designated in a hedging relationship. Such instruments are subject to the same risk management policies as all other derivative contracts.

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Exposure to currency risk

The currency profile of financial assets and financial liabilities (other than Indian Rupees) as at 31 March 2022, 31 March 2021 and 31 March 2020 are reinstated in millions Indian Rupees which is stated below:

Foreign currency risk exposure:

As at 31 March 2022

Particulars	USD	EURO	Others
Financial assets			
Trade receivables	578.13	81.97	0.30
Cash and cash equivalents	22.35	0.04	8.01
Loans	22.72	20.10	52.38
Derivative assets (forward contracts)	10,090.20	-	-
	10,713.40	102.11	60.69
Financial liabilities			
Trade payables	93.36	20.78	0.50
Borrowings	751.68	-	-
	845.04	20.78	0.50
	9,868.36	81.33	60.19

As at 31 March 2021

Particulars	USD	EURO	Others
Financial assets			
Trade receivables	353.07	125.78	13.89
Cash and cash equivalents	10.46	0.10	3.77
Loans	33.28	34.62	14.70
Derivative assets (forward contracts)	2,418.27	-	-
	2,815.08	160.50	32.36
Financial liabilities			
Trade payables	79.51	34.07	4.33
Borrowings	1,153.87	-	-
	1,233.38	34.07	4.33
	1,581.70	126.43	28.03

As at 31 March 2020

Particulars	USD	EURO	Others
Financial assets			
Trade receivables	264.23	140.73	-
Cash and cash equivalents	0.77	0.33	-
Loans	179.70	30.95	-
	444.70	172.01	-
Financial liabilities			
Trade payables	78.92	31.18	22.33
Borrowings	1,117.24	-	-
Derivative liabilities (forward contracts)	3,509.56	-	-
	4,705.72	31.18	22.33
	(4,261.02)	140.83	(22.33)

Sensitivity analysis foreign currency

The sensitivity analysis given in the table below is based on the Group's foreign currency financial instruments held at each reporting date and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Group's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Currency (changes in currency value by 10%)		Year ended 31 March 2022		Year ended 31 March 2021		Year ended 31 March 2020	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	10% movement	(738.47)	738.47	(118.36)	118.36	318.86	(318.86)
Euro	10% movement	6.09	(6.09)	(9.46)	9.46	(10.54)	10.54
Others	10% movement	4.50	(4.50)	(2.10)	2.10	1.67	(1.67)

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

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Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position (assets)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
As at 31 March 2022							
Cash flow hedge							
Foreign currency risk							
(i) Foreign exchange forward contracts	10,248.68	10,093.49	29 April 2022 - 29 March 2024	1:1	USD: ₹ 78.57	155.19	154.19
As at 31 March 2021							
Foreign currency risk							
(i) Foreign exchange forward contracts	2,478.58	2,418.27	14 April 2021 - 31 May 2022	1:1	USD: ₹ 74.76	60.31	59.61
As at 31 March 2020							
Foreign currency risk							
(i) Foreign exchange forward contracts	3,431.09	3,509.56	17 April 2020 - 31 December 2021	1:1	USD: ₹ 78.55	(78.47)	(78.47)

(b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
As at 31 March 2022				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	154.19	1.00	(76.73)	Revenue from operations and net foreign exchange differences
As at 31 March 2021				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	59.61	0.70	125.70	Revenue from operations and net foreign exchange differences
As at 31 March 2020				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	(78.47)	-	(83.31)	Revenue from operations and net foreign exchange differences

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

(c) Movements in cash flow hedging reserve

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	59.61	(78.47)	69.79
Less: Amount reclassified to profit or loss	(76.73)	125.70	(83.31)
Add: Changes in fair value of forward contracts	154.19	58.82	(125.70)
Less: deferred tax relating to above (net)	(23.42)	(46.44)	60.75
Closing balance	113.65	59.61	(78.47)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	261.63	1,615.08	1,403.58
Fixed rate borrowings	2,904.28	450.81	2,298.00
Total borrowings	3,165.91	2,065.89	3,701.58

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Interest sensitivity*			
Variable rate borrowings			
Interest rates – increase by 100 basis points	1.96	12.09	10.50
Interest rates – decrease by 100 basis points	(1.96)	(12.09)	(10.50)

* Holding all other variables constant

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

ii) Assets

The Group's fixed deposits and loans are carried at amortised cost and are fixed rate. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the deposits:

Particulars	31 March 2022	31 March 2021	31 March 2020
Balances in deposits with original maturity of more than three months but less than twelve months	18.69	13.07	0.57
Loans	27.95	168.25	127.67
Total	46.64	181.32	128.24

The Group is exposed to interest rate risk on account of variable rate borrowings. The Group's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time. The Group has used interest rate swaps to mitigate its interest rate risk arising from certain transactions, these are recognised as derivatives.

Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group considers factors such as long term credit rating, tenor of investment, minimum assured return, monetary limits, etc. while investing.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's profit for the period. The analysis is based on the assumption that the equity index had increased by 10% or decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Equity index – increase by 10%	149.10	189.13	194.11
Equity index – decrease by 10%	(149.10)	(189.13)	(194.11)

Capital management**The Group's capital management objectives are:**

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group. Net debt includes interest bearing borrowings less cash and cash equivalents and current investments. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Borrowings	3,165.91	2,065.89	3,701.58
Less: cash and cash equivalents	117.97	282.34	440.72
Less: current investments	1,992.52	2,527.36	2,593.94
Adjusted net debt	1,055.42	(743.81)	666.92
Equity	4,915.57	5,395.73	5,272.43
Adjusted net debt to equity ratio	21.47%	-13.79%	12.65%

Dividend - During the year ended 31 March 2022, the Group has recognised dividend of ₹ 31.70 (31 March 2021: ₹ 34.13 and 31 March 2020: ₹ 87.70) as distributions to equity shareholders.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. Based upon the Group's evaluation, there is no excessive risk concentration.

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46 Offsetting of financial assets and liabilities :

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. There are also arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or the termination of a contract.

The following tables set out the financial assets and liabilities that are offset.

As at 31 March 2022

Particulars	Gross financial assets/ (liabilities)	Financial (liabilities)/assets offset	Net financial assets/ (liabilities)
Financial assets			
Trade receivables	1,500.83	(395.43)	1,105.40
Financial liabilities			
Trade payables	1,424.12	395.43	1,819.55

As at 31 March 2021

Particulars	Gross financial assets/ (liabilities)	Financial (liabilities)/assets offset	Net financial assets/ (liabilities)
Financial assets			
Trade receivables	1,077.20	(161.39)	915.81
Financial liabilities			
Trade payables	1,260.73	161.39	1,422.12

As at 31 March 2020

Particulars	Gross financial assets/ (liabilities)	Financial (liabilities)/assets offset	Net financial assets/ (liabilities)
Financial assets			
Trade receivables	918.13	(104.70)	813.43
Financial liabilities			
Trade payables	1,191.55	104.70	1,296.25

47 Details of assets pledged

The carrying amounts of assets under charge for current and non-current borrowings are:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Current assets			
Inventories	3,487.87	2,689.02	2,073.09
Current investments	1,940.03	2,527.36	2,092.47
Trade receivables	890.59	675.99	595.59
Cash and cash equivalents	37.60	143.75	306.43
Bank balances other than cash and cash equivalents	13.70	22.67	11.98
Other financial assets	163.10	197.67	199.83
Other current assets	493.11	513.16	504.88
	7,026.00	6,769.62	5,784.27
Non current assets			
Property, plant and equipment			
Plant & equipments	2,963.19	2,042.10	814.02
Land freehold	-	97.72	97.72
Land leasehold	220.57	213.53	213.53
Buildings	85.16	83.99	1,140.33
Computer	1.30	1.75	29.64
Office equipment	4.77	3.31	33.79
Furniture & fixture	0.84	2.67	37.85
Vehicle	-	4.13	68.47
	3,275.83	2,449.20	2,435.35

Note: For 31 March 2022 , the assets pledged pertains to the borrowings of the Holding Company and for 31 March 2021 and 31 March 2020, the assets pledged pertains to the borrowings of the Holding Company and one of its subsidiary company, Lohia Aerospace Systems Private Limited.

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

48. Net gain on sale of assets

a) During the year ended 31 March 2022, three subsidiary companies of the Group, namely Lohia Aerospace Systems Private Limited, L&S Light & Strong Limited and SBI Mechatronik GmbH have been sold for which details of net assets disposed off are stated below:

Particulars	Lohia Aerospace Systems Private Limited	L&S Light & Strong Limited	SBI Mechatronik GmbH
Non-current assets			
Property, plant & equipment	509.25	22.36	3.86
Right-of-use assets	-	14.69	-
Intangible assets	0.31	-	20.29
Financial assets			
Other financial assets	2.06	-	-
Deferred tax assets (net)	19.20	-	-
Other non current assets	0.26	-	-
Current Assets			
Inventories	2.14	157.55	39.31
Financial assets			
Investments	33.01	-	-
Trade receivables	-	69.41	25.86
Cash and cash equivalents	3.30	26.27	25.48
Bank balances other than cash and cash equivalents	1.25	-	-
Other financial assets	1.32	-	-
Current tax assets (net)	0.08	-	-
Other current assets	32.19	8.16	4.97
Total assets (A)	604.37	298.44	119.77
Non-current liabilities			
Financial liabilities			
Borrowings	300.00	-	-
Provisions	3.97	-	10.39
Other non current liabilities	13.21	-	-
Current liabilities			
Financial liabilities			
Borrowings	160.00	51.07	-
Lease liabilities	-	12.54	-
Trade payables	19.31	64.33	3.36
Other financial liabilities	0.90	12.52	-
Other current liabilities	3.13	43.93	100.86
Total liabilities (B)	500.52	184.39	114.61
Other adjustment/eliminations (C)	(45.74)	(17.36)	(9.20)
Net assets disposed off (A-B+C)	58.11	96.69	(4.04)
Sales consideration received	100.00	50.00	5.71
Gain/(loss) on sale of assets	41.89	(46.69)	9.75

b) During the year ended 31 March 2021, two subsidiary companies of the Group, namely Lohia Engineering and Design Services Private Limited and Lohia Mechatronik Private Limited have been sold for which detail of net assets disposed off are stated below:

Particulars	Lohia Engineering and Design Services Private Limited	Lohia Mechatronik Private Limited
Non-current assets		
Property, plant & equipment	-	62.50
Other non current assets	-	3.25
Current Assets		
Inventories	-	22.61
Financial assets		
Cash and cash equivalents	-	2.80
Other current assets	0.14	0.80
Total assets (A)	0.14	91.96
Non-current liabilities		
Financial liabilities		
Other financial liabilities	-	97.59
Provisions	-	1.88
Current liabilities		
Financial liabilities		
Trade payables	0.22	3.49
Other financial liabilities	-	7.10
Other current liabilities	-	0.15
Total liabilities (B)	0.22	110.21
Other adjustment/eliminations (C)	-	-
Net assets disposed off (A-B+C)	(0.08)	(18.25)
Sales consideration received	13.50	0.10
Gain on sale of assets	13.58	18.35

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

49. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial information' of Division II of Schedule III:**For the year ended 31 March 2022**

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company								
Lohia Corp Limited	100.32%	4,931.35	89.03%	1,353.25	206.09%	61.58	91.29%	1,414.83
Subsidiaries:								
Domestic:								
Wholly owned subsidiaries:								
KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")	2.48%	121.96	-0.03%	(0.47)	-	-	-0.03%	(0.47)
Lohia Filament Machines Limited	8.48%	416.63	0.36%	5.46	-	-	0.35%	5.46
Lohia Global Solutions Private Limited	0.54%	26.41	0.69%	10.54	-	-	0.68%	10.54
Sarjna Capfin Private Limited	4.39%	215.59	1.25%	19.04	-	-	1.23%	19.04
BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")	0.70%	34.30	0.00%	(0.04)	-	-	0.00%	(0.04)
Lohia Injectoplast Private Limited	-	0.02	0.00%	(0.06)	-	-	0.00%	(0.06)
Lohia Aerospace Systems Private Limited	-	-	-4.36%	(66.32)	-	-	-4.28%	(66.32)
Lohia Sales & Services Limited	0.10%	4.91	0.00%	0.07	-	-	0.00%	0.07
Lohia Infra Developers Private Limited	1.79%	87.83	-0.22%	(3.32)	-	-	-0.21%	(3.32)
Nupur Real Estates Private Limited	2.75%	135.32	-0.02%	(0.29)	-	-	-0.02%	(0.29)
BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited")	0.56%	27.36	0.01%	0.21	-	-	0.01%	0.21
LCL Aviation Private Limited	1.86%	91.62	-0.49%	(7.38)	-	-	-0.48%	(7.38)
KPR- C Realities Private Limited (Formerly known as "Project Zero Private Limited")	0.39%	18.98	-0.07%	(1.00)	-	-	-0.06%	(1.00)
Nalini Buildcon Private Limited	1.73%	84.85	-0.02%	(0.33)	-	-	-0.02%	(0.33)
Other Subsidiaries:								
Lohia Group Electricity Consumers Association	-0.18%	(8.95)	-0.59%	(9.04)	-	-	-0.58%	(9.04)
Sunderlam Industries Private Limited	-0.02%	(0.78)	-0.10%	(1.58)	-	-	-0.10%	(1.58)
Foreign:								
Galuner S.A., Uruguay*^	6.90%	339.19	6.78%	103.03	-	-	6.65%	103.03
Lohia Hong Kong Limited, Hong Kong	-0.23%	(11.26)	0.00%	(0.02)	-	-	0.00%	(0.02)
Leesona Corp, USA*^	5.15%	253.02	0.35%	5.30	-	-	0.34%	5.30
SBI Mechatronik GmbH, Austria*	-	-	0.20%	3.06	-	-	0.20%	3.06
L&S Light & Strong Limited, Israel*	-	-	1.84%	27.91	-	-	1.80%	27.91
Lohia Global Solutions FZE, UAE	-0.79%	(38.24)	-2.09%	(31.85)	-	-	-2.07%	(31.85)
Ldb Importacao E Exportacao Ltda*	-0.15%	(6.93)	0.00%	-	-	-	0.00%	-
Joint ventures (Investment as per equity method)*								
Carmenta Sociedad Anonima, Paraguay	-	-	0.97%	14.70	-	-	0.95%	14.70
Einbecker Kennzeichnungssysteme GmbH, Germany	-	-	0.00%	-	-	-	0.00%	-
Total eliminations/adjustments	-36.77%	(1,807.61)	6.52%	99.11	-106.09%	(31.70)	4.35%	67.41
Total attributable to owners	99.98%	4,915.57	100.01%	1,519.98	100.00%	29.88	99.99%	1,549.86
Non controlling interest		141.52		88.49		-		88.49
Total		5,057.09		1,608.47		29.88		1,638.35

*Management certified

Note

^The difference in accounting policies of the Holding Company and its foreign subsidiaries/ foreign joint ventures are not material and there are no material transactions from 01 January 2022 to 31 March 2022 in respect of subsidiaries/joint ventures having their financial year ended 31 December 2021.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

For the year ended 31 March 2021

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company								
Lohia Corp Limited	102.79%	5,546.54	102.59%	1,250.51	79.06%	111.97	100.14%	1,362.48
Subsidiaries:								
Domestic:								
Wholly owned subsidiaries:								
KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")	2.27%	122.43	-0.97%	(11.88)	-	-	-0.87%	(11.88)
Lohia Filament Machines Limited	7.60%	410.06	-1.10%	(13.39)	-	-	-0.98%	(13.39)
Lohia Global Solutions Private Limited	0.29%	15.88	-0.06%	(0.79)	-	-	-0.06%	(0.79)
Sarjna Capfin Private Limited.	3.64%	196.56	0.14%	1.69	-	-	0.12%	1.69
BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")	0.64%	34.35	-0.25%	(3.07)	-	-	-0.23%	(3.07)
Lohia Injectoplast Private Limited	-	0.07	0.00%	(0.02)	-	-	0.00%	(0.02)
Lohia Mechatronik Private Limited	-	-	0.09%	1.07	-	-	0.08%	1.07
Lohia Engineering and Design Services Private Limited	-	-	0.01%	0.08	-	-	0.01%	0.08
Lohia Aerospace Systems Private Limited	3.15%	170.16	-0.97%	(11.87)	-	-	-0.87%	(11.87)
Lohia Sales & Services Limited	0.09%	4.83	0.03%	0.42	-	-	0.03%	0.42
Lohia Infra Developers Private Limited	1.69%	91.15	-0.60%	(7.30)	-	-	-0.54%	(7.30)
Nupur Real Estates Private Limited	2.51%	135.61	-0.70%	(8.49)	-	-	-0.62%	(8.49)
BNPR- A Realities Private Limited (Formerly known as "Aditya Punj Traders Private Limited")	0.50%	27.15	-0.15%	(1.77)	-	-	-0.13%	(1.77)
Other Subsidiary:								
Lohia Group Electricity Consumers Association	0.00%	0.10	0.00%	-	-	-	0.00%	-
Foreign:								
Galuner S.A., Uruguay*^	4.40%	237.29	-2.33%	(28.38)	-	-	-2.09%	(28.38)
Lohia Hong Kong Limited, Hong Kong	-0.19%	(10.45)	-0.39%	(4.70)	-	-	-0.35%	(4.70)
Leesona Corp, USA*^	4.51%	243.45	4.11%	50.08	-	-	3.68%	50.08
SBI Mechatronik GmbH, Austria*^	2.11%	113.71	-0.07%	(0.91)	-	-	-0.07%	(0.91)
L&S Light & Strong Limited, Israel*^	0.78%	42.03	-0.09%	(1.01)	-	-	-0.08%	(1.01)
Lohia Global Solutions FZE, UAE	-0.10%	(5.66)	-1.27%	(15.37)	-	-	-1.13%	(15.37)
Foreign Associate (Investment as per equity method)*								
Plastics Machine and Solutions Inc., Phillipiines^	-	-	0.02%	0.26	-	-	0.02%	0.26
Joint ventures (Investment as per equity method)*								
Carmenta Sociedad Anonima, Paraguay^	0.39%	20.82	0.29%	3.49	-	-	0.26%	3.49
Einbecker Kennzeichnungssysteme GmbH, Germany^	-0.18%	(9.98)	-1.50%	(18.29)	-	-	-1.34%	(18.29)
Total eliminations/adjustments	-36.89%	(1,990.37)	3.17%	38.61	20.94%	29.65	5.02%	68.26
Total attributable to owners	100%	5,395.73	100%	1,218.97	100%	141.62	100%	1,360.59
Non controlling interest		53.03		(25.93)		-		(25.93)
Total		5,448.76		1,193.04		141.62		1,334.66

*Management certified

Note

^The difference in accounting policies of the Holding Company and its foreign subsidiaries/ foreign joint ventures are not material and there are no material transactions from 01 January 2021 to 31 March 2021 in respect of subsidiaries/joint ventures having their financial year ended 31 December 2020.

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

For the year ended 31 March 2020

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company								
Lohia Corp Limited	103.15%	5,438.70	126.23%	493.20	95.62%	(110.39)	139.07%	382.81
Subsidiaries:								
Domestic:								
<u>Wholly owned subsidiaries:</u>								
KPR-A Realities Limited (Formerly known as "Lohia Packaging Machines Limited")	-0.56%	(29.69)	-7.73%	(30.19)	-	-	-10.97%	(30.19)
Lohia Filament Machines Limited	-0.16%	(8.55)	-1.20%	(4.67)	-	-	-1.70%	(4.67)
Lohia Global Solutions Private Limited	0.32%	16.67	-0.85%	(3.33)	-	-	-1.21%	(3.33)
Sarjina Capfin Private Limited.	0.85%	44.87	0.81%	3.17	-	-	1.15%	3.17
BNPR-B Realities Private Limited (Formerly known as "Indo Kenshu Services Private Limited")	-0.08%	(4.09)	-1.07%	(4.19)	-	-	-1.52%	(4.19)
Lohia Injectoplast Private Limited	0.00%	0.09	0.00%	-	-	-	0.00%	-
Lohia Mechatronik Private Limited	-0.02%	(0.97)	-0.27%	(1.07)	-	-	-0.39%	(1.07)
Lohia Engineering and Design Services Private Limited	0.00%	(0.10)	0.00%	-	-	-	0.00%	-
Lohia Aerospace Systems Private Limited	-0.34%	(17.87)	-4.60%	(17.97)	-	-	-6.53%	(17.97)
Lohia Sales & Services Limited	0.08%	4.42	2.40%	9.38	-	-	3.40%	9.38
Other Subsidiary:								
Lohia Group Electricity Consumers Association	0.00%	(0.08)	-0.01%	(0.02)	-	-	-0.01%	(0.02)
Foreign:								
Galuner S.A., Uruguay*^	4.18%	220.30	-0.21%	(0.83)	-	-	-0.30%	(0.83)
Lohia Hong Kong Limited, Hong Kong	-0.17%	(8.92)	-0.25%	(0.97)	-	-	-0.35%	(0.97)
Leesona Corp, USA*^	3.58%	188.66	-5.78%	(22.57)	-	-	-8.20%	(22.57)
SBI Mechatronik GMBH*^	1.92%	101.28	0.02%	0.07	-	-	0.03%	0.07
L&S Light & Strong Ltd, Israel*^	0.47%	24.69	-4.31%	(16.85)	-	-	-6.12%	(16.85)
Foreign Associate (Investment as per equity method)*								
Plastics Machine and Solutions Inc., Phillippines^	0.00%	(0.26)	0.00%	(0.01)	-	-	0.00%	(0.01)
Joint ventures (Investment as per equity method)*								
Carmenta Sociedad Anonima^	0.33%	17.33	-0.45%	(1.75)	-	-	-0.64%	(1.75)
Einbecker Kennzeichnungssysteme GmbH, Germany^	0.16%	8.32	0.23%	0.91	-	-	0.33%	0.91
Total eliminations/adjustments	-13.71%	(722.37)	-2.96%	(11.60)	4.38%	(5.06)	-6.04%	(16.66)
Total attributable to owners	100%	5,272.43	100%	390.71	100%	(115.45)	100%	275.26
Non controlling interest		97.39		(2.24)		-		(2.24)
Total		5,369.82		388.47		(115.45)		273.02

*Management certified

Note

^The difference in accounting policies of the Holding Company and its foreign subsidiaries/ foreign joint ventures are not material and there are no material transactions from 01 January 2020 to 31 March 2020 in respect of subsidiaries/joint ventures having their financial year ended 31 December 2019.

Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

50 Interests in other entities**Non-controlling interests (NCI)**

The below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	Estelar S.A.^			Lohia Group Electricity Consumers Association			Sunderlam Industries Private Limited*
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022
Non-current assets	239.75	207.29	226.22	-	0.76	0.74	33.88
Non-current liabilities	-	105.04	96.34	-	-	-	4.84
Net non-current assets	239.75	102.25	129.88	-	0.76	0.74	29.04
Current assets	569.27	411.03	439.52	7.47	17.60	17.60	7.97
Current liabilities	326.02	222.98	251.73	18.33	18.26	18.24	29.37
Net current assets	243.25	188.05	187.79	(10.86)	(0.66)	(0.64)	(21.40)
Net assets	483.00	290.30	317.67	(10.86)	0.10	0.10	7.64
Accumulated NCI	143.83	53.03	97.39	(1.92)	-	-	(0.39)

Summarised statement of profit and loss

Particulars	Estelar S.A.^			Lohia Group Electricity Consumers Association			Sunderlam Industries Private Limited*
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022
Revenue	1,191.15	656.13	621.62	-	-	-	-
Profit for the year	183.81	(52.50)	(5.05)	(10.95)	-	-	(1.97)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	183.81	(52.50)	(5.05)	(10.95)	-	-	(1.97)
Profit allocated to NCI	90.80	(25.93)	(2.49)	(1.92)	-	-	(0.39)

Summarised statement of cash flows

Particulars	Estelar S.A.^			Lohia Group Electricity Consumers Association			Sunderlam Industries Private Limited*
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022
Cash flows from operating activities	63.59	(23.76)	(19.66)	(0.78)	-	-	(7.67)
Cash flows from investing activities	(6.10)	(7.77)	(4.66)	0.76	(0.02)	(0.02)	(26.73)
Cash flows from financing activities	(18.45)	4.89	58.05	0.05	0.02	-	34.72
Net increase/(decrease) in cash and cash equivalents	39.04	(26.64)	33.73	0.03	-	(0.02)	0.32

*subsidiary w.e.f. 07 December 2021

^ step down subsidiary of Galuner S.A.

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Lohia Corp Limited

Corporate Identification No.: U29263UP1981PLC005446

Notes forming part of Restated Consolidated Financial Information

(All amount are in ₹ millions unless otherwise stated)

- 51 Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Group is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Group has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the financial year are on an "arm's length basis". The Group is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.
- 52 In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. Complying with the directives of Government, the plant and offices of the Group had been under lock-down impacting the operations for the previous year. The second wave of Covid-19 had resulted in re-imposition of partial lockdowns/restrictions but has not significantly impacted the Group's performance during the quarter ended 30 June 2021. Post lifting of the lock down restrictions, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Group does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation.

53 Other statutory information

- (a) The Holding Company and its subsidiaries which are covered under the Act do not have any benami property, where any proceeding has been initiated or pending against the Holding Company and its subsidiaries which are covered under the Act for holding any Benami property.
- (b) The Holding Company and its subsidiaries which are covered under the Act do not have any transactions with companies struck off.
- (c) The Holding Company and its subsidiaries which are covered under the Act do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Holding Company and its subsidiaries which are covered under the Act have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (h) The Holding Company and its subsidiaries which are covered under the Act are not declared wilful defaulter by any bank or financial institution or government or any government authority.
- (i) The Holding Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (j) The Holding Company and its subsidiaries which are covered under the Act has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company and its subsidiaries which are covered under the Act with banks and financial institutions are in agreement with the books of accounts.
- (k) The Holding Company has entered into a scheme of arrangement which does not have a material accounting impact on the Group.
- (l) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during year ended 31 March 2022, 31 March 2021 and 31 March 2020.

54 Restatement adjustments to consolidated audited financial statements of the Group:

Appropriate regroupings have been made in the restated consolidated financial information of assets and liabilities, statement of profit and loss and statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to align them with the accounting policies and classification as per the financial information of the Group for the year ended 31 March 2022 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the ICDR Regulations.

55 Subsequent events

- a) The Board of Directors and shareholders of the Holding Company at their meeting held on 20 June 2022 and 25 June 2022 respectively, have approved stock split of one equity share having face value of ₹ 10 each into ten equity shares having face value of ₹ 1 each.
- b) The Board of Directors and shareholders of the Holding Company at their meeting held on 01 August 2022 and 10 August 2022 respectively, have approved a sum of ₹ 63.39, being a part of the amount standing to the credit of surplus in statement of profit and loss of the Holding Company as on 31 March 2022, be capitalized and applied for the purpose of issuance of 63,390,000 equity shares of ₹ 1 each to be allotted and credited as fully paid up bonus shares to such members holding fully paid up equity shares as per the record of depositories as the beneficial owner of shares on 20 August 2022 ("Record date") in the proportion of 3 bonus equity shares for every 2 existing equity shares (3:2) held by such persons respectively on the record date.
- c) The Board of Directors and shareholders of the Holding Company at their meeting held on 01 August 2022 and 10 August 2022 respectively, accorded/granted to undertake an initial public offering of equity shares and an offer for sale of equity shares by existing shareholders of the Company as per SEBI ICDR Regulations.
- The impact of above mentioned stock split and bonus shares has been considered retrospectively for the purpose of calculation of basic and diluted earnings per share for current year and previous years. Refer note 37.

As per our report of even date attached.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

For **V. Awasthi & Arvind Shrish**

Chartered Accountants

Firm's Registration No. : 008099C

For and on behalf of the Board of Directors of

Lohia Corp Limited**Tarun Gupta**

Partner

Membership No. 507892

Vivek Awasthi

Partner

Membership No 074590

Raj Kumar Lohia

Chairman & Managing Director

DIN: 00203659

Naresh Kumar Gupta

Independent Director

DIN: 00214602

Place : New Delhi**Date :** 27 August 2022**Place :** New Delhi**Date :** 27 August 2022**Shikha Srivastava**

Company Secretary

Membership No. A22406

KG Gupta

Chief Financial Officer

Place : New Delhi**Date :** 27 August 2022

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company, for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 (“**Audited Financial Statements**”) are available on our website at <https://www.lohiagroup.com/INVESTOR-RELATIONS>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	<i>(₹ in million, unless otherwise mentioned)</i>		
	Fiscal		
	2022	2021	2020
Restated Profit for the period /year attributable to the Owners of the Company (A)	1,519.98	1,218.97	390.71
Shares outstanding at the end of the year (absolute) (B)	4,226,000	4,550,000	4,850,000
Basic Restated Earnings per Equity Share (Face value of Re 10/- each (C=A/B) (in ₹)	359.67	267.91	80.56
Diluted Restated Earnings per Equity Share (Face value of Re 10/- each (D=A/B) (in ₹)	359.67	267.91	80.56
Weighted average number of equity at the year-end for the calculation of basic and diluted loss per share-post issuance of bonus to equity shareholders and stock split (absolute) (E)	108,747,973	111,594,110	111,890,000
Basic profit per share from profit/(loss) attributable to owners of company operations (F=A/E) (in ₹) - post issuance of bonus to equity shareholders, subdivision of equity shares	13.97	10.91	3.48
Diluted profit per share from revenue from operations (G=A/E) (in ₹)	13.97	10.91	3.48
Reconciliation of return on net worth			
Net worth (A)	4,915.57	5,395.73	5,272.43
Restated Total comprehensive Profit for the period /year attributable to owners of company (B)	1,549.86	1,360.59	275.26
Return on net worth (%) (C=B/A)	31.53%	25.22%	5.22%
Reconciliation of net asset value per share			
Net worth (A)	4,915.57	5,395.73	5,272.43
Number of equities outstanding at the end of the year (absolute) (B)	4,226,000	4,550,000	4,850,000
Net asset value per Share (₹) (C=A/B)	1,163.17	1,185.87	1,087.10
Number of equity shares outstanding at the end of the year taking into account bonus issue and stock split of equity shares post the balance sheet (absolute) date (D)	105,650,000	108,890,000	111,890,000
Net asset value per Share (₹) (E=A/D) (in ₹)	46.53	49.55	47.12
Restated Profit for the year (A)	1,608.47	1,193.04	388.47
Income tax expense (B)	412.14	477.71	60.22
Exceptional items (C)	52.07		

Particulars	Fiscal		
	2022	2021	2020
Restated profit before exceptional items and tax (D=A+B+C)	2,072.68	1,670.75	448.69
Finance costs (E)	100.51	153.43	240.41
Depreciation and amortization expense (F)	607.70	430.43	340.28
Other Income (G)	417.18	321.99	158.98
EBITDA (H=D+E+F-G)	2,363.71	1,932.62	870.40

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2020, 2021 and 2022 and should be read in conjunction with "Financial Information" on page 271.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 26. Also see "Risk Factors" and "- Principal Factors Affecting our Results of Operations" on pages 39 and 363, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2020, 2021 and 2022, included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 271.

Unless the context otherwise requires, in this section, references to "we", "us" and "our" refer to Lohia Corp Limited on a consolidated basis while "our Company" or "the Company", refers to Lohia Corp Limited on a standalone basis.

Ind AS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar. Also see "Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page 75.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment Of Machines Market For Technical Textile With Focus On Plastic Woven Fabric/Sacks" dated September 26, 2022 (the "**F&S Report**") prepared and issued by F&S, appointed by us on April 23, 2022 and paid for and commissioned by our Company for an agreed fee in connection with the Offer. A copy of the F&S Report is available on the website of our Company at <https://www.lohiagroup.com/INVESTOR-RELATIONS>. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be material for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – We have commissioned an industry report from Frost & Sullivan (India) Private Limited, which has been used for industry related data in this Draft Red Herring Prospectus." on page 62.*

Overview

We are one of the leading manufacturers globally of machinery and equipment used in the production of technical textile, in particular for manufacturing PP and HDPE woven fabric and sacks ("**Raffia**"), with a global market share of 17.5% across all Raffia machinery and more than 28.7% for machines used in PP/ HDPE fabric making. (Source: F&S Report) We are the market leader in India providing end-to-end manufacturing solutions for the Raffia industry with a market share of more than 80% in terms of value and volume, in the machine segment up to the plastic woven fabric stage in Fiscal 2022. (Source: F&S Report) In addition to machines for the Raffia industry, we are the leading manufacturer in India of spin-draw-wind machines (LOFIL) for PP multifilament yarn (Source: F&S Report) that is used in upholstery (furnishing fabrics, curtains, among others), filter fabrics, liners (used in suitcases, backpacks, among others) fishing nets, sports nets, decorative laces and as sewing yarn in various applications in the Raffia industry. We also manufacture winders and rewinders for high performance fibres such as carbon fibre, glass fibre and artificial grass. Products manufactured using our machines are used across several industries as packaging application, such as packing of cement, fertilizer, chemicals, polymer, food grain, minerals, shopping bags, leno bags, FIBCs and container liners. They are also utilised in non-packaging applications, such as wrapping fabric, roof underlayment, lumber wrap, pond liner, tarpaulin, geotextile, geogrid, ground cover, carpet backing, ropes and twines.

Incorporated in 1981 as a joint venture between the Lohia group, through Lohia Engineering Works, and Maschinenfabrik Starlinger & Co. GmbH, Austria, we sold our first product, circular looms, in 1983 and expanded our product portfolio thereafter by introducing tape extrusion line under technical collaboration with Windmüller & Hölscher (Germany) in 1984. We manufacture a comprehensive suite of machinery and equipment such as tape extrusion lines, winders, circular loom, coating and lamination lines, printing machine, conversion machine, multifilament yarn machine, recycling machines, twister winder and monofilament extrusion lines, amongst others. As of March 31, 2022, we supplied our products to over 90 countries. We provide end-to-end solutions for the entire ecosystem of woven plastic, offering services from concept to commissioning, throughout the complete lifecycle of our machinery. We supply machinery and equipment through a global sales network, and, as of March 31, 2022, in addition to our four sales offices in India and one corporate office, which also performs sales and marketing functions in India, we have five international offices located in Brazil, Russia, Thailand, UAE and USA, as well as exclusive sales agents in 22 countries across continents, including regions such as Latin America, Europe, Middle East and Africa.

Technical textile involves textile materials and products manufactured primarily for their performance and functional properties rather than their aesthetic or decorative characteristics and are used to produce engineered or performance-based products which are used in diverse applications. (Source: F&S Report) Raffia is plastic resin based woven fabric which is further processed to produce woven sacks, FIBC and other industrial and special purpose products. (Source: F&S Report) Raffia packaging is recognised as an industrial packaging solution which is cost effective, light weight, easy to handle, durable and is recyclable. (Source: F&S Report) Globally, woven Raffia market is expected to increase at a CAGR of 6.3% from US\$ 59 billion in 2021 and is expected to reach US\$ 80 billion in 2026. (Source: F&S Report) In India, the technical textiles market is expected to grow at a CAGR of 8.25% between 2020 and 2025, from US\$ 18.9 billion to US\$ 28.1 billion. (Source: F&S Report) Of this, the Indian plastic Raffia market in particular stood at US\$ 4.34 billion in Fiscal 2020, with a share of 23% of the total technical textile market in India. In addition, India has the second largest market for woven sack machines, backed by the fact that India is the largest FIBC exporter in the world. (Source: F&S Report)

As of March 31, 2022, the aggregate extrusion capacity of the manufacturing machinery and equipment sold by us was 6.84 million MT. (Source: F&S Report) As of March 31, 2022, we had sold approximately 84,218 circular weaving looms, over 1,989 tape extrusion lines and over 547,972 winders. (Source: F&S Report) Of the total extrusion capacity sold by us, as of March 31, 2022, 4.70 million MT or 68.54% was sold domestically, and 2.15 million MT or 31.46% was exported globally. As of March 31, 2022, we had sold the highest volume of machines in the Raffia industry. (Source: F&S Report) In Fiscal 2020, 2021 and 2022, 52.39%, 76.93% and 79.58%, respectively, of our extrusion capacity sold was sold domestically while 47.61%, 23.07% and 20.42%, respectively, was exported. Certain of our key products include equipment such as tape extrusion lines, tape winders, circular looms, lamination and coating lines, conversion lines and recycling machines which are used in the production of HDPE/PP woven fabric and sacks, which are in turn used for packaging and non-packaging applications.

We own and operate four machine manufacturing facilities, with three in India and one in USA. Of our Indian manufacturing facilities, two are located in Kanpur, Uttar Pradesh and one in Bengaluru, Karnataka with a total area of about 180,000 square meters, and a total built up area of over 112,000 square meters. Our manufacturing facility in USA is located in Burlington, North Carolina. Our operations are supported by our MTTC, where we train individuals to cater to our internal requirements for skilled manpower. We operate the Hargovind Bajaj R&D Centre, a research and development centre, that is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. We also own and operate the TTRC for the woven plastic processing industry, the first-of-its-kind globally (Source: F&S Report), providing an industry development training ecosystems that assists our customers' workforce requirements. Our TTRC is also accredited by the National Accreditation Board for Testing and Calibration Laboratories for testing and quality control services as per the Bureau of Indian Standards.

We have developed in-house capabilities to deliver evolving technologies, and continue to invest in research and development. As of March 31, 2022, we had been granted over 26 patents and have applied for 58 patents that are currently at various stages of approval. Against these Indian patents granted or applications made, we have also made more than 58 international applications under the PCT, each of which is further extended to specific foreign countries, depending on the relevant level of business interest in the respective countries. Through this process, we have either made applications for, or have already been granted, patents in more than 30 countries as of March 31, 2022. We are among the top 50 Indian brands based on PCT filings in the last three years (Source: F&S Report).

We consistently endeavour to expand our product offerings and solutions to our customers. As part of our focus on innovation, we have launched new and advanced products from time to time. We launched Blokomatic, a Valve Bottomer Machine with a production capacity of 120 bags per minute. Our LOFIL range of spin-draw-wind lines for polypropylene multifilament yarn offer compact and flexible solutions for varied applications such as upholstery and liners used in suitcases or backpacks. In addition, we have developed the Lohia IoT Gateway hardware, which is deployed in our machines since 2022 to make them IoT enabled. With this upgrade, all data is fetched at the rate of up to 100 values per second, including sensor, input, output and inverter data, amongst others.

We also expanded inorganically through our strategic acquisitions of established companies with an expertise in manufacturing machinery and equipment for technical textile. In 2019, we acquired Leeson Corp, a large textile machinery and equipment manufacturers in the USA, with expertise in winding technology, manufacturing winders, re-winders, take-ups and winders for flanged spool and parallel winding. Through our acquisition of Leeson Corp, we acquired machinery for producing high performance fibres like carbon fibre, glass fibre, aramid fibres and monofilaments like high tenacity polyethylene, artificial grass. More recently, in 2021, we acquired the lamination/ coating machines business for woven fabric from Sundarlam Industries of Bengaluru and incorporated Sundarlam Industries Private Limited, in which our Company has 80% stake. Through these acquisitions, we have been able to add to our product portfolio, expand technical knowledge and consolidate our position in the market.

We are aided in our growth by our qualified senior management team with considerable industry experience. We have a healthy track record of revenue growth and profitability, as evidenced by the growth in our revenue from operations, from ₹ 10,845.65 million in Fiscal 2020 to ₹ 22,374.80 million in Fiscal 2022, at a CAGR of 43.63%, while our EBITDA has grown from ₹ 1,030.22 million in Fiscal 2020 to ₹ 2,766.19 million in Fiscal 2022, at a CAGR of 63.86%.

Principal Factors Affecting Our Financial Condition and Results of Operations

Conditions affecting the demand for end-use products manufactured using our machinery and equipment

Our machines are used in the production of technical textile, particularly Raffia. Accordingly, demand for the machinery and equipment we manufacture is dependent on the demand for end-use products, which have packaging and non-packaging applications across industries such as agriculture, horticulture, fisheries, forestry textiles, architectural and constructional textiles and geotextiles. Globally, the plastic Raffia market is expected to increase at a CAGR of 7% from US\$ 59 billion in 2021 and is expected to reach US\$ 83 billion in 2026. (Source: F&S Report) In India, the technical textiles market is expected to grow at a CAGR of 8.25% between 2020 and 2025, from US\$ 18.9 billion to US\$ 28.1 billion. (Source: F&S Report) Of this, the Indian plastic Raffia market in particular stood at US\$ 4.34 billion in Fiscal 2020, with a share of 23% of the total technical textile market in India. (Source: F&S Report) The production and sale of technical textiles and consequently our sales volumes may be affected by general economic or industry conditions, including seasonal trends in the agriculture sector, recessionary trends in the global and domestic economies, volatility in new housing construction, as well as evolving regulatory requirements, government initiatives, trade agreements and other factors including volatile raw material prices, rising employee expenses and challenges in maintaining amicable labour relations. The cyclical nature of the agriculture and construction industries, both globally and in India, impact the demand for packaging of bulk commodities, that in turn affects demand for machinery and equipment for manufacturing technical textile. In particular, the agricultural sector is inherently seasonal and is further impacted by factors including agricultural commodity prices, costs of fertilizers and adverse weather conditions. Similarly, the construction sector is prone to seasonality owing to factors such as the inconsistent real estate market, economic downturns that cease construction activity, among others. These segments are also affected by macroeconomic conditions. While stronger macro-economic conditions tend to result into higher demand for our machinery, weaker macro-economic conditions tend to result into lower demand. Cuts in federal or central, state and local government investment in infrastructure facilities can also drag down growth rates, leading to reduced activity in these segments, and consequent reduction in the need for products that our machines and equipment are used to manufacture.

A sustained decline in the demand for products produced by our customers could prompt them to cut their production volumes, directly affecting the demand for our machinery and consequently adversely impacting our revenues.

