

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH  
COMPANY APPLICATION CA (CAA) NO. 18 / ALD / 2021**

In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) and their respective Shareholders and Creditors;

**SHREE HOLDINGS LIMITED**

**(CIN:U65923UP1983PLC006136)**

A Public Limited Company incorporated under the provisions of the Companies Act, 1956 having its Registered office at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.)

**Applicant / Transferor Company**

AND

**LOHIA CORP LIMITED**

**(CIN: U29263UP1981PLC005446)**

A Public Limited Company incorporated under the provisions of the Companies Act, 1956 having its Registered office at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.)

**Applicant / Transferee Company**

**Lohia Corp Limited**

Regd. Off.: D-3/A, Panki Industrial Estate, Kanpur – 208 022, India | T: +91 512 2593499 | M: +91 9936294101 | F: +91 512 2593500 | E: [lst@lohiagroup.com](mailto:lst@lohiagroup.com)

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**NOTICE OF MEETING OF THE SECURED CREDITORS OF LOHIA CORP LIMITED CONVENED PURSUANT TO ORDER DATED 26<sup>th</sup> AUGUST, 2021 PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH**

<b>Day</b>	Saturday
<b>Date</b>	9 <sup>th</sup> October, 2021
<b>Time</b>	11.30 A.M.
<b>Venue</b>	Head office and Works of the Company at Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.)

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In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) and their respective Shareholders and Creditors;

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**Applicant / Transferor Company**

AND

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**Applicant / Transferee Company**

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**FORM NO. CAA 2**

[Pursuant to Section 230 (3) and Rule 6 and 7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**Company Application CA (CAA) No. 18 / ALD / 2021**

**Lohia Corp Limited ... Applicant Transferee Company**

**NOTICE CONVENING THE MEETING OF SECURED CREDITORS OF LOHIA CORP LIMITED (APPLICANT / TRANSFEREE COMPANY) PURSUANT TO THE ORDER DATED 26th AUGUST 2021 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH**

**To,**

**All the Secured Creditors of Lohia Corp Limited**

**NOTICE** is hereby given that by an Order dated 26th August, 2021 (the "Order"), the Hon'ble National Company Law Tribunal, Bench at Allahabad ("Tribunal" or "NCLT") has directed that a Meeting of the Secured Creditors of the Company be convened and held at the Head Office and Works of the Company at **Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.) on Saturday, the 9<sup>th</sup> October, 2021 at 11.30 A.M. (IST)** for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Shree Holdings Limited ("Transferor Company") with the Company i.e. Lohia Corp Limited ("Transferee Company") and their respective Shareholders and Creditors ("Scheme").

In pursuance of the said Order and as directed therein, a Meeting of Secured Creditors of the Company will be held at the Head Office and Works of the Company at Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.) on **Saturday, the 9<sup>th</sup> October, 2021 at 11.30 A.M. (IST)** at which time and place the said Secured Creditors are requested to attend to consider and, if thought fit, to approve, with or without or without modification(s), the resolution set out below in this Notice under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules

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framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) with the requisite majority:

**“RESOLVED THAT** pursuant to the provisions of Section 230, 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“Rules”), circulars and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to approval of the Hon’ble National Company Law Tribunal, Allahabad Bench (‘NCLT’) and subject to such other approvals, permissions and sanctions of Regulatory and other Authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions which may be agreed to by the Board of Directors of the Company, the arrangement embodied in the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) and their respective Shareholders and Creditors (‘Scheme’) placed before this meeting and initialled by the Chairperson of the meeting for the purpose of identification, be and is hereby approved.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may be, in its absolute discretion deem requisite, appropriate or necessary to give effect to this resolution and effectively implement the Amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and / or conditions, if any, which may be required and / or imposed by the Hon’ble NCLT while sanctioning the Arrangement embodied in the Scheme or by any Authorities under Law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board of Directors may deem fit and proper without being required to seek any further approval of the Secured Creditors of the Company and the Secured Creditors shall be deemed to have given their approval to

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any such alterations, modifications or amendments in the said Scheme expressly by the authority of this resolution”.

Explanatory Statement pertaining to the said resolution setting out the material facts and reasons thereof under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with copy of the Scheme and other annexures including the Postal Ballot Form, Proxy Form and Attendance Slip (as indicated in the index) are enclosed herewith. Copies of the same can also be obtained free of cost from the Registered office of the Company situated at D-3 / A, Panki Industrial Estate, Kanpur- 208022 (U.P.).