Managing supply chain and operating expenses

Our results of operation and profitability depends on our ability to manage our supply chain and operating costs. We attempt to achieve these through a combination of control measures on input raw material costs, efficiency in

manufacturing, successful vendor development, making continuous improvement in our production processes and quality standards through our advanced R&D and technological capabilities and maintaining low overhead costs.

While we attempt to reduce our dependence on external supply and support services through in-house production processes for certain machinery that we require as part of our operations, we also rely on external suppliers for screws, barrels, dies and electrical and electronic control systems. To this extent, we are dependent upon our suppliers' ability to meet quality specifications and delivery schedules. We also procure certain key components such as electrical motors, sensors, PLC systems, invertors and gear boxes, required for manufacturing our tape extrusion lines, circular looms and conversion machines from limited suppliers in India, Europe, Japan and USA. The inability of a supplier to meet these requirements, the loss of a significant supplier, or work stoppages could have an adverse effect on our ability to meet our customers' delivery requirements.

Further, the cost of our key raw materials and commodity, such as steel, is susceptible to volatility in commodity prices. In Fiscal 2020, 2021 and 2022, our cost of materials consumed and changes in inventories of finished goods and work-in progress was ₹ 6,153.60 million, ₹ 7,922.29 million and ₹ 15,157.50 million, respectively. As a percentage of total income, our cost of materials consumed and changes in inventories of finished goods and work-in progress was 55.92%, 58.00% and 66.50% in Fiscal 2020, 2021 and 2022, respectively. Given the nature of our business, spreading of fixed production costs over higher production volumes, management of our operating costs and efficiencies helps us maintain our competitiveness and profitability. We continually undertake efforts to reduce our costs in order to protect our margins, such as by engaging with a diversified set of suppliers, outsourcing non-critical processes, improving operational efficiencies and manufacturing processes and negotiating volume discounts.

Our products and customers

Our financial performance is driven by, and a key factor to our future success is, our ability to continue to provide end-to-end solutions. We are one of the leading manufacturers globally of machinery and equipment used in the production of technical textile, in particular for manufacturing PP and HDPE Raffia, with a global market share of 17.5% across all Raffia machinery and more than 28.7% for machines used in PP/ HDPE fabric making. (Source: F&S Report) Some of our key products include equipment such as tape extrusion lines, tape winders, circular looms and other machines and equipment which are used in the production of HDPE/PP woven fabric and sacks, and which are in turn used for the packaging and non-packaging applications. Products manufactured from our machines are used across several industries for packaging application, such as packing of cement, fertilizer, chemicals, polymer, food grain, minerals, among others and are also used as shopping bags, leno bags, FIBCs and container liners. They are also utilised in non-packaging applications, such as wrapping fabric, roof underlayment, lumber wrap, pond liner, tarpaulin, geotextile, geogrid, ground cover, carpet backing, ropes and twines. We offer a diversified mix of products, deliver value for our customers and intend to increase our customer base in a cost-effective manner and deepen our relationships with our existing customers.

In Fiscal 2022, 68.07% of our income from sale of goods amounting to ₹ 15,230.20 million was derived from the manufacture of machines up to the fabric making stage that include tape extrusion lines, winders and circular looms. Further, through our focus on R&D, we have established and refined our assembly, configuration and test processes to maintain our quality level and delivery timing. We have been the pioneers of certain technology now utilised in the Raffia industry and have been granted certain patents in connection with such technology. With continuous investments to upgrade our in-house manufacturing capabilities together with our state-of-the-art research and development facility, we have continued to introduce advanced machinery and equipment for extrusion and winding, weaving and machinery and equipment for lamination and coating, conversion and PP multifilament extrusion lines.

Our machinery and equipment are designed and manufactured in accordance with international quality standards and customized to specific customer requirements, which has enabled us to supply machinery to most of the leading names in the Indian Raffia industry, with many of whom our Company has business relationships for over 15 years. Globally as well, some of the major Raffia industry players have machines exported by our Company. For further information, see “*Our Business – Business Operations – Customers*” on page 199. In several instances, we engage closely with our customers from concept to commissioning, throughout the complete lifecycle of our machinery.

Thus, our future results of operations are dependent upon, among other factors, our ability to continue to produce our systems and components more efficiently by using our extensive in-house technology and application software and integration capabilities and to continue to innovate and invest in product development to drive sales of additional and/or improved products to existing and/or new customers. Changes in the outsourcing strategy of our

customers or increased competition from other manufacturers of machinery and equipment for technical textiles as they develop differentiated and innovative products that compete with our systems and components could have an adverse impact on our business, results of operations, financial condition and cash flows. See “*Risk Factor – We face significant competitive pressures in our industry. Our inability to compete effectively would be detrimental to our business and prospects for future growth.*” on page 42.

Production capacities and operating efficiencies

We own and operate four manufacturing facilities, with two in Kanpur, Uttar Pradesh, one in Bengaluru, Karnataka as well as one in North Carolina, United States of America, that we acquired in 2019 pursuant to our acquisition of Leeson Corp. The following table sets out certain information regarding our manufacturing facilities:

Name / Location	Nature of title	Area (square meters)	Products manufactured
Chaubepur, Kanpur, Uttar Pradesh	Owned property	126,000	- Tape extrusion lines - Winders - Coating and lamination lines - Conversion machines - Multifilament spin-draw-wind lines
Panki Industrial Estate, Kanpur, Uttar Pradesh (including Lohia Packaging Solutions)	Leased property	48,000	- Circular looms - Plastic woven fabric/sacks and FIBC
Peenya Industrial Area, Bengaluru, Karnataka	Leased property	9,000	- Conversion machines - Circular looms - Printing machine
Burlington, North Carolina, United States of America	Leased property	5,217	- Precision Winders and Re-winders for high performance fibres

Our increasing levels of automation coupled with our continuous production process enhancement enables us to enhance our manufacturing efficiency. Our sophisticated and technologically advanced production capabilities provide cost and operational efficiencies, and our scale of operations offers market knowledge, operational best practices, economies of scale, optimal investment planning, and capital expenditure. The following tables sets forth information relating to the registered capacity and capacity utilization of our major products as of, and for, the years ended March 31, 2022, 2021 and 2020:

Product ⁽²⁾	As of March 31,								
	2020			2021			2022		
	Registered Capacity ⁽¹⁾	Annual Actual Production	Capacity Utilization (%)	Registered Capacity ⁽¹⁾	Annual Actual Production	Capacity Utilization (%)	Registered Capacity ⁽¹⁾	Annual Actual Production	Capacity Utilization (%)
Tape extrusion line	180	110	61.11%	180	125	69.44%	240	219	91.25%
Tape winders	36,000	30,068	83.52%	36,000	36,809	102.25%	108,000	64,772	59.97%
Circular looms	6,000	4,350	72.50%	6,000	5,150	85.83%	12,000	8,898	74.15%

Notes:

⁽³⁾ We determine the registered capacity of our Company, based on the reports that we submit to Secretariat for Industrial Assistance, Ministry of Commerce & Industry. The calculation of registered capacity is based on certain assumptions. Assembling capacities of different machines, availability of covered surface area, capacity of handling equipment and adjusting it for a wide range of actual processes and batch sizes.

⁽⁴⁾ Other machines and equipment are manufactured based on orders placed, and are vendor and supply-chain based, which could also mean our Company provides a purely assembly function. Accordingly, it is not meaningful to track installed capacity.

The information relating to the estimated annual installed capacities of our manufacturing facilities are based on various assumptions and estimates made by our management and M/s Srajan Consultants, independent chartered engineer pursuant to certificate dated September 29, 2022. These assumptions and estimates may vary significantly from the assumptions or estimates taken into account by other manufacturing companies in calculating the estimated annual installed capacities of their manufacturing facilities. As such, undue reliance should not be placed on the registered capacity information of our facilities, and consequently on the utilization rates of these facilities.

In the event we expand our existing manufacturing facilities or set up additional manufacturing facilities, we expect to achieve further economies of scale. Finally, we continue to realize cost savings through centralized deployment and management of engineering, maintenance, accounting and other support functions by applying our enterprise resource planning system and control mechanisms at the manufacturing facilities owned and operated by us.

Acquisitions and divestments

Our business strategies are focused on enhancing our market position by continuously improving the competitive differentiation of our product portfolio, focusing on our strengths and core competencies, and broadening our focus in technical textiles beyond the Raffia industry. We have historically expanded our business through a combination of organic growth and acquisitions. For example, we have in the past acquired Leesona Corp in the United States, in 2019. (*Source: F&S Report*) We have been able to leverage Leesona's reputation for excellence and their record of reliable performance, along with their product portfolio and specialization in the technical textile industry, to complement our business verticals and operations. Further, in 2021, we have acquired the lamination / coating machines business for woven fabric from Sundarlam Industries, Bengaluru and incorporated Sundarlam Industries Private Limited, in which our Company has 80% stake. We expect that the acquisition will bring about synergies in the business for woven plastic industry with more focus on machines for the post-fabric making stage. The acquisition of lamination/ coating machine business for woven fabric from Sundarlam Industries has enabled us to enter the segment of medium-speed lower-priced machines that are required for certain market segments where highly automated high-speed machines otherwise manufactured by our Company are not utilised. Although the core of our strategy is to continue to achieve growth organically through investment in our technological capabilities, new product development, business development skills and customer relationships with focus on after-sales-services, we continue to evaluate inorganic growth opportunities such as acquisitions and strategic alliances that may provide us with complementary technologies. Each new acquisition that we complete may materially affect the overall results of our operations and financial profile. For further information on the divestments and the acquisition, see "*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*" on page 214.

Global operations and foreign exchange

We supply machinery and equipment that we manufacture through a widely entrenched global sales network, and as of March 31, 2022, in addition to our four sales offices in India and one corporate office, which also performs sales and marketing functions in India, we have international offices located in Brazil, Russia, Thailand, UAE and United States, as well as sales agents in 22 countries across continents, including regions such as Latin America, CIS, Asia Pacific, Middle East and Africa. Further, we depend on exports for a portion of our revenue from operations and as of March 31, 2022, our customer base comprised over 2,000 customers in over 90 countries. Our results of operations are dependent on the overall economic conditions in the markets in which we operate, globally and in India, since our revenue from exports in Fiscal 2020, 2021 and 2022 amounted to ₹ 4,889.46 million, ₹ 4,147.85 million and ₹ 5,484.71 million, respectively, and accounted for 45.08%, 31.10% and 24.51% of our total revenue from operations in such periods. Accordingly, a large portion of our revenue and some part of our costs are denominated in US dollars and Euro. As a result of our substantial international operations, we are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies. We employ financial instruments, primarily forward contracts to hedge certain of our foreign currency exchange risks relating to our business. Since our reporting currency is Indian rupee, all foreign currency transactions including sales, purchases and expenses are translated into Indian rupees. Due to its inherent net dollar long position, depreciation of the Indian rupee against these foreign currencies will generally have a positive effect on our reported revenues and operating income and appreciation of the Indian rupee against US Dollar will generally have a negative impact on our reported revenues and operating income.

Our business and the industry in which we operate is subject to substantial government regulation, including tax laws in foreign jurisdictions in which we have a presence which may differ by state, region and country. Changes in tax laws and treaties or tax rates, the resolution of tax assessments or audits by various tax authorities could adversely affect our results of operations. These government regulatory changes may also support or impede the business of our customers and consequently impact our business. Any of these outcomes could affect our financial condition and results of operations.

Our overseas business and growth initiatives are also exposed to changes in international tariffs, trade relations and policies, including renegotiated trade agreements and imposition of tariffs that make unjustified, unreasonable

or discriminatory trade actions impacting the countries in which we have a presence. Our sales may also be impacted by changes in tariffs applicable on our products or on our customers' products. Change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Innovation and R&D

To increase our market share and maintain our margins, we plan to continue to invest in research and development capabilities to develop technologically advanced machinery and equipment to assist our customers in meeting the market demands for high speed, high volume, technical textile production, free of defects. We believe that our growth from medium to long term will significantly depend on the effectiveness of our investments to design and introduce innovative new products and enhance existing products. In particular, with the growing demand for recycling machinery globally, our success will also depend on our ability to optimize the recycling process for our customers in the Raffia industry, through developing product offerings to cater to the market for post-consumer recycling for non-food grades. See *“Our Business – Our Competitive Strengths – Technology-driven operations with a strong focus on innovation-led research and development”* on page 182 for details on our research and development processes. For Fiscal 2019, 2020 and 2021, our total expenditure on R&D amounted to ₹ 685.07 million, ₹ 286.43 million and ₹ 337.39 million in Fiscal 2020, 2021 and 2022, respectively, and constituted 6.32%, 2.15% and 1.51% of our revenue from operations for the corresponding periods. As at March 31, 2022, we had 152 on-roll employees engaged in R&D activities, representing approximately 7.67% of our total on-roll manpower. Although we spend significant amounts on our R&D capabilities, we strive to do so in a cost effective, targeted manner in line with our goal of making new technologies available to our customers and expanding our customer base.

Presentation of Financial Information

Our restated consolidated statement of assets and liabilities as at March 31, 2020, March 31, 2021 and March 31, 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, the summary statement of significant accounting policies, and other explanatory information, are collectively referred to as **“Restated Consolidated Financial Information”**.

The Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2021 and March 31, 2022, prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

Significant Accounting Policies

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires the use of judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Determining the lease term of contracts with renewal and termination options – as lessee

We determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options, we apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, we consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, we reassess the lease term if there is a significant event or change in circumstances that is within our control and affects our ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Leases - estimating the incremental borrowing rate

We cannot readily determine the interest rate implicit in the lease, therefore, we use our incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provisions and contingent liabilities

We estimate the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

We use significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within our control or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Allowance for expected credit loss

The allowance for expected credit loss reflects our estimate of losses inherent in our credit portfolio. This allowance is based on our estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of our Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements. Refer Note 14 for methodology to estimate allowance for expected credit losses in respect of our trade receivables.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects our estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements. Refer Note 13 for disclosure of such allowance.

Useful lives of property, plant and equipment and intangible assets

We review our estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain plant and equipment.

Defined benefit obligations (DBO)

Our estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Refer Note 42 for key assumptions used in developing estimate of DBO.

Provision for warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. We estimate the

provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. We use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amounts of our non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which we have based our determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent our best estimate about future developments.

Current/non-current classification

All assets and liabilities have been classified as current or non-current as per our normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, we have ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended to be sold or consumed in our normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in our normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- We do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of our entities at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization /settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the statement of profit and loss. Financial instruments designated as hedge instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in the statement of profit and loss.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into Rupees, the functional currency of our Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any. At the point, when asset is operating at our intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use. The cost of improvements to leasehold premises, if recognition criteria are met, are capitalised and disclosed separately under leasehold improvement.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. As per our assessment, property plant and equipment does not comprises any significant components with different useful life.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the statement of profit and loss when such asset is derecognised.

Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to us and the cost of the item can be measured reliably. All other subsequent costs are charged to the statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, we have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. We believe that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant and equipment	1 to 20	5 to 20
Furniture and fixtures	5-10	10
Vehicles	5-8	6 to 10
Office equipment	3-16	5
Computers	3-5	3

Land freehold is not depreciated.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by us, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to us and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Though we measure investment properties using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are based on an annual evaluation for the respective area.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the statement of profit and loss in the period of de-recognition.

Intangible assets

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to us and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

De-recognition

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets under Development.

Subsequent cost

Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in statement of profit and loss, as incurred.

Amortisation

Amortisation of intangible assets is calculated over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year. Amortisation has been charged based on the following useful lives:

Asset category	Useful life (in years)
Technical knowhow	4-5
Patents	4-5
Software	3-6

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Assets held for sale

Non-current assets or disposal group comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

- a) decision has been made to sell
- b) the assets are available for immediate sale in its present condition.
- c) the assets are being actively marketed, and
- d) sale has been agreed or is expected to be concluded within 12 months of the Balance sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non current assets held for sale are not depreciated or amortised.

Leases

Company as lessee

We assess if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

We recognize a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Group is reasonably certain to exercise these options. The lease liability

is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lessor transfers the ownership of the underlying asset to us at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur.

Company as lessor

When we act as a lessor, we determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, we make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, we consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

When we are an intermediate lessor, we account for interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

We recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

Impairment of non-financial assets

At each balance sheet date we review carrying values of our non-financial assets and assess whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount, being higher of fair value less costs of disposal and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. 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. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. For assets, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, we estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

We pay contribution under provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme, part of the pension fund scheme and social security for eligible employees. We recognize contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. We have no obligations other than to make the specified contributions.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans are the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences

The liabilities for compensated absences that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Revenue recognition

Sale of goods

Sales are recognised when control of the products is transferred, which happens when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the acceptance of the products by the customer.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts and incentive schemes and the revenue is only recognised to the extent that it is highly probable that a significant reversal in the revenue will not occur. A refund liability (included in other current liabilities) is recognised for the variable consideration payable to the customer in relation to sales made until the end of the reporting period. Revenue is net of sales returns. The validity of assumptions used to estimate variable consideration and expected return of products is reassessed annually.

A receivable is recognised when the goods are delivered as this is the point in time when the consideration is unconditional because only passage of time is required before the payment is due.

Service revenue

Service income is recognised on accrual basis in the accounting period in which the services are rendered as per the contractual terms with the customers.

Rental income

Revenue in respect of rental and maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when we satisfy performance obligations by delivering the services as per contractual agreed terms.

Sale of scrap

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Interest income

Interest income is recognized on time proportion basis using the effective interest rate method.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Export incentive

Export incentive is recognized when it is reasonably certain that the collection will be made.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and we will comply with all attached conditions.

Government grants that compensate us for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

Inventories

Raw materials and stores, work in progress, stock-in-trade and finished goods

Raw materials and stores, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade comprises cost of purchases.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating

capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on a weighted average basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Spare parts including other items are carried on weighted average basis.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. We hold the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Trade and other payables

These amounts represent liabilities for goods and services provided to us prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid as per our payment cycle. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions, contingent assets and liabilities

Provisions

Provisions for legal claims and warranties are recognised when we have a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which we have applied the practical expedient, we initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or

loss, transaction costs. Trade receivables that do not contain a significant financing component or for which we have applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Our business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that we commit to purchase or sell the asset.

Subsequent measurement

Financial assets carried at amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

Investments in mutual funds and other investments – Investments in mutual funds and other investments are subsequently measured at fair value through profit and loss (FVTPL).

Impairment of financial assets

In accordance with Ind-AS 109, we apply expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets are measured at amortised cost e.g., loans, deposits and trade receivables
- Trade receivables under Ind-AS 115.

We follow 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require us to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, we determine whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, we use a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, we do not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, we combine financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from our balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- We have transferred rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or has entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, our Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Re-classification of financial assets

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Our senior management determines change in the business model as a result of external or internal changes which are significant to our operations. Such changes are evident to external parties. A change in the business model occurs when we either begin or cease to perform an activity that is significant to its operations. If we reclassify financial assets, we apply the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. We do not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Measurement of fair values

In determining the fair value of its financial instruments, we use a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Assets and liabilities are to be measured based on the following valuation techniques:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

Cost approach – Replacement cost method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable –inputs)

When measuring the fair value of an asset or a liability, we use observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

We recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). We periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that we will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which we recognise MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. We review the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 41 for segment reporting policy and disclosure.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents is as defined above.

Earnings per share

We present basic and diluted earnings per share (‘EPS’) data for its equity shares. Basic EPS is calculated by dividing the statement of profit and loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting statement of profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of our Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

Measurement of profit before finance costs, depreciation and amortisation expense, exceptional items and tax expense

We have elected to profit before finance costs, depreciation and amortisation expense, exceptional items and tax expense as a separate line item on the face of the statement of profit and loss.

In the measurement, we include interest income but does not include finance costs, depreciation and amortization expense, exceptional item and tax expense.

Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case-to-case basis, mainly following items would be evaluated for disclosure as exceptional items:

- Provision for other than temporary diminution in the value of non-current investment.
- In case of other significant item of income or expense, not covered above, the same would be evaluated on a case-to-case basis for disclosure under exceptional items.

Amendment to Accounting Standards (Ind AS) issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. We do not expect the amendment to have any significant impact on our financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. We do not expect the amendments to have any impact on our financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and we do not expect the amendment to have any significant impact on our financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. We do not expect the amendment to have any significant impact on our financial statements.

Non-GAAP Measures

EBITDA, EBITDA Margin, ROCE and certain other financial measures (together, “**Non-GAAP Measures**”), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that

is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS, US GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS, US GAAP or any other GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS, US GAAP or any other GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA and EBITDA Margin, ROCE and ROE

EBITDA and EBITDA Margin

EBITDA is calculated as profit after tax plus tax expense, finance cost, depreciation and amortization expenses, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	Fiscal		
	2020	2021	2022
	(₹ million)		
Profit after tax (A)	389.31	1,207.84	1,593.77
Tax Expense (B)	(60.22)	(477.71)	(412.40)
Profit before tax (C=A+B)	449.53	1,685.55	2,005.91
Add: Finance costs (D)	240.41	153.43	100.51
Add: Depreciation and amortisation expense (E)	340.28	430.43	607.70
Add: Exceptional Items (F)	-	-	52.07
Earnings before interest, taxes, depreciation and amortisation expenses & exceptional items (EBITDA) (G= C+D+E+F)	1,030.22	2,269.41	2,766.19
Revenue from operations (H)	10,845.65	13,337.86	22,374.8
EBITDA Margin (EBITDA as a percentage of revenue from operations) (I = G/H) (%)	9.50%	17.01%	12.36%

ROCE

ROCE is defined as Operating EBIT (EBITDA less depreciation and amortization) divided by adjusted capital employed (total assets less goodwill on consolidation, intangible assets, intangible assets under development and current liabilities at the end of the period).

	Fiscal		
	2020	2021	2022
	(₹ in millions)		
EBITDA (A)	1,030.22	2,269.41	2,766.19
Less:			
Depreciation and amortisation (B)	340.28	430.43	607.70
Operating EBIT (C = A-B)	689.94	1,838.98	2,158.49
Total assets (D)	12,257.95	13,956.10	14,672.02
Less:			
Goodwill on consolidation (E)	69.35	69.54	21.23
Other intangible assets (F)	48.43	45.11	23.78
Adjusted total assets (G= D-(E+F))	12,140.17	13,841.45	14,627.01
Less:			
Current liabilities (H)	5,300.65	6,568.53	6,890.01
Adjusted capital employed (I=G-H)	6,839.52	7,272.93	7,737.00
Return on capital employed ("ROCE") (J=C/I)	10.09%	25.29%	27.90%

Principal Components of Statement of Profit and Loss

Income

Our total income comprises revenue from operations and other income. We generate majority of our revenue from the sale of tape extrusion lines, winders, circular looms, multifilament spin-draw-wind lines and coating and lamination lines manufactured by us, which is machinery used for the manufacturing of technical textiles across India and different parts of the world.

Expenses

Cost of Materials Consumed, Purchases of Stock-in-trade, and Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade

Cost of materials consumed primarily includes the cost of raw materials, such as steel, parts/ components made to drawings, standard bought-out items etc.

Changes in inventories of finished goods, work-in-progress and stock-in-trade denotes increase/decrease in inventories of finished goods, work in progress and stock-in-trade between opening and closing dates of a reporting period.

Employee Benefits Expense

Employee benefit expenses primarily include salaries and wages, contribution to provident and other funds and staff welfare expenses.

Depreciation and Amortization Expense

Depreciation and amortization expense primarily include depreciation expenses on our property, plant, equipment and on investment property and amortization expenses on our other intangibles and right of use assets.

Finance Costs

Finance costs include interest expenses on borrowings, interest on lease liability, exchange difference regarded as an adjustment to borrowing costs and interest on others.

Other Expenses

Other expenses primarily comprise of manufacturing, administrative and selling and distribution expenses.

Manufacturing expenses mainly consist of expenses in relation to consumption of stores and spares, power and fuel, repairs and maintenance towards plant and equipment, buildings and others.

Administrative expenses mainly consist of legal and professional charges, travelling and conveyance expenses, vehicle running and maintenance.

Selling and distribution expenses mainly comprise of commission on sales, freight and forwarding, warranty expenses and advertisement and marketing.

In addition, miscellaneous expenses include security services, staff recruitment expenses, printing and stationery expenses, warehouse management expenses and other expenses.

Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Profit for the Year

Profit for the year represents profit after tax.

Results of Operations

The following table sets forth select financial data from our statement of consolidated profit and loss for Fiscals 2020, 2021 and 2022, the components of which are also expressed as a percentage of total income for such periods.

	Fiscal					
	2020		2021		2022	
	(₹ million)	Percentage of Total Income	(₹million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
Income						
Revenue from operations	10,845.65	98.56%	13,337.86	97.64%	22,374.80	98.17%
Other income	158.98	1.44%	321.99	2.36%	417.18	1.83%
Total income	11,004.63	100%	13,659.85	100%	22,791.98	100%
Expenses						
Cost of materials consumed	5,995.59	54.48%	7,541.32	55.21%	14,279.06	62.65%
Purchases of stock-in-trade	338.96	3.08%	589.44	4.32%	1,271.34	5.58%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(180.95)	(1.64%)	(208.47)	(1.53%)	(392.90)	(1.72%)
Employee benefits expense	1,550.43	14.09%	1,501.54	10.99%	1,925.32	8.45%
Other expenses	2,270.38	20.63%	1,966.61	14.40%	2,942.97	12.91%
Expenses before finance costs, depreciation and amortisation expense, exceptional items and tax	9,974.41	90.64%	11,390.44	83.39%	20,025.79	87.86%
Profit before finance costs, depreciation and amortisation expense, exceptional items and tax	1,030.22	9.36%	2,269.41	16.61%	2,766.19	12.14%
Finance costs	240.41	2.18%	153.43	1.12%	100.51	0.44%
Depreciation and amortisation expense	340.28	3.09%	430.43	3.15%	607.70	2.67%
Total expenses	10,555.10	95.92%	11,974.30	87.66%	20,734.00	90.97%
Profit before exceptional items, share of profit/(loss) of associates and joint ventures and tax	449.53	4.08%	1,685.35	12.34%	2,057.98	9.03%
Exceptional items	-	-	-	-	52.07	0.23%
Profit before share of profit/(loss) of associates and joint ventures and tax	449.53	4.08%	1,685.55	12.34%	2,005.91	8.80%
Tax Expense						
Current tax	122.55	1.11%	414.87	3.04%	540.96	2.37%
Tax relating to earlier years	(5.85)	(0.05%)	23.31	0.17%	10.22	0.04%
Deferred tax	(56.48)	(0.51%)	39.53	0.29%	(139.04)	(0.61%)
Total tax expense	60.22	0.55%	477.71	3.50%	412.14	1.81%
Profit before share of profit/(loss) of associates and joint ventures and after tax	389.31	3.54%	1,207.84	8.84%	1,593.77	6.99%
Share of net profit/(loss) of associates and joint ventures	(0.84)	(0.01%)	(14.80)	(0.11%)	14.70	0.06%
Profit for the year/period	388.47	3.53%	1,193.04	8.73%	1,608.47	7.06%

Fiscal 2022 compared to Fiscal 2021

Income

Our total income increased by 66.85% from ₹ 13,659.85 million in Fiscal 2021 to ₹ 22,791.98 million in Fiscal 2022, primarily due to an increase in our revenue from operations and other income as discussed below:

Revenue from operations

Our revenue from operations increased by 67.75% from ₹ 13,337.86 million in Fiscal 2021 to ₹ 22,374.80 million in Fiscal 2022, primarily due to an increase in the sale of manufacturing goods by 65.76% from ₹ 12,543.65 million in Fiscal 2021 to ₹ 20,791.84 million in Fiscal 2022. The increase was due to high demand in the domestic market for our products. Sale of traded goods also increased from ₹ 532.32 million in Fiscal 2021 to ₹ 1,181.25 million in Fiscal 2022.

Other Income

Our other income increased by 29.56% from ₹ 321.99 million in Fiscal 2021 to ₹ 417.18 million in Fiscal 2022, primarily as a result of an increase in net foreign exchange differences from ₹ 17.50 million in Fiscal 2021 to ₹ 94.42 million in Fiscal 2022. In addition, there was an increase in income from government grants (through our availing of the Export Promotion Capital Goods scheme of the GoI) and net gain on disposal of property, plant and equipment.

Expenses

Our total expenses, which primarily included cost of materials consumed, purchases of stock-in-trade, employee benefit expenses and other expenses, increased by 75.81% from ₹ 11,390.44 million in Fiscal 2021 to ₹ 20,025.79 million in Fiscal 2022.

Cost of Materials Consumed

Our cost of materials consumed increased by 89.34% from ₹ 7,541.32 million for Fiscal 2021 to ₹ 14,279.06 million in Fiscal 2022 due to substantial increase in the volume of our business during the year and also due to increase in raw material costs across domestic and imported materials.

Employee Benefits Expense

Our employee benefits expense, which primarily included salaries and other benefits paid to employees engaged by us, increased by 28.22% from ₹ 1,501.54 million in Fiscal 2021 to ₹ 1,925.32 million in Fiscal 2022 due to an increase in number of employees owing to the increased scale of operations and annual increments given to employees in Fiscal 2022.

Finance Costs

Our finance costs decreased by 34.49% from ₹ 153.43 million in Fiscal 2021 to ₹ 100.51 million in Fiscal 2022 primarily due to a decrease in our interest expense on borrowings from ₹ 150.46 million in Fiscal 2021 to ₹ 97.43 million in Fiscal 2022. This was primarily attributable to efficient treasury management and higher inflow of advances against new orders.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 41.18% from ₹ 430.43 million in Fiscal 2021 to ₹ 607.70 million in Fiscal 2022 primarily due to an increase in depreciation of property, plant and equipment by 46.81% from ₹ 362.28 million in Fiscal 2021 to ₹ 531.85 million in Fiscal 2022.

Other Expenses

Our other expenses accounted for 12.91% and 14.40% of our total income in Fiscals 2022 and 2021, respectively.

Our other expenses increased by 49.65% from ₹ 1,966.61 million in Fiscal 2021 to ₹ 2,942.97 million in Fiscal 2022, primarily due to an increase in expenses such as stores and spares consumed, power and fuel, repairs and maintenance to plant and equipment, legal and professional charges, freight and forwarding expenses, commission on sales, warranty expenses and advertisement and marketing expenses.

Exceptional Items

Exceptional items amounting to ₹ 52.07 million during Fiscal 2022 represents loss on disposal of control on joint venture and loss on disposal of subsidiaries, Lohia Aerospace Systems Private Limited, SBI Mechatronik GmbH

and L&S Light & Strong Limited, and impairment of goodwill on consolidation and diminution in value of investment using equity method.

Tax Expense

Our tax expense decreased by 13.73% from ₹ 477.71 million in Fiscal 2021 to ₹ 412.14 million in Fiscal 2022, primarily due to a deferred tax benefit of ₹ 139.04 million in Fiscal 2022 from a deferred tax loss of ₹ 39.53 million in Fiscal 2021. Our current tax on profits increased from ₹ 414.87 million in Fiscal 2021 to ₹ 540.96 million for Fiscal 2022.

Profit for the Year

As a result of the foregoing factors, our profit for the year in Fiscal 2022 was ₹ 1,608.47 million compared to a profit for the year of ₹ 1,193.04 million in Fiscal 2021.

Fiscal 2021 compared to Fiscal 2020

Income

Our total income increased by 24.13% from ₹ 11,004.63 million in Fiscal 2020 to ₹ 13,659.85 million in Fiscal 2021, primarily due to an increase in our revenue from operations and other income as discussed below:

Revenue from operations

Our revenue from operations increased by 22.98% from ₹ 10,845.65 million in Fiscal 2020 to ₹ 13,337.86 million in Fiscal 2021, primarily due to an increase in the sale of manufacturing goods by 23.42% from ₹ 10,163.71 million in Fiscal 2020 to ₹ 12,543.65 million in Fiscal 2021. The increase was due to higher number of machines sold. Sale of traded goods also increased from ₹ 318.86 million in Fiscal 2020 to ₹ 532.32 million in Fiscal 2021.

Other Income

Our other income increased by 102.53% from ₹ 158.98 million in Fiscal 2020 to ₹ 321.99 million in Fiscal 2021, primarily as a result of an increase in (i) net fair value gain on financial assets measured at fair value through profit or loss by 51.73% from ₹ 72.38 million in Fiscal 2020 to ₹ 109.82 million in Fiscal 2021; (ii) net gain on sale of current investments from ₹ 17.47 million in Fiscal 2020 to ₹ 60.47 million in Fiscal 2021; (iii) dividend income from investments measured at fair value through profit or loss from ₹ 0.08 million in Fiscal 2020 to ₹ 30.19 million in Fiscal 2021, and (ii) income from government grants substantially increased from nil in Fiscal 2020 to ₹ 34.29 million on account of our availing of benefits under the Export Promotion Capital Goods scheme of the GoI. This was partially offset by a decrease in other miscellaneous income from ₹ 24.66 million in Fiscal 2020 to ₹ 8.04 million in Fiscal 2021.

Expenses

Our total expenses, which primarily included cost of materials consumed, purchases of stock-in-trade, employee benefit expenses and other expenses, increased by 13.45% from ₹ 10,555.10 million in Fiscal 2020 to ₹ 11,974.30 million in Fiscal 2021.

Cost of Materials Consumed

Our cost of materials consumed increased by 25.78% from ₹ 5,995.59 million in Fiscal 2020 to ₹ 7,541.32 million in Fiscal 2021 due to growth of our operations.

Employee Benefits Expense

Our employee benefits expense, which primarily include salaries and other benefits paid to employees engaged by us, decreased by 3.15% from ₹ 1,550.43 million in Fiscal 2020 to ₹ 1,501.54 million in Fiscal 2021 due to reduction in the remuneration paid to directors and certain employees to manage expenses during the COVID-19 pandemic.

Finance Costs

Our finance costs decreased by 36.18% from ₹ 240.41 million in Fiscal 2020 to ₹ 153.43 million in Fiscal 2021 primarily due to a decrease in our interest expense on borrowings from ₹ 201.67 million in Fiscal 2020 to ₹ 150.46 million in Fiscal 2021. This was primarily attributable to better treasury management and higher inflow of advances against new orders. Further, exchange difference regarded as an adjustment to borrowing costs decreased from ₹ 34.90 million in Fiscal 2020 to nil in Fiscal 2021.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 26.49% from ₹ 340.28 million in Fiscal 2020 to ₹ 430.43 million in Fiscal 2021 primarily due to an increase in depreciation of property, plant and equipment by 30.35% from ₹ 277.92 million in Fiscal 2020 to ₹ 362.28 million in Fiscal 2021.

Other Expenses

Our other expenses accounted for 14.40% and 20.63% of our total income in Fiscals 2021 and 2020, respectively.

Our other expenses decreased by 13.38% from ₹ 2,270.38 million in Fiscal 2020 to ₹ 1,966.61 million in Fiscal 2021, in aggregate, primarily due to a decrease in (i) expenses such as commission on sales from ₹ 425.01 million in Fiscal 2020 to ₹ 252.17 million in Fiscal 2021 compared to; (ii) fees for technical services from ₹ 182.89 million in Fiscal 2020 to ₹ 82.88 million in Fiscal 2021; (iii) advertising and marketing expenses from ₹ 207.87 million in Fiscal 2020 to ₹ 54.67 million in Fiscal 2021, and (iv) miscellaneous expenses from ₹ 217.87 million in Fiscal 2020 to ₹ 130.41 million in Fiscal 2021.

Tax Expense

Our tax expense increased from ₹ 60.22 million in Fiscal 2020 to ₹ 477.71 million in Fiscal 2021, primarily due to an increase in current tax of ₹ 122.55 million in Fiscal 2020 to ₹ 414.87 million in Fiscal 2021.

Profit for the Year

As a result of the aforementioned reasons, our profit for the year for Fiscal 2021 increased by 207.113% to ₹ 1,193.04 from ₹ 388.47 million for Fiscal 2020.

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through internal accruals for organic as well as inorganic expansion and also through borrowings from banks.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated consolidated cash flow statements, for the periods indicated:

	Fiscal		
	2020	2021	2022
	(₹million)		
Net cash generated from operating activities	888.64	4,002.78	1,245.37
Net cash (used in)/generated from investing activities	(1,117.08)	(1,057.62)	(745.89)
Net cash (used in)/generated from financing activities	429.29	(3,105.06)	(660.81)
Cash and cash equivalents at the end of the year	440.72	282.34	117.97

Operating Activities

Net cash generated from operating activities in Fiscal 2022 was ₹ 1,245.37 million, while our operating profit before working capital changes was ₹ 2,518.79 million. The difference was primarily attributable to cash outflows on account of changes in inventories of ₹ 729.62 million, changes in trade receivables of ₹ 182.18 million and

changes in other liabilities of ₹ 252.84 million. This was partially offset by changes in trade payables of ₹ 389.90 million.

Net cash generated from operating activities in Fiscal 2021 was ₹ 4,002.78 million, while our operating profit before working capital changes was ₹ 1,979.22 million. The difference was primarily attributable to cash inflow of ₹ 123.05 million due to changes in trade payables and changes in other liabilities of ₹ 3,184.01 million. This was partially offset by changes in inventories of ₹ 649.73 million and changes in trade receivables of ₹ 113.55 million.

Net cash generated from operating activities in Fiscal 2020 was ₹ 888.64 million, while our operating profit before working capital changes was ₹ 1,130.37 million. The difference was primarily attributable to cash outflows on account of changes in inventories of ₹ 285.83 million and changes in other assets of ₹ 209.02 million. This was partially offset by ₹ 182.05 million due to changes in trade receivables and ₹ 128.99 million due to changes in trade payables.

Investing Activities

Net cash used in investing activities in Fiscal 2022 was ₹ 745.89 million, primarily due to payments made for purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods) of ₹ 1,821.91 million and purchase of investments of ₹ 5,935.68 million. This was partially offset by sales proceeds from investments of ₹ 6,639.90 million.

Net cash used in investing activities in Fiscal 2021 was ₹ 1,057.62 million, primarily due to payments made for purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods) of ₹ 1,702.35 million and purchase of investments of ₹ 4,591.80 million. This was partially offset by sales proceeds from investments of ₹ 4,829.55 million.

Net cash used in investing activities in Fiscal 2020 was ₹ 1,117.08 million, primarily due to payments made for purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods) of ₹ 1,448.04 million. This was partially offset by sales proceeds from investments of ₹ 268.12 million.

Financing Activities

Net cash used in financing activities in Fiscal 2022 was ₹ 660.81 million, and primarily included buyback of equity shares (including distribution of tax) of ₹ 1,997.27 million; Redemption of preference shares on acquisition of subsidiary of ₹ 100.00 million and repayment of non-current borrowings of ₹ 657.09 million partially offset by proceeds from non-current borrowings of ₹ 1,770.68 million and proceeds from current borrowings (net) of ₹ 502.28 million.

Net cash used in financing activities in Fiscal 2021 was ₹ 3,105.06 million and primarily included buyback of equity shares (including distribution of tax) of ₹ 1,220.50 million; Repayment of non-current borrowings of ₹ 1,816.92 million; Repayment of current borrowings (net) of ₹ 1,094.50 million and interest paid on borrowings of ₹ 150.47 million. This was partially offset by proceeds from non-current borrowings of ₹ 1,256.08 million.

Net cash generated from financing activities in Fiscal 2020 was ₹ 429.29 million, which primarily included proceeds from non-current borrowings of ₹ 395.81 million and proceeds from current borrowings (net) of ₹ 394.43 million. This was partially offset by and interest paid on borrowings of ₹ 236.57 million.

Indebtedness

As of March 31, 2022, we had total outstanding financial indebtedness of ₹ 3,165.91 million.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2022, and our repayment obligations in the periods indicated:

Particulars	As at March 31, 2022				
	Total	Less Than 1 Year	1 – 2 Years	2 – 3 Years	More than 3 Years
	(₹ million)				
Current Borrowings					

Particulars	As at March 31, 2022				
	Total	Less Than 1 Year	1 – 2 Years	2 – 3 Years	More than 3 Years
	(₹ million)				
Secured	521.26	521.26	-	-	-
Unsecured	154.56	154.56	-	-	-
Total Current Borrowings (A)	675.82	675.82	-	-	-
Non-current Borrowings					
Secured	2,485.80	-	592.13	592.25	1,301.42
Unsecured	-	-	-	-	-
Total Non-current Borrowings (B)	2,485.80	-	592.13	592.25	1,301.42
Total	3,161.62	675.82	592.13	592.25	1,301.42
Add: Interest accrued but not due on borrowings (including debentures)	4.29	4.29	-	-	-

For further information on our agreements governing our outstanding indebtedness, see “*Financial Indebtedness*” on page 395.

Contractual Obligations

The table below sets forth our contractual obligations as of March 31, 2022. These obligations primarily relate to our contractual maturities of financial liabilities such as borrowings, trade payables lease liabilities and other financial liabilities.

	Total	Less than 1 year	1 year to 5 years	More than 5 years
	(₹million)			
Borrowings	3,165.91	680.11	2,110.68	375.12
Trade Payables	1,819.55	1,819.55	-	-
Other financial liabilities	227.67	227.67	-	-
Lease liabilities	79.19	36.08	43.11	-
Total	5,292.32	2,763.41	2,153.79	375.12

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as of March 31, 2022:

	As of March 31, 2022
	(₹million)
1) Claims against the Group not acknowledged as debts *	43.28
2) Contingent liability of direct and indirect tax **	
Sales tax matters under appeal	3.56
Income Tax	33.63
3) Capital and other commitments	
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	105.69

* Our Company is contesting certain claims filed against the Holding Company by past employees and external parties in various forums. Based on the available documentation and expert views, our Company has created provisions wherever required and for balance matters, we believe that more likely than not, these disputes would not result in additional outflow of resources.