The Hon'ble Tribunal has appointed Mr. Rahul Agrawal, Advocate (Mobile No. 9453091100), Email Id: [agarwal.agarwal@gmail.com](mailto:agarwal.agarwal@gmail.com) as the Chairperson and Ms. Aparna Trivedi, Advocate (Mobile No. 9650308968), Email Id: [aparnatrivedi2015@gmail.com](mailto:aparnatrivedi2015@gmail.com) as the Alternate Chairperson of the Meeting including for any adjournment(s) thereof. Further, the Hon'ble Tribunal, has appointed Mr. Ankit Kumar Singh, Practicing Company Secretary (Mobile No. 7007496701) Email Id: [cs.ankitsingh22@gmail.com](mailto:cs.ankitsingh22@gmail.com) as a Scrutinizer for the said meeting of the Secured Creditors for conducting the postal ballot and poll process in a fair and transparent manner.

The above mentioned Scheme of Amalgamation, if approved by the Secured Creditors in the aforesaid Meeting with requisite majority, will be subject to the subsequent approval by the National Company Law Tribunal, Allahabad Bench.

Sd/-  
(RAHUL AGRAWAL)

Date: 03-09-2021

Chairperson appointed for the Secured Creditors' Meeting

Place: ALLAHABAD

## **NOTES:**

1. ONLY A SECURED CREDITOR OF THE TRANSFEREE COMPANY [I.E. LOHIA CORP LIMITED] IS ENTITLED TO ATTEND AND VOTE EITHER IN PERSON OR BY PROXY AT THE MEETING.
2. A SECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HER SELF AND A PROXY NEED NOT BE A SECURED CREDITOR OF THE COMPANY.

Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. Form of proxy is annexed to the Notice and can also be obtained from the Registered Office of the Company.

3. The Authorized Representative of a Body Corporate which is a Secured Creditor of the Company may attend and vote at the meeting of Secured Creditors of the Transferee Company provided a certified true copy of the resolution or other valid authorization of the Board of Directors or other governing body of such Body Corporate authorizing such representative to attend and vote at the meeting of Secured Creditors is deposited at the Registered office of the Company situated at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.) at least 48 (forty-eight) hours before the commencement of the meeting.
4. The Notice and the Explanatory Statement together with the documents accompanying the same, are being sent to all the Secured Creditors of the Company as directed by the Tribunal.

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5. In accordance with the applicable regulatory provisions, in addition to casting of votes on Poll at the Meeting, the Company has provided to the Secured Creditors with the facility for casting their votes by way of Postal Ballot from a place other than venue of the NCLT convened Meeting.
6. The voting period for Postal Ballot shall commence on and from Thursday, 9th September, 2021 at 9:00 A.M. and end on Friday, 8th October, 2021 at 5:00 P.M.
7. A Postal Ballot Form is enclosed. Secured Creditors are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed with assent (For) or dissent (Against), so as to reach the Scrutinizer on or before 8th October, 2021 by 5:00 P.M. No other form or photocopy of the Postal Ballot form is permitted.
8. Once the vote on a resolution is cast by a Secured Creditor through postal ballot, he / she / it shall not be allowed to change it subsequently.
9. The Company is also offering facility for voting by way of poll at the Meeting for the Secured Creditors attending the Meeting who have not cast their vote by Postal ballot.
10. As directed by the Hon'ble NCLT, Shri Ankit Kumar Singh, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the votes cast either by Postal ballot or on Poll at the Meeting and submit the Report on votes cast to the Chairperson of the Meeting.
11. The Scrutinizer will submit his report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Secured Creditors of the Company through postal ballot and polling paper at the venue of the Meeting. The Scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through Postal Ballot or Polling paper at the Meeting will be announced within 48 hours at the venue of the meeting.

12. The resolution will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes cast in favour of the resolution.
13. All the documents referred to in the Explanatory Statement will be kept open for inspection by the Secured Creditors at the Registered Office of the Company during the business hours on all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting. The said documents shall also be available for inspection at the venue of the Meeting.
14. In accordance with the provisions of Section 230 and 232 of the Companies Act, 2013, the 'Scheme' shall be acted upon only if a majority of persons representing three-fourths in value of the Secured Creditors of the Company, voting by way of Postal Ballot and voting by way of poll agree to the 'Scheme'.
15. The Statement pursuant to sub-section (3) of Section 230 of the Companies Act, 2013 read with sub-rule (3) of Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 setting out the material facts in respect of the proposed Scheme of Arrangement for Amalgamation as set out above is annexed hereto.
16. Copies of the Scheme and of the Statement under Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures can be obtained free of charge or inspected at the Registered Office of the Company during business hours on all working days upto the date of the Meeting.
17. The Notice convening the aforesaid meeting will also be published through advertisement in "Business Standard" in English Newspaper and "Rashtriya Sahara", a Hindi Newspaper, having circulation in Kanpur where the Registered office of the Company is situated.