** Our Company is contesting a case in the Hon'ble Allahabad High Court against penalty imposed under section 4B (5) of Uttar Pradesh Trade Tax Act, 1948. Based on the available documents and management views, we believe that more likely than not, these disputes would not result in additional outflow of resources. Our Company has received show cause notice from Income tax department on 27 May 2022, against which our Company has filed reply with the department and waiting for their responses for taking further course of action. Based on the available documentation and tax experts view, our Company believes that more likely than not, these disputes would not result in additional outflow of resources.

Contractual Obligations And Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2022, aggregated by type of contractual obligation:

Particulars	Amount (₹ million)
Commitments	
Capital commitments	105.69
Other commitments & contingencies	-
Total	105.69

For further information on our capital and other commitments, see “*Restated Consolidated Financial Information – Note 39*” on page 327.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include sale of manufacturing goods, purchase of goods and services, director remuneration, among others. Related parties with whom transactions have taken place during the period / year include our subsidiaries, associates, key managerial personnel, among others.

In Fiscal 2020, 2021, and 2022, the aggregate amount of such related party sales transactions was ₹ 171.77 million, ₹ 125.77 million and ₹ 129.58 million, respectively. The percentage of the aggregate value such related party transactions to our revenue from operations in Fiscal 2022, 2021 and 2020 was 0.58%, 0.94% and 1.59%, respectively. For further information see “*Restated Consolidated Financial Information – Note 43*” on page 333.

Quantitative and Qualitative Disclosures about Market Risk

We have exposure to the following risks arising from financial instruments: Credit risk; Liquidity risk and Market risk.

Our board of directors has overall responsibility for the establishment and oversight of our risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring our risk management policies. The committee reports regularly to the board of directors on its activities.

Our risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

Our risk committee oversees how management monitors compliance with our risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by us. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee of our Company.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our receivables from customers.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We maintain flexibility in funding by maintaining availability under committed credit lines. Management monitors our liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Market Risk

Market risk is the risk that arises from changes in market prices such as foreign exchange rates. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk and the market value of the investments. Thus, our exposure to market risk is a function of investing and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in financial assets and unhedged foreign currency, revenues and costs.

Capital Expenditures

The following table sets forth our payment towards purchase of property, plant and equipment, investment property and capital creditors (net) for the periods indicated:

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
	(₹ million)		
Purchase of property, plant and equipment, investment property and capital creditors (net)	1,351.16	1,330.13	1,769.96
Total	1,351.16	1,330.13	1,769.96

For further information, see “*Restated Consolidated Financial Information*” on page 271.

Significant Economic Changes

Other than as described above under “-Principal Factors Affecting Our Financial Condition and Results of Operations,” to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in “-Principal Factors Affecting Our Financial Condition and Results of Operations” and the uncertainties described in “*Risk Factors*” beginning on page 39. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

See “*Risk Factor – The current and continuing impact of the ongoing COVID-19 pandemic on our business and operations has been significant. The impact of the pandemic on our operations in the future, including its effect on the ability or desire of customers to purchase our products, is uncertain and may be significant and continue to have an adverse effect on our business prospects and future financial performance*” for risks of the COVID-19 outbreak on our operations and financial condition.

New Products or Business Segments

There are no new products or business segments in which we operate.

Competitive Conditions

We operate in a competitive environment. See “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 177, 131 and 39, respectively, for further information on competitive conditions that we face.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals are as described in “– *Fiscal 2022 compared to Fiscal 2021*”, “– *Fiscal 2021 compared to Fiscal 2020*” above on pages 385 and 387, respectively.

Segment Reporting

We have the following reporting segments:

- (i) Core business includes manufacturing of complete range of machines required by HDPE /PP woven fabric industry (for plastic woven sacks, FIBC, tarpaulins etc.).
- (ii) Non-core business includes financing industrial enterprise and construction and purchase of land and building and to let them out on lease or rent.

Significant dependence on single or few customers

We are not dependent on a single or few customers.

Seasonality of Business

Our business is not subject to seasonal variations.

Qualification Included by Auditors

There are no qualifications noted by our Joint Statutory Auditors in their report on the Restated Consolidated Financial Information.

Significant Developments After March 31, 2022

Except as stated in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2022, as derived from our Restated Consolidated Financial Information. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Information – Restated Consolidated Financial Information" and "Risk Factors" beginning on pages 361, 271 and 39, respectively.

(₹ in million, unless otherwise stated)

Particulars	Pre-Offer as at March 31, 2022	Adjusted for the proposed Offer*
Total borrowings		
Current borrowings (A)	337.01	[●]
Non-current borrowings (including current maturities of long-term debts) (B)	2,828.90	[●]
Total borrowings (C)	3,165.91	[●]
Total equity		
Equity share capital	42.26	[●]
Other equity	4,873.31	[●]
Total equity (D)	4,915.57	[●]
Total non-current borrowings (including current maturities of long-term debts)/Total equity (B)/(D)	0.58	[●]
Total borrowings/ Total equity (C)/(D)	0.64	[●]

* The corresponding post offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries have availed credit facilities in their ordinary course of business for purposes such as, *inter alia*, meeting their working capital requirements and general corporate purposes. For further details regarding the borrowing powers of our Board, see “*Our Management - Borrowing Powers of our Board*” on page 244.

As on March 31, 2022, we had outstanding borrowings of ₹ 3,299.35 million on a consolidated basis. The details of such borrowings are set forth below:

Category of borrowing	Sanctioned amount as on March 31, 2022	Outstanding amount as on March 31, 2022
Borrowings of the Company		
Secured		
Term loan	3,450.00	2,828.90
Working Capital Facilities		
• Fund based working capital loan (includes term loan, cash credit, overdraft facility,)	1,450.00	182.45
• Non-fund based working capital loan (includes letter of credit)	500.00	133.44
Borrowings of the Subsidiaries		
Unsecured		
Working capital facilities		
• Fund based working capital loan	154.56	154.56
Compulsorily convertible debentures	Nil	Nil
Total	5,554.56	3,299.35

* As certified by Anil Pariek & Garg, Chartered Accountants pursuant to their certificate dated September 29, 2022.

Our Company and Subsidiaries have obtained the necessary consents and issued the necessary intimations required under the relevant loan documentation for undertaking activities, such as, among others, change in Company’s board of directors and change in our Company’s capital structure and shareholding pattern.

For further details of borrowings availed by our Company and Subsidiaries as on March 31, 2022, as per the requirements of Schedule III of Companies Act, 2013 and related accounting standards, see “*Financial Information – Restated Consolidated Financial Information*” on page 271.

Principal terms of the borrowings availed by the Company and Subsidiaries

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and Subsidiaries.

- (a) **Tenor and Interest rate:** The tenor of the facilities availed by our Company and Subsidiaries ranges from 1 year to 7 years. In terms of the facilities availed by our Company and Subsidiaries, the interest rate typically comprises a base rate plus applicable margin of the specified lender, ranging from 1.20% to 9% p.a.
- (b) **Penal interest:** The terms of certain financing facilities availed by us prescribe penalties for noncompliance of certain obligations by us. These include, inter alia, breach of financial covenants, nonrenewal of external ratings, diversion of facilities, non-submission of annual financial statements and stock statements, etc. The terms of certain borrowings availed by us prescribe a penalty interest rate ranging from 0.25% to 4% per annum over and above the applicable interest/commission rate.
- (c) **Security:** In terms of their borrowings where security needs to be created, our Company and Subsidiaries are typically required to create charge on certain of our movable and immovable assets, including land, receivables, current assets, and cash deposits, both present and future;

- (d) **Prepayment:** Our Company and Subsidiaries have the option to pre-pay our lenders, in part or in full, subject in some cases to a notice of pre-payment to the lender. Such prepayment in certain cases is subject to the payment of a pre-payment premium/fee of 1%-2% on the amount pre-paid.
- (e) **Restrictive covenants:** Our Company and Subsidiaries, under the borrowing arrangements entered into by them respectively, require the relevant lender's prior written consent and/or are required to intimate the relevant lender, as applicable, for carrying out certain actions, including:
- (i) entering into any scheme for merger, de-merger, consolidation, reorganization, arrangement, takeover, reconstruction or undertaking a buyback;
 - (ii) implementing any scheme of expansion / diversification / modernisation other than incurring routine capital expenditure;
 - (iii) undertaking any further capital expenditure except from its own resources;
 - (iv) any change in the general nature of the business, ownership, shareholding pattern, promoter and promoter group shareholding, management control or any change in the majority shareholding or change in the capital structure in any manner whatsoever;
 - (v) issuing any further share capital whether on a preferential basis or otherwise or change in its capital structure in any manner whatsoever;
 - (vi) any change in directorship, chairman and composition of the board of directors and management of the Company;
 - (vii) any change in the statutory auditors of the Company;
 - (viii) amendment in the constitutional documents of our Company;
 - (ix) declaration/ payment of dividend or capital withdrawal pursuant to a default in the sanctioned terms;
 - (x) selling, assigning, mortgaging or otherwise disposing off any fixed assets;
 - (xi) effecting any material change in the management of the business of the Company, whereby the minimum shareholding of "Lohia Family" could go below 76%; and
 - (xii) availing any further loan or facility and/ or undertaking any guarantee obligations on behalf of any third party.

The abovementioned list is indicative and there may be additional restrictive covenants and conditions where our Company and Subsidiaries may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by them.

- (f) **Events of Default:** Borrowing arrangements entered into by our Company and Subsidiaries contain standard events of default, including but not limited to:
- (i) failure and inability to pay principal or interest of any obligation of the Company to the bank on the due date;
 - (ii) failure to create security in terms of the loan documentation;
 - (iii) violation of any covenant of the relevant agreement or any other borrowing agreement;
 - (iv) any material adverse effect which would have an effect on the Company's ability to repay the facilities availed;
 - (v) cross default with other debt facilities;

- (vi) any representation or warranty found to be untrue or misleading when made or deemed to be repeated;
- (vii) any action or event which shall trigger initiation of any moratorium or standstill of any nature;
- (viii) if in the judgement of the lender, the value of the security provided by the Company is deteriorating or there is any impairment to the security or it proves to be insufficient, which causes the securities to become unsatisfactory as to character or value;
- (ix) compulsory acquisition, nationalization or expropriation of a substantial part of the assets of the business;
- (x) any change in control of the Company, either directly or indirectly, without the prior consent of the bank; and
- (xi) any substantial change in the constitution or management of the Company without the previous consent of the bank.

The abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and Subsidiaries.

- (g) ***Consequences of Events of Default:*** Upon the occurrence of an event of default under our borrowing arrangements, our lenders are entitled to, among other things:
 - (i) declare outstanding amounts immediately due and payable;
 - (ii) withdraw or cancel the sanctioned facilities;
 - (iii) enforce their security created, if any, over the hypothecated/mortgaged assets;
 - (iv) appoint, inter alia, a nominee, observer, chartered accountant or cost accountant as auditors, as may be required by the lender;
 - (v) convert, at the option of the lender, the whole or part of the outstanding due amounts under the loan into equity shares of the Company at face value/ or formulate a mechanism for resolution of the stressed asset; and
 - (vi) exercise of any other rights of the lender, under applicable law.

The abovementioned list is indicative and there may be additional consequences on the occurrence of an event of default under the various borrowing arrangements entered into by our Company and Subsidiaries. For details, see *“Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows”* on page 63.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner); (iv) other legal proceedings which are determined to be material as per the Materiality Policy adopted by our Board, in each case involving our Company, Subsidiaries, Promoters and Directors (“**Relevant Parties**”) and (v) litigation involving our Group Companies which may have a material impact on our Company. Further except as stated in this section there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals, including any outstanding action.*

*In relation to (iv) above, our Board in its meeting held on August 27, 2022, has considered and adopted a policy of materiality for identification of material litigation/arbitration (“**Materiality Policy**”). In terms of the Materiality Policy, the following shall be considered ‘material’ for the purposes of disclosure in the Draft Red Herring Prospectus:*

- (i) Any pending litigation/arbitration involving the Relevant Parties, in which the aggregate monetary claim made by or against the Relevant Parties (individually or in the aggregate) in any such litigation / arbitration proceedings exceeds 1% of our consolidated profit after tax, derived from the most recently completed fiscal year as per the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. The total profit after tax, on a consolidated basis, of our Company for Fiscal 2022 is ₹ 1,608.47 million, and accordingly, all litigation involving our Company, our Subsidiaries, our Directors and our Promoters, in which the amount involved exceeds ₹ 16.08 million have been considered as material, if any, or;*
- (ii) Any pending litigation / arbitration proceedings involving the Relevant Parties wherein a monetary liability is not determinable or quantifiable, or which may not meet the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, irrespective of the amount involved in such litigation.*

*For the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Promoters, Directors, or Group Company from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that our Company, our Subsidiaries, or such Director, Group Company or Promoter, as the case may be, is impleaded as a party in litigation before any judicial/quasi-judicial/arbitral forum. Further, first information reports (“**FIR**”) (whether cognizance has been taken or not) initiated against our Company, Subsidiaries, Directors, Promoters and Group Companies have been disclosed in this Draft Red Herring Prospectus.*

All terms defined in a particular litigation disclosure below are for such disclosure only.

Further, our Board, in its meeting held on August 27, 2022, has approved that a creditor of our Company shall be considered ‘material’ if the amount due to such creditor is equal to or exceeds 5% of the total trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Information. The trade payables on a consolidated basis of our Company to creditors as on March 31, 2022, were ₹ 1819.53 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 90.98 million as on March 31, 2022.

Unless stated to the contrary, the information provided below is as on the date of this Draft Red Herring Prospectus.

Litigation proceedings involving our Company

(a) Criminal proceedings

(i) Criminal proceedings by our Company

1. Our Company issued legal notices dated December 22, 2021, and December 29, 2021

(“**Notices**”) to M/s. Ma Vaishno Traders and its proprietors, Mr. Umesh Yadav and Mrs. Mamta Yadav (“**Defendants**”), under section 138/141 of the Negotiable Instruments Act, 1881. The Defendants had purchased industrial waste and scrap from our Company and had issued two cheques amounting to 0.30 million and 0.33 million respectively. It was alleged that on presenting the cheques to the bank, one of them was returned dishonoured on account of payments being stopped by the drawer and the other was returned due to insufficiency of funds. Our Company issued the Notices to direct payment of ₹ 0.30 million and 0.33 million within 15 days of their receipt, failing which action would be taken in a competent court under section 138 of the Negotiable Instruments Act, 1881 and section 418/420 of the Indian Penal Code. Subsequently, criminal complaints dated January 23, 2012, and February 14, 2012, were filed by our Company against the Defendants before the ACMM VII, Kanpur Nagar, for committing the offence of dishonouring a cheque under section 138 of the Negotiable Instruments Act, 1881, along with cheating under section 418/420 of the Indian Penal Code. Our Company has prayed that the Defendants be summoned and prosecuted. The matters are currently pending

2. Based on a complaint filed by our Company, a first information report was registered against Anand Gupta at the Chaubeypur police station, Kanpur on June 10, 2015, for committing cheating and forgery under section 420, 467 and 468 of the Indian Penal Code. It was alleged that during his employment with the Company, Mr. Anand Gupta inflated the prices of goods purchased from companies owned by his family members, thereby causing financial loss to our Company. Subsequently, a criminal case was instituted before the ACJM, Court No.1, Kanpur, Dehat wherein the police authorities submitted their final report after concluding the investigation (“**Final Report**”). Being aggrieved with the final report, our Company filed a protest petition dated July 23, 2016, before the Court of the Sessions Judge, Kanpur Dehat. On September 20, 2019, the ACJM, Court No.1, Kanpur, Dehat passed an ex-parte order accepting the final report (“**Ex-parte Order**”). Our Company changed its counsel and instituted a revision petition dated February 10, 2020 under Section 397 of the Code of Criminal Procedure, against the Ex-parte Order before the Court of the Session Judge, Kanpur Dehat on the grounds that its counsel had failed to inform about the status of the protest petition resulting in our Company’s failure to appear before the Court. Our Company prayed *inter alia* that the Ex-parte order be set aside and that the lower court be directed to decide the protest petition afresh, on the grounds that the order had been erroneously passed in violation of the principles of natural justice. The matter is currently pending.
3. A complaint dated February 29, 2020, was filed by our Company against G.M. Online Private Limited (“**GM Online**”), its general manager and its directors (collectively, “the **Defendants**”) before the Metropolitan Magistrate, Kanpur Nagar, for committing criminal breach of trust and cheating under section 406, 420 and 120-B of the Indian Penal Code. Our Company had entered into a contract with G.M. Online for supply of support staff required in our corporate office, factory etc. The contract also provided that G.M. Online would pay wages to the support staff, provide all statutory benefits under the Employees State Insurance Scheme and Provident Fund and would thereafter be reimbursed by our Company based on invoices raised for such payments. It is alleged that G.M. Online defaulted in making payments to the provident fund despite receiving a total amount of ₹ 2.95 million from our Company during the period of default, due to which an inspection note dated September 27, 2019, was received by our Company from the Provident Fund Department (“**Inspection Note**”) after an inspection carried out by the Enforcement Officer, Employees Provident Fund Organization. The Notice directed our Company and GM Online to deposit the contributions within 15 days, failing which suitable action would be initiated against it. Our Company, in its capacity as the principal employer, was also directed to ensure compliance of the direction issued to GM Online, failing which it would be held liable under applicable law. Additionally, our Company was directed to provide a copy of its balance sheet for the year 2018-19 before the office of the Enforcement Officer, Employees Provident Fund Organization. Our Company sent a letter dated October 1, 2019, to the Defendants directing payment of the pending provident fund dues and to furnish proof of the same. The Defendants assured our Company that they were making efforts to deposit the dues on an urgent basis but failed to do so, and our Company issued a legal notice dated December 5, 2019, terminating the aforementioned contract and directing payment of the unpaid dues within 30 days of the receipt of the legal notice. The Defendants failed to comply with the legal notice and thus, the present petition was instituted by our Company. The matter is currently pending. A first information report was also registered by our Company against the Defendants

at the Govind Nagar police station, Kanpur on October 26, 2021, under section 406 and 420 of the Indian Penal Code.

(ii) *Criminal proceedings against our Company*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Company.

(b) *Actions by statutory or regulatory authorities*

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Company:

1. Our Company had purchased agricultural land measuring 4720 sq. metres in Village Bairi, Akbarpur Kachar, Kanpur, on which a spot inspection was carried out by the Deputy Inspector General (Stamps) after two years of the purchase. Subsequently, in its report dated June 7, 2007, it was concluded that the land was being used for non-agricultural purposes and proceedings were initiated by the Collector (Stamps), Kanpur Nagar to recover deficit stamp duty under Section 47-A of the Indian Stamps Act, 1899. Our Company filed its objections, *inter alia* alleging that the spot inspection was carried out without any notice and that government records at the time of purchase also stated the use of land as being for agricultural purposes. A fresh spot inspection was also conducted by Tehsildar, Kanpur which concluded that part of the land was being used for agricultural purposes while the remainder was lying as open land. The Collector (Stamps), Kanpur Nagar, by an order dated May 12, 2008, concluded that the land was non-agricultural land and deficit stamp duty amounting to ₹ 0.59 million along with interest thereon was sought from our Company ("**Impugned Order 1**"). Aggrieved with the Impugned Order 1, our Company filed a revision petition dated July 2, 2008, before the Chief Controlling Authority Revenue, Allahabad ("**CCRA, Allahabad**") and also deposited one-third of the deficit stamp duty amounting to ₹ 0.30 million. The CCRA, Allahabad stayed the Impugned Order 1 by its order dated July 16, 2008, and remitted the matter to Commissioner, Kanpur/ Chief Controlling Revenue Authority Kanpur ("**CCRA, Kanpur**") for final disposal. The CCRA, Kanpur affirmed the said order while disposing the revision petition vide its order dated July 2, 2009 ("**Impugned Order 2**").

Thereafter, a writ petition dated July 21, 2009 was filed by our Company against the (i) State of Uttar Pradesh, Department of Revenue, (ii) Collector (Stamps)/ District Magistrate, Kanpur Nagar and, (iii) Commissioner, Kanpur/ CCRA, Kanpur ("**Respondents**") before the Allahabad High Court seeking *inter alia* issuance of a writ of certiorari to quash the Impugned Order 2 and a writ of mandamus directing the Respondents to not recover any stamp duty from our Company. The Allahabad High Court, by its order dated July 24, 2009, granted ad-interim stay on the Impugned Order 2 until August 25, 2009, subject to 50% of the disputed amount being deposited by our Company within three weeks from the passage of the order, failing which the stay would be automatically vacated. The matter is currently pending.

(c) *Other material civil proceedings*

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there is no other material civil litigation involving our Company:

(i) *Other material civil proceedings against our Company*

1. Our Company, and its divisions, Lohia Packaging Machines and Precitex Components Manufacturing Company, ("**Defendants**") were impleaded as defendants in an application dated March 31, 2008 filed by ING Vysya Bank Limited ("**Bank**") against Y.A. Fidelity Engineering Private Limited ("**Principal Borrower**") along with, LML Limited, Uttar Pradesh Financial Corporation and Bhartia Industrial Limited before Debts Recovery Tribunal, Allahabad ("**DRT**") to recover its dues under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. It was alleged that the Defendants had failed to pay outstanding amounts on the invoices raised against them by the Principal Borrower. By way of an order dated September 11, 2015, the DRT ordered recovery

of dues amounting to ₹ 3.97 million from the Defendants along with applicable interest failing which the Bank would have a right to sell various properties mortgaged or hypothecated by the Defendants for recovery of dues (“**Impugned Order 1**”). The Defendants were also restrained from hereby restrained from depleting, transferring, encumbering, alienating or in any way dealing with their properties/estates without first paying the dues of the Bank. Thereafter, an application was filed before the Debt Recovery Appellate Tribunal, Allahabad (“**DRAT**”) by the Defendants seeking *inter alia* to set aside the impugned order, an opportunity to contest the case on its merits and a stay on the Impugned Order 1 during the pendency of the instant application, on the grounds that the Impugned Order 1 was passed ex-parte. An order dated October 18, 2016, was passed by the DRAT seeking deposit of 25% of the dues by the Defendants (“**Impugned Order 2**”). An appeal was preferred by the Defendants before the DRAT seeking recall of the Impugned Order 2. It was alleged that that several legal notices had been served by the Company on the Principal Borrower demanding the return of the moulds and dies supplied to it, which were to be used to manufacture machinery components for our Company. After its takeover by the Uttar Pradesh Finance Corporation, the Principal Borrower had failed to provide said components or return the moulds, causing huge loss to the Company and therefore, the cost of the said items was debited to the account of the Principal Borrower with our Company. The matter is currently pending.

2. Our Company purchased a land in measuring 658 sq. metres in Mauja Bairi, Akbarpur Bangar, Kanpur from Subodh Yadav and Hakim Singh, who had earlier purchased the land from Rashtriya Mazdoor Cooperative Housing Society Limited (“**Society**”). A suit dated December 8, 2014, was filed by Hari Kishan Oberoi (“**Plaintiff**”) before the Additional Civil Judge (Senior Division), Court No.1, Kanpur Nagar, stating that the Society had sold the land to six different individuals, who had subsequently sold their plots to him after executing registered sale deeds. The Plaintiff prayed for *inter alia* a decree of permanent injunction restraining our Company from directly or indirectly interfering in his possession of the land. The suit was dismissed vide an order dated April 20, 2016, on the grounds that the Plaintiff had failed to prove factum of possession of the land (“**Impugned Order No.1**”). Thereafter, an appeal dated May 19, 2016, was filed by the Plaintiff before the Court of the District Judge, Kanpur Nagar, seeking *inter alia* to set aside the Impugned Order No. 1 and to restrain our Company from directly or indirectly interfering in his possession of the Land. The said appeal was also dismissed vide an order dated December 4, 2019, on the grounds that the Plaintiff had failed to establish that the balance of convenience was in his favour and that irreparable damages would be caused if the relief prayed for was not granted (“**Impugned Order No.2**”). Subsequently, an appeal dated February 24, 2020, was preferred by the Plaintiff before the Allahabad High Court, seeking *inter alia* to set aside Impugned Order No. 2, reverse Impugned Order No. 1, and a temporary injunction restraining our Company from interfering with his peaceful possession of the land, alienating it in favour of any third party or changing its nature. The matter is currently pending.

(ii) *Other material civil proceedings by our Company*

1. Our Company had entered into a memorandum of understanding dated May 3, 2017 (“**MoU**”) with Plus Corporate Ventures Private Limited and its directors (“**Defendants**”), wherein our Company had agreed to make an investment of ₹ 50 million for a period of 12 months, which would then be invested in stocks/ securities identified by the Defendants with a guaranteed return of 12% per annum on such investment. Our Company alleged that it had invested a total of amount of ₹ 51.15 million pursuant to the MoU, however, it had received only ₹ 3.44 million as return on the investment, which was significantly lesser than the guaranteed return amounting to ₹ 30.05 million. Subsequently, a suit dated May 17, 2019, was filed by our Company against the Defendants before the Delhi High Court, seeking recovery of ₹ 30.52 million along with interest at the rate of 18% per annum. The matter is currently pending.
2. Our Company had purchased a parcel of land measuring 31170 sq. metres in Village Mallawn, Tehsil Bilhaur, Kanpur, from Raja Singh, Ravindra and Arvind, which constituted two-thirds of the land that they jointly owned with Devendra Singh, Dharmendra Singh and Rajrani (“**Defendants**”) pursuant to a family settlement. The said land was surrounded by land owned by the Company and was intended to be used for expansion of our Company’s operations. After the purchase, our Company had requested the Defendants to jointly seek for partition of the land to avoid conflict in the future, such that the land which had been purchased by our Company

adjoining its factory would be clearly demarcated and the Defendants would retain possession of their share, amounting to one-third of the total land. When this request was repeatedly denied, our Company filed a petition dated September 8, 2020, in the Court of Pargana Officer/ SDM Bilhaur, Kanpur Nagara, against the Defendants, praying for the partition of the land in the aforementioned manner and to recover the costs of the suit from the Defendants. The matter is currently pending.

3. A legal notice dated July 21, 2008 was served by our Company to Lohia Auto Industries (“**Lohia Auto**”) alleging that a house mark and device ‘*LOHIA GROUP*’ was being used by Lohia Auto which was identical to the house mark and device of our Company registered under the Indian Trademarks Act 1999, after several media outlets had published news regarding Lohia Auto’s business but had used the house mark of our Company in such reports. It had allegedly created an impression with the general public that the business of Lohia Auto was associated with our Company. Our Company requested Lohia Auto to cease the usage of the house mark and device, confirm that it would not use, adopt or register any trademark, domain name, business name or company name identical to the house mark of our Company and provide a written undertaking that it would not pass off its goods as those originating from our Company. Lohia Auto responded by way of a reply dated August 7, 2008, claiming that it had not used any house mark or device of the Company but had full right to do so, since it had a number of companies and firms in its group with the term ‘LOHIA’ in their names. It further sought a copy of subsisting certification of registration of our Company’s house mark along with a list of products marketed or manufactured by Lohia Auto, for amicably settling the dispute. Thereafter, a suit dated November 6, 2008 was filed by our Company before the Court of the District Judge, Kanpur Nagar (“**Kanpur Court**”) seeking *inter alia* permanent injunction against Lohia Auto from using, infringing or passing off our Company’s house mark, a preliminary decree for rendition of Lohia Auto’s accounts, a final decree for determining the amounts due and payable to our Company, along with a temporary injunction against Lohia Auto during the pendency of the suit. The Kanpur Court granted an interim injunction against Lohia Auto by its order dated January 27, 2009, which was subsequently set aside by an order of the Allahabad High Court dated August 26, 2009, after an appeal was filed by Lohia Auto challenging it. The Kanpur Court pronounced a partial decree in favour of our Company by its order dated September 5, 2013, wherein it restrained Lohia Auto from using ‘LOHIA GROUP’ or any words similar to it for their business, while allowing both parties to use their logos freely (“**Impugned Order**”). Thereafter, Lohia Auto filed another appeal dated February 11, 2014, before the Allahabad High Court to set aside the Impugned Order. The matter is currently pending.
4. A complaint dated December 3, 2013, was also filed by our Company before the World Intellectual Property Organization, Arbitration and Mediation Centre, Geneva (“**WIPO**”) against Lohia Brass Private Limited (“**Lohia Brass**”). It was alleged that Lohia Brass had registered a domain name <http://www.lohia-group.com> (“**Contested Domain Name**”) which was confusingly similar to the registered domain name of our Company, <http://www.lohiagroup.com> such that it led to our Company being wrongly impleaded in a proceeding pending before the United States District Court, Western District of Texas. Further, the Contested Domain Name contained the words ‘LOHIA GROUP’, the usage of which had been restrained by the Kanpur Court by an order dated September 5, 2013, passed against Lohia Auto, an associate of Lohia Brass. Our Company sought for the transfer of the Contested Domain Name to itself, which was granted by a decision dated February 14, 2014, by a single-member administration panel of WIPO. Subsequently, Lohia Brass filed a suit dated March 13, 2014 before the Additional District Judge- 03, South East, Saket Court, New Delhi (“**Saket Court**”) seeking *inter alia* a declaration that Lohia Brass is entitled to use the words/mark ‘Lohia Group’ and the Contested Domain Name, a declaration that the decision of the single-member WIPO panel is null and void and a permanent injunction against our Company from interfering with Lohia Brass’s use of the Contested Domain Name. The matter is currently pending.
5. A demand promissory note dated January 15, 2018, was signed by Group Nature Sociedad Anonima in favour of our Company for an amount of € 1.26 million, along with its director as a guarantor for the amount. Subsequently, our Company sent several notices and written claims for the amount payable under the promissory note but did not receive any response from the Defendants. A notarial summon for payment dated June 4, 2020 (“**Summon**”) was also issued

on behalf of our Company to the Defendants. Post receipt of partial payments from the Defendants, our Company filed an application dated November 6, 2020, before the Court of First Instance in Civil and Commercial Matters of the Tenth Shift, Republic of Paraguay, (“**Court**”) to obtain an executive order for payment of the balance amount of € 0.44 million by the Defendants and seizure of their properties pending such payment. The said seizure to cover the amounts payable was initiated by an order of the Court dated November 25, 2020. A motion of nullity of proceedings dated July 2, 2021, was also filed by the Defendants alleging that the address in the notices issued by our Company did not match their address, due to which they had ignored the said notices and were made aware of the ongoing proceedings much later. The Court, by its judgment dated June 30, 2022, (“**Impugned Judgment**”) dismissed the motion of the Defendants and ordered payment of the balance amount claimed by our Company along with applicable interests, costs and expenses. The Defendants have preferred an appeal dated June 30, 2022, before the Superior Court of Appeals against the Impugned Judgment. The matter is currently pending.

(d) Labour/ Employee related cases

Our Company is involved in a total of 13 proceedings for claims aggregating to approximately ₹ 24.72 million, currently pending before various judicial forums wherein the complainants have prayed for their reinstatement with payment of full back wages, statutory benefits, and other legal liabilities.

Litigation proceedings involving our Subsidiaries

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings involving our Subsidiaries.

(b) Actions by statutory or regulatory authorities

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Subsidiaries.

1. Our Subsidiary, Sarjana Capfin Private Limited had purchased land measuring 5190 sq. metres in Village Ramel Bangar, Kanpur and had paid the applicable stamp duty for the transaction. It had further constructed boundary walls on the said agricultural land, along with a small room to facilitate storage of agricultural implements and crop and had paid additional stamp duty applicable to such constructions. Thereafter, an ex-parte inspection was undertaken by the Additional District Magistrate, Kanpur Nagar (“**ADM**”). Pursuant to the inspection, a report was submitted to the Court Collector, Kanpur Nagar and a demand for deficit stamp duty was raised on the grounds that the nature of the agricultural land had changed due to the construction undertaken by our Subsidiary. Our Subsidiary filed its objections dated August 19, 2016, *inter alia* stating that the inspection had been undertaken without giving prior notice, the constructions on the agricultural land were not being used for commercial and/or residential purposes and that the ADM had failed to take into account the details of standing crop on the agricultural land. By way of an order dated June 12, 2017, the Court Collector, Kanpur Nagar confirmed the demand for deficit stamp duty amounting to ₹ 1.91 million and imposed a penalty of ₹ 0.19 million on our Subsidiary (“**Impugned Order**”). Subsequently, an appeal dated August 28, 2017 was filed by our Subsidiary under Section 56 of the Indian Stamp Act, 1899, against the Department of Revenue and the Collector, Kanpur Nagar (“**Defendants**”) before the Court of the Chief Controlling Revenue Authority/ Commissioner, Kanpur Nagar (“**CCRA**”), seeking to set aside the impugned order along with stay on recovery of any amounts by the Defendants during the pendency of the suit. The CCRA, by an interim order dated April 15, 2019, ordered a second spot inspection of the said agricultural land after giving prior notice to our Subsidiary. Post submission of second inspection report, an order dated July 25, 2019, was passed by the CCRA, partly allowing the appeal and directing the Court Collector, Kanpur Nagar to dispose-off the suit on merits after providing a reasonable opportunity to our Subsidiary to present evidence. The matter is currently pending.

2. Our Subsidiary, Lohia Injectoplast Private Limited, received a show-cause notice dated July 6, 2022, from the Collector, Unnao (“**Collector**”) in relation to undervaluation/insufficiency of stamp duty under Section 47(A)(3) of the Indian Stamp Act, 1899. It was alleged that a property was transferred by Rishab Kumar Lohia Memorial Trust to our Subsidiary for which the Assistant Court Collector, Unnao had determined ₹ 1.84 million as the applicable stamp duty and ₹ 0.26 million as the registration fees. Our Company was directed to appear before the Collector and provide reasons as to why it should not be charged the applicable stamp duty and registration fees in accordance with the value of the transferred property, failing which an ex-parte order for recovery of applicable stamp duty would be passed against our Subsidiary, along with penalties and interest on the amount. The matter is currently pending.
3. Our Subsidiary, Lohia Injectoplast Private Limited, received a show-cause notice dated July 6, 2022, from the Collector, Unnao (“**Collector**”) in relation to undervaluation/insufficiency of stamp duty under Section 47(A)(3) of the Indian Stamp Act, 1899. It was alleged that a property was transferred by Rishab Kumar Lohia Memorial Trust to our Subsidiary for which the Assistant Court Collector, Unnao had determined ₹ 1.27 million as the applicable stamp duty and ₹ 0.18 million as the registration fees. Our Company was directed to appear before the Collector and provide reasons as to why it should not be charged the applicable stamp duty and registration fees in accordance with the value of the transferred property, failing which an ex-parte order for recovery of applicable stamp duty would be passed against our Subsidiary, along with penalties and interest on the amount. The matter is currently pending.
4. Our Subsidiary, Lohia Injectoplast Private Limited, received a show-cause notice dated July 6, 2022, from the Collector, Unnao (“**Collector**”) in relation to undervaluation/insufficiency of stamp duty under Section 47(A)(3) of the Indian Stamp Act, 1899. It was alleged that a property was transferred by Rishab Kumar Lohia Memorial Trust to our Subsidiary for which the Assistant Court Collector, Unnao had determined ₹ 2.34 million as the applicable stamp duty and ₹ 0.33 million as the registration fees. Our Company was directed to appear before the Collector and provide reasons as to why it should not be charged the applicable stamp duty and registration fees in accordance with the value of the transferred property, failing which an ex-parte order for recovery of applicable stamp duty would be passed against our Subsidiary, along with penalties and interest on the amount. The matter is currently pending.

(c) Other material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no proceedings involving our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

(d) Labour/ Employee related cases

As on the date of this Draft Red Herring Prospectus, our Subsidiaries are not involved in labour/ employee related cases.

Litigation proceedings involving our directors

(a) Criminal proceedings

Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no criminal proceedings involving our directors:

1. One of our Directors, Gaurav Swarup instituted a criminal complaint dated June 11, 2019 against Abha Sharma and Sandeep Sharma (“**Defendants**”), under section 138/141 of the Negotiable Instruments Act, 1881, before the 3rd Court of Judicial Magistrate, Alipore, South 24 Parganas. The case is in relation to a dishonoured cheque of an amount of 0.25 million issued by the Defendants in favour of Gaurav Swarup. The matter is currently pending.
2. Two complaints were filed against one of our directors, Gaurav Swarup by Harsh Vardhan Gupta before the Metropolitan Magistrate Kolkata (Bankshall Court), in the capacity of him being the chairperson of the Committee of the owners of Chatterjee International Centre (“**CIC**”), under sections 34, 447, and 448 of the Indian Penal Code. It was alleged that members

of the CIC had committed offences such as theft, house trespass, wrongful restraint. The matter is currently pending.

3. A complaint case was filed by Amal Sarkar against one of our directors, Gaurav Swarup before the 2nd Court of Judicial Magistrate at Sealdah, South 24 Parganas for criminal breach of trust and cheating under section 406 and 420 of the Indian Penal Code. It was alleged that to Paharpur Cooling Towers Limited (“PCTL”), where our Director was associated as a managing director, had failed to pay dues amounting to ₹ 0.22 million for supply of manpower in PCTL’s factory at Bhasa. The matter is currently pending.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our directors.

(c) Other material civil proceedings

Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no other proceedings involving our directors, which have been considered material by our Company in accordance with the Materiality Policy:

1. A complaint was filed against our director, Gaurav Swarup by the Labour Commissioner before the Chief Judicial Magistrate, Alipore under section 29 and 32 of the Industrial Disputes Act, in the capacity of him being the managing director of Paharpur Cooling Towers Limited (“PCTL”). It was alleged that PCTL had not complied with a settlement award passed by the Labour Commissioner for reinstatement of an employee pursuant an industrial dispute regarding his retrenchment. The matter is currently pending.

Litigation proceedings involving our Promoters

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings involving our Promoters.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Promoters.

(c) Other material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no other proceedings involving our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(d) Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

No disciplinary action has been taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

Tax Proceedings involving our Company, Subsidiaries, Directors and Promoters

Details of outstanding tax proceedings involving our Company, Subsidiaries, Directors and Promoters as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax*		
Company	1	33.63

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Subsidiaries	0	Nil
Directors**	1	0.05
Promoters	3	2.33
Sub-Total (A)	4	35.96
Indirect Tax*		
Company	5	3.56
Subsidiaries	Nil	Nil
Directors	Nil	Nil
Promoters	Nil	Nil
Sub-Total (B)	5	3.56
TOTAL (A+B)	9	39.52

*To the extent quantifiable

** Including Promoters

Litigation proceedings involving our Group Companies

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending litigation proceedings involving any of our Group Companies which will have a material impact on our Company.

Outstanding dues to small scale undertakings or any other creditors

In terms of the Materiality Policy, such creditors are considered ‘material’ to whom the amount due exceeds or is equal to five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information. The trade payables of our Company on a consolidated basis as on March 31, 2022, were ₹ 1,819.53 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 90.98 million as on March 31, 2022.

Based on this, our Company owed a total sum of ₹ 1,781.14 to a total number of 1,683 creditors as on March 31, 2022. The details of our outstanding dues owed to the ‘material’ creditors of our Company, MSMEs, and other creditors, on a consolidated basis, as on March 31, 2022, are as follows:

Particulars	No. of creditors	Amount due (in ₹ million)
Micro, small or medium enterprises	347	353.57
‘Material’ creditors	-	-
Other creditors	1,336	1,427.58

For complete details of outstanding dues to creditors, see <https://www.lohiagroup.com/INVESTOR-RELATIONS>.

It is clarified that such details available on our Company’s website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information including our Company’s website would be doing so at their own risk.

Material Developments

Except as stated in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 361, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or our operations or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental, statutory, and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of licenses, approvals, registrations, and permits obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities, and except as mentioned below, no further material approvals from any statutory or regulatory authority are required to undertake or continue such business activities. Certain material approvals may have expired or may expire in the ordinary course of business from time to time, and our Company has either already made applications to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. Further, for details of risk associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors - We are subject to various laws, regulations, approvals and licenses required in the ordinary course of business, including environmental, health and safety laws and other regulations. Any failure to obtain or retain them in a timely manner may materially adversely affect our operations.” on page 50. For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 410 and for incorporation details of our Company, see “History and Certain Corporate Matters” on page 210.

We have also set forth below (i) material approvals or renewals applied for but not received (ii) material approvals expired and renewal yet to be applied for; and (iii) material approvals required however yet to be applied for. For details in connection with the applicable regulatory and legal framework within which our Company operates, see “Key Regulations and Policies” on page 203.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

I. Material Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures - Authority for this Offer” on page 410.

II. Incorporation details of our Company

1. Certificate of incorporation dated October 5, 1981 issued by the RoC to our Company, in its former name, being “Lohia Starlinger Private Limited”.
2. Fresh certificate of incorporation effective December 19, 1987 issued by the RoC to our Company, consequent upon change of name on conversion to public limited company to “Lohia Starlinger Limited”.
3. Fresh certificate of incorporation dated March 7, 2013 issued by the RoC to our Company consequent upon change of name of our Company to Lohia Corp Limited.

For details of incorporation regarding our Company, see “History and Certain Corporate Matters” on page 210, “General Information” on page 85.

III. Material Approvals in Relation to Our Business and Operations

Our Company is a global supplier of machinery providing end-to-end solutions for Raffia industry. For details, see “Our Business - Overview” on page 177. In furtherance of our business operations, our Company is required to obtain various approvals, licenses and registrations. The material registrations and approvals required and obtained by, subject to the location, as well as the nature of services offered by our Company are:

A. Business approvals

In order to operate our manufacturing facilities, our Company is required to obtain and has obtained various approvals and/or licenses under various state and central laws, rules and regulations. These approvals and/or licenses considered material for the purpose of undertaking our business activities include licenses

under the Factories Act, 1948, industrial entrepreneur memorandums issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry and licenses to import and store petroleum in our installations issued by the Petroleum & Explosives Safety Organisation, Ministry of Commerce and Industry.

B. Environment related approvals

We are required to obtain and have obtained consents and authorizations to establish, operate, and expand, granted by the respective state pollution control boards under the following laws: the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and Plastic Waste Management Rules, 2016.

C. Building and safety related approvals

We are required to obtain and have obtained approvals for building plans for all our establishments, as applicable, from the respective local authorities. Safety related approvals such as fire no-objection certificates (NOCs), and examination reports on lifting machines, tackles, pressure vessels, and plants from local authorities have also been obtained for all our establishments.

IV. Labour and employment related approvals

We are required to obtain and have obtained registrations and authorisations granted under the following laws:

1. Employees' Provident Funds and Miscellaneous Provisions Act, 1952, by the Employees' Provident Fund Organization.
2. Employees' State Insurance Act, 1948, by the Regional Office, Employees State Insurance Corporation of respective state.
3. Contract Labour (Regulation and Abolition) Act, 1970.
4. Registrations under relevant shops and establishments legislations.

V. Trade related approvals

1. We are required to obtain and have obtained Importer-Exporter Code ("IEC") certificates for our Company. The same has been issued to our Company by the Directorate General of Foreign Trade bearing code number **0688001351**.
2. We are required to obtain and have obtained Legal Entity Identifier ("LEI") number code for our Company. The same has been issued to our Company by Legal Entity Identifier India Limited bearing code number **335800DBXJDPPLKVY994**.

VI. Miscellaneous approvals

1. PAN AAACL2470J and TAN KNPL00108D have been issued to us by the Income Tax Department, Government of India.
2. We have obtained goods and services tax identification numbers under the relevant provisions of the goods and services tax legislations applicable to our Company in the states and union territories where we operate. The GST registration number of our Company is 09AAACL2470J1ZG for the state of Uttar Pradesh, where our registered office is located.
3. We have obtained professional tax registrations under the applicable state specific laws with the relevant authorities for the states in which our Company operates.

VII. Material approvals applied for by our Company but not received:

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities which are considered material to operate our business. Certain material approvals may have lapsed in their normal course and our Company has made applications to the appropriate authorities for renewal of such licenses.

Our Company has made applications for the following material licenses which are yet to be received for an expansion of our existing manufacturing unit at Kanpur, a new manufacturing unit at Bangalore, which is yet to be operationalised, and for its existing manufacturing units at Chaubepur and Panki:

S. No.	Description	Authority
<i>Manufacturing unit located at 443-445, Mallu Chaubepur, Kanpur Nagar, Kanpur</i>		
1.	Application for duplicate certificate(s) in respect of the consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Uttar Pradesh Pollution Control Board
<i>Manufacturing unit located at D-3A, Panki Industrial Estate, Kanpur</i>		
1.	Renewal of no-objection certificates for sinking of well for any commercial or industrial or infrastructural or bulk user in notified or non-notified area.	Ground Water Department, Ministry of Jal Shakti, Government of Uttar Pradesh.
2.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 for expansion of production capacity.	Uttar Pradesh Pollution Control Board.
3.	Application for duplicate certificate(s) in respect of the consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Uttar Pradesh Pollution Control Board
<i>Manufacturing unit located at the Shed No. A-268, 6th Cross, Peenya Industrial Area, Bangalore</i>		
4.	Consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.	Karnataka Pollution Control Board.

VIII. Material approvals not applied for:

Nil

IX. Intellectual property related approvals

For details, see “Our Business – Intellectual Property” on page 201 and for risks associated with our intellectual property, see “Risk Factors -If we fail to protect, or incur significant costs in defending, our intellectual property and other proprietary rights, our business, results of operation and financial condition could be materially harmed” on page 53.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

Our Board has authorised the Offer, pursuant to its resolution dated August 1, 2022. The IPO Committee has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated September 28, 2022. This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution dated September 28, 2022 and the IPO Committee pursuant to its resolution dated September 29, 2022.

Each of the Selling Shareholders have, severally and not jointly, authorised and confirmed inclusion of their respective portion of the Offered Shares as part of the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholder	Date of the Consent Letter	Aggregate amount of Offer for Sale (up to) (in ₹ million)	Maximum number of Offered Shares
1.	Raj Kumar Lohia	September 28, 2022	[●]	5,125,000
2.	Neela Lohia	September 28, 2022	[●]	410,000
3.	Gaurav Lohia	September 28, 2022	[●]	2,000,000
4.	Amit Kumar Lohia	September 28, 2022	[●]	4,247,000
5.	Ritu Lohia	September 28, 2022	[●]	1,537,000
6.	Ajay Lohia	September 28, 2022	[●]	2,700,000
7.	Shradha Lohia	September 28, 2022	[●]	3,116,000
8.	Gopal Chandra Lohia	September 28, 2022	[●]	320,000
9.	Titendra Kumar Lohia	September 28, 2022	[●]	2,925,000
10.	Alok Kumar Lohia	September 28, 2022	[●]	2,619,000
11.	Anurag Lohia	September 28, 2022	[●]	3,741,000
12.	Anuja Lohia	September 28, 2022	[●]	2,955,000

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the requirements set out under Regulation 8 of the SEBI ICDR Regulations.

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other governmental authorities

Our Company, each of the Selling Shareholders, our Promoters and members of our Promoter Group, our Directors, and the persons in control of our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, each of the Selling Shareholders, our Promoters, and members of our Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent in force and applicable to each of them, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

Except Gaurav Swarup who is associated with Industrial and Prudential Investment Company Limited, Basant Seth who is associated with India International Depository IFSC Limited and Dinesh Kumar Mittal who is associated with HSBC Asset Management (India) Private Limited and Max Financial Services Limited, none of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each). Please note that as per the second proviso to Regulation 6(1)(a) of the SEBI ICDR Regulations, the limit of 50% on monetary assets shall not be applicable in case the Offer is being made entirely through an offer for sale;
- Our Company has a minimum average operating profit of ₹150 million calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of the preceding three years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each) calculated on a restated and consolidated basis; and
- Our Company has not changed its name within the last one year.

Our Company's operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31, 2022, March 31, 2021 and March 31, 2020, is set forth below:

(₹ in million, unless otherwise stated)

Particulars (Restated Basis)	Financial year ended		
	March 31, 2022	March 31, 2021	March 31, 2020
Restated consolidated net tangible assets ⁽¹⁾	4,870.56	5,281.08	5,154.65
Restated consolidated monetary assets ⁽²⁾	2,129.74	2,835.94	3,055.41
Restated consolidated monetary assets, as a % of net tangible assets	43.73%	53.70%	59.27%
Pre-tax operating profit ⁽³⁾	1,689.24	1,516.99	530.96
Average operating profit ⁽⁴⁾	1,245.73		
Net worth ⁽⁵⁾	4,915.57	5,395.73	5,272.43

⁽¹⁾ Net tangible assets is the sum of all net assets of our Company as per Restated Consolidated Financial Information, as applicable excluding intangible assets as defined in Indian Accounting Standard 38 (Ind AS 38) notified under the Companies (Indian Accounting Standards) Rule 2015 (as amended) read with Section 133 of the Companies Act and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.

⁽²⁾ Monetary assets represent the sum of cash and bank balances including deposits with banks and interest accrued thereon and current investments.

⁽³⁾ Pre-tax operating is defined as the profit before finance cost, other income and tax expenses, from continuing operations.

⁽⁴⁾ The average operating profit for the above financial years is ₹ 1,245.73 million, based on the Restated Consolidated Financial Statements; and

⁽⁵⁾ 'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulations 2(hh) of the SEBI ICDR Regulations. *Reserve & Surplus represents "Other Equity" as per Restated Consolidated Financial Information of the Company. The above statement has been prepared for all the Regulations 6(1) of the SEBI ICDR Regulations and the underlying numbers above have been extracted from the Restated Consolidated Financial Information of the Company.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000.

Further, our Company confirms that is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

- Neither our Company nor the Promoters, the members of the Promoter Group, the Directors and the Selling Shareholders are debarred from accessing the capital markets by SEBI;

- (b) None of the Promoters or the Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;
- (c) Neither our Company nor any of the Promoters or the Directors has been declared as a Wilful Defaulter or a Fraudulent Borrower;
- (d) None of the Promoters or the Directors is a Fugitive Economic Offender;
- (e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus;
- (f) Our Company, along with the Registrar to the Offer, has entered into a tripartite agreement dated May 28, 2022 with NSDL, for dematerialization of the Equity Shares. Our Company, along with the Registrar to the Offer, has also entered into a tripartite agreement dated June 1, 2022 with CDSL, for dematerialization of the Equity Shares;
- (g) The Equity Shares of our Company held by our Promoters and the Selling Shareholders are in dematerialised form; and
- (h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI 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 THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, IIFL SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

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 DRAFT RED HERRING PROSPECTUS, THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES. THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE. THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website www.lohiagroup.com or the websites of any Subsidiaries, Joint Venture or the affiliates of our Company or the Selling Shareholders, would be doing so at his or her or their own risk.

Unless required by law, the Selling Shareholders, and where applicable and their respective directors, affiliates, associates and officers accept no responsibility for any statements and undertakings, except such statements and undertakings specifically made or confirmed by them in this Draft Red Herring Prospectus solely in relation to itself, and their respective Offered Shares. The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.lohiagroup.com, or the websites of any affiliate of our Company would be doing so at his or her or their own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent that the information pertains to itself and the Offered Shares) and the BRLMs 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, at Bidding centres or elsewhere. Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters, BRLMs and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters 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 the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders and their respective group companies, directors and officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholders and their respective group companies, directors and officers, affiliates or associates or third parties, for which they have received, and may in the future receive compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Uttar Pradesh, India only.

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial

institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India except the United States of America. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

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 Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to its filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to its filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will 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 Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law and the Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to their Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholders in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Selling Shareholder shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Joint Statutory Auditors, the BRLMs, legal counsel, bankers/ lenders to our Company, and the Registrar to the Offer, in their respective capacities have been obtained; and (b) the Syndicate Members, and the Banker(s) to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

- (i) Our Company has received a written consent dated September 29, 2022 from the Joint Statutory Auditors namely, Walker Chandiok & Co. LLP, Chartered Accountants and V. Awasthi & Arvind Shrish, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their: (i) examination report, dated August 27, 2022, on our Restated Consolidated Financial Information; and (ii) their report dated September 29, 2022, on the Statement of possible Special Tax Benefits available to the Company, the Shareholders and its Subsidiaries under the direct and indirect tax laws.
- (ii) Our Company has received written consent dated September 29, 2022 from Anil Pariek & Garg, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.
- (iii) Our Company has received written consent dated September 29, 2022 from M/s Srajan Consultants, independent chartered engineers to the Company, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent chartered engineer to our Company.
- (iv) Our Company has received written consent dated September 29, 2022 from S.K. Gupta & Co., Company Secretaries, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent company secretary to our Company.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and the consent thereof shall not be construed to mean an “expert” or consent within the meaning as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Our Company has not made any public or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage paid on previous issues

Since this is an initial public offer of Equity Shares, 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 the Equity Shares since our Company’s incorporation.

Capital issue by our Company, listed group companies, Subsidiaries, Joint Venture and associates during the previous three years

Other than as disclosed in “*Capital Structure – Notes to Capital Structure*” on page 95, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, listed associates and listed subsidiaries.

Performance vis-à-vis objects – Last issue of listed subsidiaries or listed promoter in the last ten years

As on the date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter or a listed subsidiary.

Price information of past issues handled by the BRLMs (during the current Financial Year and the two Financial Years preceding the current Financial Year)

ICICI Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Shriram Properties Limited^^	6,000.00	118.00 ⁽¹⁾	20-DEC-21	90.00	-12.42%, [+9.02%]	-33.39%, [+4.05%]	-46.69%, [-7.95%]
2	Metro Brands Limited^	13,675.05	500.00	22-DEC-21	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
3	Supriya Lifescience Limited^	7,000.00	274.00	28-DEC-21	425.00	+78.61%, [-0.07%]	+72.12%, [-0.92%]	+20.36%, [-8.93%]
4	AGS Transact Technologies Limited^	6,800.00	175.00	31-JAN-22	176.00	-42.97%, [-3.05%]	-28.63%, [-1.64%]	-52.69%, [-0.77%]
5	Adani Wilmar Limited^^	36,000.00	230.00 ⁽²⁾	08-FEB-22	227.00	+48.00%, [-5.34%]	+180.96%, [-4.95%]	+193.26%, [+0.76%]
6	Vedant Fashions Limited^^	31,491.95	866.00	16-FEB-22	935.00	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]
7	Life Insurance Corporation of India^	2,05,572.31	949.00 ⁽³⁾	17-MAY-22	867.20	-27.24%, [-3.27%]	-28.12%, [+9.47%]	NA*
8	Prudent Corporate Advisory Services Limited^	4,282.84	630.00 ⁽⁴⁾	20-MAY-22	660.00	-20.71%, [-5.46%]	-2.10%, [+10.92%]	NA*
9	Paradeep Phosphates Limited^	15,017.31	42.00	27-MAY-22	43.55	-10.24%, [-3.93%]	+27.50%, [+7.65%]	NA*
10	Syrma SGS Technology Limited^	8,401.26	220.00	26-AUG-22	262.00	+31.11%, [-1.25%]	NA*	NA*

*Data not available.

^BSE as designated stock exchange

^^NSE as designated stock exchange

(1) Discount of ₹ 11 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 118.00 per equity share.

(2) Discount of ₹ 21 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 230.00 per equity share.

(3) Discount of ₹ 45 per equity share offered to eligible employees and Retail Individual Bidders. Discount of ₹ 60 per equity share offered to eligible policyholders. All calculations are based on Issue Price of Rs. 949.00 per equity share

(4) Discount of ₹ 59 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 630.00 per equity share.

2. **Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			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%
2022-23*	4	2,33,273.72	-	1	2	-	1	-	-	-	-	-	-	-
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2

*This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

HSBC Securities and Capital Markets (India) Private Limited

1. **Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private Limited**

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Yes Bank Limited (FPO) ⁽¹⁾	150,000.00	12.00	July 27, 2020	12.30	+23.00%, [+2.40%]	+11.25%, [+7.25%]	+41.67%, [+28.85%]
2.	Indian Railway Finance Corporation Limited (IPO) ⁽²⁾	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]
3.	Nuvoco Vistas Corporation Limited (IPO) ⁽¹⁾	50,000.00	570.00	August 23, 2021	471.00	-5.83%, [+6.21%]	-9.74%, [+7.34%]	-32.76%, [+4.10%]

Source: www.nseindia.com and www.bseindia.com

(1) BSE as Designated Stock Exchange

(2) NSE as Designated Stock Exchange

Notes:

1. Issue Size derived from Prospectus/final post issue reports, as available.
2. Nifty Index and Sensex is considered as the Benchmark Index as per the designated stock exchange (NSE or BSE)

3. Price on designated stock exchange (NSE or BSE) as disclosed by the respective issuer at the time of issue has been considered for all of the above calculations.
4. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day
5. In case 30th/90th/180th day is not a trading day, closing price on designated stock exchange (NSE or BSE) of the previous trading day has been considered.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	1	50,000.00	-	-	1	-	-	-	-	1	-	-	-	-
2020-21	2	196,333.79	-	-	1	-	-	1	-	-	1	-	1	-

Notes:

The information is as on the date of this Offer Document.

The information for each of the period is based on issues listed during such period.

IIFL Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited:

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	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	S.J.S Enterprises Ltd.	8,000.00	542.00	NSE	November 15, 2021	542.00	-24.99%, [-4.33%]	-29.33%, [-4.06%]	-30.67%, [-12.85%]
2	Sapphire Foods India Limited	20,732.53	1,180.00	NSE	November 18, 2021	1,350.00	+3.69%, [-4.39%]	+20.78%, [-2.32%]	-7.85%, [-10.82%]
3	Star Health and Allied Insurance Company Limited	60,186.84	900.00(1)	NSE	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
4	Anand Rathi Wealth Limited	6,593.75	550.00(2)	BSE	December 14, 2021	602.05	+12.38%, [+5.22%]	+4.46%, [-4.42%]	+19.55%, [-6.56%]
5	Rategain Travel Technologies Limited	13,357.35	425.00 ⁽³⁾	NSE	December 17, 2021	360.00	+11.99%, [+7.48%]	-31.08%, [-0.06%]	-35.24%, [-7.38%]
6	Data Patterns (India) Limited	5,882.24	585.00	NSE	December 24, 2021	856.05	+29.70%, [+3.61%]	+13.56%, [+1.42%]	+14.16%, [-8.03%]
7	Vedant Fashions Limited	31,491.95	866.00	NSE	February 16, 2022	935.00	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	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
8	Rainbow Childrens Medicare Limited	15,808.49	542.00 ⁽⁴⁾	NSE	May 10, 2022	510.00	-13.84%, [+0.72%]	-12.80%, [+7.13%]	N.A.
9	eMudhra Limited	4,127.86	256.00	BSE	June 1, 2022	271.00	-1.52%, [-4.27%]	40.66%, [+4.68%]	N.A.
10	Syrma SGS Technology Limited	8,401.26	220.00	BSE	August 26, 2022	262.00	+31.11%, [-1.25%]	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of INR 80 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

(2) A discount of INR 25 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

(3) A discount of INR 40 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

(4) A discount of INR 20 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th calendar days from listing		
			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%
2020-21	8	47,017.65	-	-	4	2	1	1	-	1	-	3	3	1
2021-22	17	3,58,549.95	-	-	5	-	4	8	-	6	4	3	1	3
2022-23	3	28,337.61	-	-	2	-	1	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

Motilal Oswal Investment Advisors Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited:

S. No.	Issue name	Issue size (₹ in million)	Issue Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]-30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 th calendar days from listing
1.	Tamilnad Mercantile Bank Limited [^]	8,078.40	510.00	September 15, 2022	510.00	N.A.	N.A.	N.A.
2.	Dreamfolks Services Limited [^]	5,621.01	326.00	September 6, 2022	505.00	N.A.	N.A.	N.A.
3.	Metro Brands Limited [^]	13,675.05	500	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
4.	Aditya Birla Sun Life AMC Limited [#]	27,682.56	712	October, 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	-25.65%, [-0.90%]
5.	Devyani International Limited [#]	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	+78.39%, [+9.30%]	+97.17%, [+4.90%]
6.	GR Infraprojects Limited ^{^@}	9,623.34	837	July 19, 2021	1,700.00	+90.61%, [+6.16%]	+138.67%, [+16.65%]	+132.16%, [+16.50%]

Source: Information has been taken from (nseindia.com, bseindia.com) as per respective Designated Stock Exchange of the above Issuer Companies, as applicable

[^]BSE as Designated Stock Exchange

[#]NSE as Designated Stock Exchange

[@]Discount of ₹42.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion

Notes:

1. The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange
2. Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.
3. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation.
4. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
5. N.A. (Not Applicable) – Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited

Financial Year	Total no. of IPOs [#]	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30 th calendar day from listing date			No. of IPOs trading at premium as on 30 th calendar day from listing date			No. of IPOs trading at discount as on 180 th calendar day from listing date			No. of IPOs trading at premium as 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%
2022-23*	2	13,699.41	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	4	69,360.95	-	-	1	1	1	1	-	1	-	2	-	1
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The information is as on the date of the Offer document.

The information for each of the financial years is based on issues listed during such financial year.

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

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Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	ICICI Securities Limited	www.icicisecurities.com/
2.	HSBC Securities and Capital Markets (India) Private Limited	www.about.hsbc.co.in/hsbc-in-india
3.	IIFL Securities Limited	www.iiflcap.com/
4.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com/

Stock Market Data of Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances other than of Anchor Investors in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

For Offer related grievances, investors may contact the Book Running Lead Managers, details of which are given in “General Information” on page 85.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations.

Investors can contact the Company Secretary and the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer 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 intimations and non-receipt of funds by electronic mode, etc.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to any applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in the events of delayed

unblock for cancelled/ withdrawn/ deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay, to the extent applicable. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Our Company has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of security holders of our Company. For details, see "*Our Management*" on page 235.

Our Company has appointed Shikha Srivastava as our Company Secretary and Compliance Officer for the Company who may be contacted in case of any pre-Offer or post-Offer related grievances. For details, see "*General Information*" on page 85.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company shall, post the filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013, the SEBI circular no. (CIR/OIAE/1/2014) dated December 18, 2014, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019 and the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 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.

Each of the Selling Shareholders has, severally and not jointly, authorized our Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Exemption from complying with any provisions of securities laws granted by SEBI

Our Company has not applied for or received any exemption from SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. 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 Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders. All Offer-related expenses shall be shared be borne by each Selling Shareholder in proportion to the Equity Shares to be offered by each Selling Shareholder. However, all Offer-related expenses shall initially be borne by our Company. Upon successful completion of the Offer, each Selling Shareholder shall reimburse our Company their proportionate share of the Offer-related expenses. For more details, please refer to “*Objects of the Offer*” on page 117.

Ranking of the Equity Shares

The Equity Shares being Allotted and transferred pursuant to the Offer shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see “*Main Provisions of Articles of Association*” beginning on page 457.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the MoA and AoA and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 270 and 457, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 1 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Price Band, employee discount, if any, and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, and a widely circulated Hindi national daily (Hindi also being the regional language of Uttar Pradesh, where our Registered Office is located), at least two Working Days prior to the Bid/Offer 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 pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- 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 and “e-voting”, in accordance with the provisions of the Companies Act;
- Right to receive offers 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 of Equity Shares, subject to applicable laws, rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provisions of Articles of Association*” beginning on page 457.

Allotment only in dematerialised form

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 on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated May 28, 2022, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated June 1, 2022, amongst our Company, CDSL and Registrar to the Offer.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see “*Offer Procedure*” on page 435.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, 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 90 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 Offer 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 Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Bid/Offer Period

BID/ OFFER OPENS ON*	[●]
BID/ OFFER CLOSES ON**	[●]⁽¹⁾

*Our Company in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

**Our Company in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽¹⁾UPI mandate end time and date shall be at 5 p.m. on Bid Closing Date.

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

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about [●]
Credit of the Equity Shares to depository accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Offer Closing Date, is indicative in nature and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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 Exchanges are taken within six

Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time ("IST"))
Bid/ Offer Closing Date*	
Submission and Revision in Bids	Only between 10:00 am and 3:00 pm IST

**UPI mandate end time and date shall be at 5 p.m. on Bid Closing Date.*

On the Bid/ Offer Closing Date:

- (i) In case of Bids by QIBs and Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.(IST) and uploaded by 4.00 p.m. IST; and
- (ii) In case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, 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 this Offer. Bids will be accepted only during Working Days.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on 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 but the Floor Price

shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Minimum Subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, as applicable, on the date of closure of the Offer or withdrawal of applications; or after technical rejections; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholders, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and the SEBI ICDR Regulations. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely attributable to the relevant Selling Shareholder.

Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Shares, lock-in of our Promoters' contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 95 and except as provided

under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of Articles of Association*” beginning on page 457.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIIs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, 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, the Offer 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 and the Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer is of up to 31,695,000 Equity Shares for cash at a price of ₹ [●] per Equity Share comprising of an Offer of Sale of up to 31,695,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

The face value of the Equity Shares is ₹ 1 each.

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* (2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate [#] , unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only.	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of	The Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” beginning on page 435.

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The Allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” beginning on page 435.	
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000, and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000 (net of employee discount, if any).	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Bid	ASBA only (including the UPI Mechanism)	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including the UPI Mechanism for Bids up to ₹ 5,00,000)	ASBA only (including the UPI Mechanism)
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply ⁽³⁾	Eligible Employees (such that the Bid Amount does not exceed ₹ 0.5 million)	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	which are re-categorised as category II FPIs and registered with SEBI	
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			

* Assuming full subscription in the Offer

Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹200,000 (net of employee discount, if any) in the Employee reservation portion. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

(1) Our Company may and the Selling Shareholders, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" beginning on page 435.

(2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% 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, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the 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 and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. 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. For further details, please see “Terms of the Offer” beginning on page 425.

- (3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*
- (4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 441 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

The Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 441 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail 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 BRLMs 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. For further details, see “Terms of the Offer” on page 425.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) disposal of applications and electronic registration of bids; (x) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; (xii) designated date; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 as amended from time to time, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2,00,000 to ₹ 5,00,000 for all the individual investors applying in public issues.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring 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 the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Furthermore, up to [●] Equity Shares, aggregating to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of employee discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialized mode on the platform of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (the “**UPI Streamlining Circular**”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

- a) The Designated Intermediary may register the Bids using the online 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 online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during

the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

All Bidders using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Investors bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs) as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) All Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5 p.m. on the Bid/ Offer Closing Date (“**Cut-Off Time**”). Accordingly, Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the

registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion 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. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any “person related to the Promoters/ Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters/ Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board. Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids

accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective 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).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that 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.

For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 456. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/applications by HUFs will be considered at par with Bids/applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer 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, may issue, subscribe to 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such

offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI 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. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of employee discount, if any). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of employee discount, if any). Allotment in the Employee Reservation Portion will be as detailed in the section “*Offer Structure*” on page 431.

However, Allotments to Eligible Employees in excess of ₹200,000 (net of employee discount, if any) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of employee discount, if any). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form.
2. Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
3. In case of joint bids, the sole/ first Bidder shall be the Eligible Employee.
4. Bids by Eligible Employees may be made at Cut-off Price.
5. Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.
6. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000.
7. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
8. Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
9. Eligible Employees bidding in the Employee Reservation Portion may Bid either through the UPI mechanism or ASBA (including syndicate ASBA).

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure*” on page 435.

Bids by SEBI registered VCFs, AIFs and FVCIs

SEBI VCF Regulations, *inter alia*, prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations 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.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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 and the Selling Shareholders in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

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 and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's 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 the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended (“**IRDAI Investment Regulations**”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, 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 and the Selling Shareholders in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- (a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100.00 million.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
- (e) Our Company and the Selling Shareholders, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million; minimum of two and maximum of 15 Anchor

Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

- (f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) , nor any "person related to Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the

Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier acknowledgement slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges, nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
6. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
9. If the first applicant is not the bank 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;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. 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 or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. 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;
19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
22. Since the Allotment will be in demat form only, ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as

applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
24. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5 p.m. on the Bid/ Offer Closing Date;
26. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs.
27. Ensure that the PAN is linked with Aadhaar and are in compliance with notification dated February 13, 2020 and press release dated June 25, 2021 issued by Central Board of Direct Taxes;
28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in); and
31. Bids by eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion for allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price for Bids by QIBs and Non-Institutional Bidders;
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. 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 a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;
14. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
15. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. 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;
19. 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);
20. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
21. Do not submit a Bid using UPI ID, if you are not a RIB;
22. Do not submit your Bid after 3:00 pm on the Bid/ Offer Closing Date;
23. If you are a QIB, do not submit your Bid after 3:00 p.m. on the Bid/ Offer Closing Date for the QIBs;
24. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
25. Do not Bid for Equity Shares in excess of what is specified for each category;
26. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
28. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
29. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
30. If you are a Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID; and
31. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page 85.

Further, helpline details of the BRLMs pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 88.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID, subject to availability of information from the Sponsor Bank;
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;

11. GIR number furnished instead of PAN;
12. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000 and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and
14. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash.
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than one per cent of the Offer to the public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the members of Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], an English national daily newspaper, and all editions of [●] (a widely circulated Hindi national daily newspaper) (Hindi also being the regional language of Uttar Pradesh, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer 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 X of the SEBI ICDR Regulations.

Post-Offer Advertisement

Our Company, the BRLMs and the Registrar, shall publish a post-Offer advertisement in terms of Regulation 51(1) of SEBI ICDR Regulations on or before the date of commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, and all editions of [●] (a widely circulated Hindi national daily newspaper) (Hindi also being the regional language of Uttar Pradesh, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the respective Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the Filing with the RoC

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if 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 ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- except for Equity Shares allotted pursuant to the Offer, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed;
- if our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI; and
- except for Equity Shares that may be allotted pursuant to the conversion of employee stock options granted under the Plans and the conversion of the Preference Shares, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes, severally and not jointly, in respect of itself as a selling shareholder and its respective portion of its Offered Shares that:

- the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it is the legal and beneficial owner of its respective portion of the Offered Shares and the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its respective portion of the Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to its respective portion of the Offered Shares;
- it shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements, which are specifically confirmed or undertaken, severally and not jointly, by each Selling Shareholder in relation to itself and its respective portion of the Offered Shares. All other statements, undertakings, or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholders in consultation with the BRLMs.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Utilisation of Offer Proceeds

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

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 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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The consolidated FDI policy circular of 2020 dated October 15, 2020 issued by the DPIIT (formerly Department of Industrial Policy & Promotion) (“**FDI Circular**”) consolidates the policy framework which was in force as on October 15, 2020. Further, the FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DPIIT. The FDI Circular will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Non-debt Instruments Rules.

In terms of Press Note 3 of 2020, dated April 17, 2020 (“**Press Note**”), issued by the DPIIT, the FDI Circular has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 441.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.

Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

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 Bids 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 Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of the Company pursuant to the initial public offering of the Equity Shares of the Company. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders and cease to have any force and effect from the Consummation of the IPO (as defined below in Part A) and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

SHARE CAPITAL AND VARIATION OF RIGHTS

Article 5 states that the authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Article 7 enumerates the three kinds of shares in the Company:

- (a) Equity Share capital:
 - (i) with voting rights; and/or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- (b) Preference share capital.

Article 11 states that –

- A. Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
 - (i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (i) to (iii) below;
 - (a) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under applicable law and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined;

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;
 - (b) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;
 - (c) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company.

- (ii) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or
 - (iii) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder.
- B. Nothing in sub-clause (ii) of Clause (1)(A) shall be deemed:
- (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.
- C. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company:
- (i) to convert such debentures or loans into shares in the Company; or
- Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.
- D. Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Article 12 states that notwithstanding Article 11 above, but subject to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

Article 18 states if the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act. Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

Article 19 states that the Company, subject to the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares and convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

Article 21 states that the Company shall have the power to amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject to the provisions of the Act.

LIEN

Article 26 states that the Company shall have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) 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 that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Article 27 states that the Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

Article 28 states that the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right 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 of lien.

CALLS ON SHARES

Article 34 states that the Board may, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The option or right to call of shares shall not be delegated to any other person except with the approval of the shareholders in a General Meeting.

Article 36 states that the Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

Article 38 states that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 43 states that the provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

FORFEITURE AND SURRENDER OF SHARES

Article 44 states that if a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as

is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Article 45 states that the notice so mentioned above shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares.

Article 47 states that any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated 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 thinks fit.

Article 55 empowers the Board such that it may at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

Article 57 states that the provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRASMISSION OF SHARES

Article 61 states that:

- (a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
- (b) The Board may decline to recognize any instrument of transfer unless-
 - i. the instrument of transfer is in the form prescribed under the Act;
 - ii. the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - iii. the instrument of transfer is in respect of only one class of shares.
- (c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Article 62 states that every instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

Article 64 states that the Board may decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares/debentures in whatever lot shall not be refused.

Article 65 states that where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

Article 66 states that the executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

Article 68 states that subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent Member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Article 69 states that a person becoming entitled to a share by transmission in consequence of the death, lunacy, bankruptcy, or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

GENERAL MEETINGS

Article 80 states that in accordance with the provisions of the Act, the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Article 81 states that all General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Article 87 states that five Members or such other number of Members as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

Article 89 empowers the chairman of the Board of Directors to preside as chairman at every General Meeting of the Company.

Article 90 states that if there is no chairman of the Board or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present

shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

Article 94 states that in case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

VOTE OF MEMBERS

Article 96 states that subject to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.
- (b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up Equity Share capital.
- (c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 97 states that in 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 other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 99 states that no Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

PROXY

Article 100 states that any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Article 101 states that an instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (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.

DIRECTOR

Article 104 provides that unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that subject to the provisions of the Act, the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

Article 106 empowers the Board to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

Article 107 states that:

- (a) The Board may, appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an alternate director for a Director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the “Original Director”).
- (b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 109 states that:

- (a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.
- (b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company’s business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.
- (c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

Article 110 states that if any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Article 119 states that –

- (a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of one hundred and twenty days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days’ in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.

- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.
- (d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Article 120 states that questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the chairman, in his absence the vice chairman or the Director presiding shall have a second or casting vote.

Article 121 states that the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested Directors, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

Article 123 provides that:

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

Article 124 states that:

- (a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

Article 125 provides that:

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

- (c) The Board shall from time to time form committees of the Board and the Board shall determine the composition of such committees based on the statutory requirements and the skill sets of the Investor Directors seeking representation of the committees.

Article 126 provides that:

- (a) A committee may elect a chairman of its meetings. If no such chairman is elected or if at any meeting the chairman 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 the chairman of the committee meeting.
- (b) The quorum of a committee may be fixed by the Board of Directors.

Article 127 provides that:

- (a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

Article 128 states that all acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

Article 129 states that save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

Article 134 states that

- (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.
- (b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.
- (c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.
- (d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.
- (e) The managing director shall not be liable to retirement by rotation as long as he holds office as managing director.
- (f) The Managing Director as appointed by the Board may also hold the post of Chairman of the Company at the same time and the person so appointed may be designated as Chairman & Managing Director of the Company.

Article 137 provides that:

- (a) A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board.

- (b) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.
- (c) A provision of the Act or the Articles 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 a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

DIVIDENDS AND RESERVES

Article 140 states that the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Article 141 states that the Board may, from time to time, pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

Article 142 states that:

- (a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.
- (b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration of the dividend, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Lohia Corp Limited", as per the applicable provisions of the Act.
- (c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) consecutive years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act.
- (d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Article 144 states that 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 dividend as from a particular date such share shall rank for dividend accordingly.

Article 145 states that:

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied 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 think fit.
- (b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

Article 146 states that no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may

deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

CAPITALISATION OF PROFITS

Article 152 states that:

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
 - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:
 - (i) paying up any amounts for the time being unpaid on shares held by such Members respectively;
 - (ii) paying up in full unissued shares of the Company 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) sub-clause (ii) above.
 - (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
 - (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

WINDING UP

Article 163 states that:

- (a) 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.
- (b) For the purpose aforesaid, the liquidator may set 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.
- (c) 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.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary Member, be liable to make a further contribution as if he were at the commencement of winding up, a Member of an unlimited company, in accordance with the provisions of the Act.

INDEMNITY

Article 165 provides that every Director and Officer of the Company, or any person (whether an officer of the Company or not) employed by the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in

which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director/ officer.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material, have been entered or to be entered into by our Company. These documents and contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for filing and are also available at the website of our Company which can be accessed at <https://www.lohiagroup.com/INVESTOR-RELATIONS>. Copies of the above-mentioned documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, except for such contracts and documents that will be executed subsequent to the completion of the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Offer

1. Offer Agreement among our Company, the Selling Shareholders and the BRLMs dated September 29, 2022.
2. Registrar Agreement among our Company, the Selling Shareholders and Registrar to the Offer dated September 29, 2022.
3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Banker(s) to the Offer and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] between the Company, the Selling Shareholders and the Share Escrow Agent.
5. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, the Registrar to the Offer and the Underwriters.

Material Documents

1. Certified copies of the Memorandum of Association and the Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated October 5, 1981, and two fresh certificates of incorporation dated December 31, 1987, and March 7, 2013, issued by the Registrar of Companies, Uttar Pradesh upon conversion into a public company and change of name respectively.
3. Resolution of the Board dated August 1, 2022, approving the Offer and other related matters.
4. Resolutions of the Board dated September 28, 2022 and the IPO Committee dated September 29, 2022, respectively approving this Draft Red Herring Prospectus.
5. Resolution of the IPO Committee dated September 28, 2022 taking on record the Offer for Sale.
6. Resolution of the Board of Directors dated [●], approving the Red Herring Prospectus.
7. Consent letters from the Selling Shareholders, each dated September 28, 2022, for participating in the Offer for Sale.
8. Shareholders' Agreement dated October 22, 2021 between Mr. Sundaram S. in its own individual

capacity as well as a sole proprietor of M/s Sundarlam Industries and Raj Kumar Lohia, one of the Promoters of our Company.

9. Shareholders agreement dated November 11, 2015 entered between Mercoplast S.A. and our Company.
10. Framework Agreement dated December 11, 2018 entered between our Company, GWT Capital GmbH, Einbecker Kennzeichnungssysteme GmbH, Global Wood Technologies AG, Daniela Schmidt and Petra Flohr.
11. Invention Assignment Agreement between our Company and Gaurav Lohia, promoter of our Company dated February 1, 2021.
12. Invention Assignment Agreement between our Company and Raj Kumar Lohia, promoter-director of our Company dated January 30, 2019.
13. Tripartite agreement dated May 28, 2022 among NSDL, our Company and the Registrar to the Offer.
14. Tripartite agreement dated June 1, 2022 among CDSL, our Company and the Registrar to the Offer.
15. Copies of auditor's reports of our Company in respect of our audited Restated Consolidated Financial Information for Fiscal Years 2022, 2021 and 2020.
16. Copies of annual reports of our Company for Fiscal Years 2022, 2021 and 2020.
17. Examination report of our Joint Statutory Auditors dated August 27, 2022, on the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.
18. Statement of special tax benefits available to our Company and its shareholders, under direct and indirect tax laws in India from our Joint Statutory Auditors, dated September 29, 2022.
19. Industry report titled "*Assessment of Machines Market for Technical Textile with Focus on Plastic Woven Fabric/Sacks*" dated September 26, 2022, prepared and issued by F&S and commissioned by our Company for an agreed fees, with the consent letter dated September 26, 2022 issued by F&S.
20. Written consent dated September 29, 2022, from Joint Statutory Auditors namely, Walker Chandio & Co. LLP, Chartered Accountants and V. Awasthi & Arvind Shrish, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) examination report, dated August 27, 2022, on our Restated Consolidated Financial Information; and (ii) their report dated September 29, 2022, on the Statement of Special Tax Benefits in this DRHP and such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.
21. Written consent dated September 29, 2022 from Anil Pariek & Garg, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.
22. Written consent dated September 29, 2022 from M/s Srajan Consultants, Independent Third Party Chartered Engineers, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent chartered engineer to our Company.
23. Written consent dated September 29, 2022 from S.K. Gupta & Co., Company Secretaries, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent company secretary to our Company.
24. Consents of the Selling Shareholders, the BRLMs, Syndicate Members, Registrar to the Offer, Directors of our Company, Company Secretary and Compliance Officer for the Offer, Chief Financial Officer,

Public Offer Account Bank(s), Indian legal counsel to the Company, Indian legal counsel to the BRLMs, International legal counsel to the BRLMs, Bankers to our Company and Banker(s) to the Offer as referred to, in their respective capacities.

25. In-principle listing approvals dated [●] and [●], received from NSE and the BSE, respectively.
26. Due diligence certificate dated September 29, 2022, to SEBI from the BRLMs.
27. SEBI observation letter [●] and the in-seriatim reply of the BRLMs to the same dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Raj Kumar Lohia

(Chairperson and Managing Director)

Date: September 29, 2022

Place: Kanpur, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ujjal De

(Whole-time Director)

Date: September 29, 2022

Place: Kanpur, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Paritosh Kumar Mukherjee

(Whole-time Director)

Date: September 29, 2022

Place: Bengaluru, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajendra Kumar Arya

(Whole-time Director)

Date: September 29, 2022

Place: Kanpur, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anurag Lohia

(Non-Executive Director)

Date: September 29, 2022

Place: Kanpur, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Naresh Kumar Gupta

(Independent Director)

Date: September 29, 2022

Place: New Delhi, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Dinesh Kumar Mittal

(Independent Director)

Date: September 29, 2022

Place: Noida, Uttar Pradesh

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Gaurav Swarup

(Independent Director)

Date: September 29, 2022

Place: Kolkata, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Basant Seth

(Independent Director)

Date: September 29, 2022

Place: Kanpur, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Madhavkrishna Singhanian

(Independent Director)

Date: September 29, 2022

Place: New Delhi, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Keith Reddy Padmaja Reddy

(Independent Director)

Date: September 29, 2022

Place: Hyderabad, India

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DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines, issued by the Government of India, or the rules, regulations and guidelines, issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Krishan Gopal Gupta

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY RAJ KUMAR LOHIA, AS A PROMOTER SELLING SHAREHOLDER

I, Raj Kumar Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Raj Kumar Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY NEELA LOHIA, AS A PROMOTER SELLING SHAREHOLDER

I, Neela Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Neela Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY GAURAV LOHIA, AS A PROMOTER SELLING SHAREHOLDER

I, Gaurav Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Gaurav Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY AMIT KUMAR LOHIA, AS A PROMOTER SELLING SHAREHOLDER

I, Amit Kumar Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Amit Kumar Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY RITU LOHIA, AS A PROMOTER SELLING SHAREHOLDER

I, Ritu Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Ritu Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY AJAY LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Ajay Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Ajay Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY ALOK KUMAR LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Alok Kumar Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Alok Kumar Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY ANUJA LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Anuja Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Anuja Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY ANURAG LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Anurag Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Anurag Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY GOPAL CHANDRA LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Gopal Chandra Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Gopal Chandra Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY JITENDRA KUMAR LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Jitendra Kumar Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Jitendra Kumar Lohia

Date: September 29, 2022

Place: Kanpur, India

DECLARATION BY SHRADHA LOHIA, AS AN OTHER SELLING SHAREHOLDER

I, Shradha Lohia, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as an Other Selling Shareholder, and my respective portion of the Equity Shares being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Name: Shradha Lohia

Date: September 29, 2022

Place: Kanpur, India