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**Applicant / Transferee Company**

**EXPLANATORY STATEMENT UNDER SECTION 230 (3) AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE MEETING OF SECURED CREDITORS OF LOHIA CORP LIMITED (TRANSFEEE COMPANY) CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH**

1. This Statement is being furnished pursuant to Section 230 (3) of the Companies Act, 2013 (“**Act**”) read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Merger Rules**”) (the “**Explanatory Statement**”).
2. Pursuant to an Order dated 26th August, 2021 (“**Order**”), passed by the Hon’ble National Company Law Tribunal, Allahabad Bench (“**Tribunal**” or “**NCLT**”) in the Company Application CA (CAA) No. 18 / ALD / 2021, a Meeting of the Secured Creditors of Lohia Corp Limited (“**Transferee Company**”) is being convened on Saturday, the 9th October, 2021 at 11.30 A.M. (IST) at the Head Office and Works of the Company at Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the ‘Scheme of Amalgamation’ between Shree Holdings Limited (“**Transferor Company**”), and Lohia Corp Limited (“**Transferee Company**”) and their respective Shareholders and Creditors (“**Scheme**”). A copy of the Order is attached herewith as **Annexure -1**.
3. A copy of the Scheme is attached herewith as **Annexure -2**. The proposed Scheme will become operational from the Appointed Date (i.e., April 1, 2021) upon the same becoming effective (as defined in the ‘Scheme’).
4. The Board of Directors of the Transferee Company has approved the Scheme vide its resolution dated 9th August, 2021.

5. The Scheme is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, as may be applicable, for the amalgamation of the Transferor Company with the Transferee Company, on a going concern basis. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.
6. Words or terms used hereunder are as referred to under the Scheme for Amalgamation (hereinafter referred to as the "Scheme") of Shree Holdings Limited ("Transferor Company") with Lohia Corp Limited ("Transferee Company") under Section 230-232 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The other definitions in the Scheme will also apply to this Statement.
7. The Scheme, if approved in the aforesaid Meeting, will be subject to the subsequent approval by the Hon'ble NCLT and subject to such other approvals, permissions and sanctions of Regulatory and other Authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities while granting consents, approvals and permissions which may be agreed to by the Board of Directors of the Company.
8. The Scheme envisages the Amalgamation of Shree Holdings Limited ("Transferor Company") with Lohia Corp Limited ("Transferee Company") under Section 230-232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with effect from the Appointed Date i.e. 1<sup>st</sup> April, 2021 and dissolution of the Transferor Company without winding up.

## 9. Background:

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### Lohia Corp Limited

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9.1	<b>Details of the Transferor Company</b>	<b>Shree Holdings Limited</b>
a)	Corporate Identification Number (CIN)	U65923UP1983PLC006136
b)	Date of Incorporation	18 <sup>th</sup> June, 1983
c)	Type of Company	Public Limited Company
d)	Permanent Account Number (PAN)	AABCS9221R
e)	Registered Office	D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.).
f)	Email Address	<a href="mailto:shree.holding@gmail.com">shree.holding@gmail.com</a>
g)	<p>The Main Objects of the Transferor Company are as follows:</p> <ol style="list-style-type: none"> <li><i>To invest in securities of Companies in the Group and to grant loans or advances including Inter Corporate Loans, enter into indemnity contracts, provide guarantee and securities etc. to or on behalf of Companies in the Group and to act as Core Investment Company.</i></li> <li><i>To promote and / or acquire controlling shareholding in Companies carrying on any business or transaction which the Company is authorized to carry on as a Core Investment Company.</i></li> </ol> <p>The Transferor Company is, inter-alia, engaged in the business of financing and investment and is a Core Investment Company.</p>	
h)	Name Change	The name of the Transferor Company has not been changed since incorporation.
i)	Registered Office Change	There has been no change in the registered office of the Transferor Company during the last five years.

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j)	Objects Change	There has been no change in the Objects Clause of the Memorandum of Association of the Transferor Company during the last five years.
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k)	The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31 <sup>st</sup> March, 2021 is as follows:-
----	---

Particulars	Amount (Rs.)
<b>Authorised Capital</b>	
4,50,000 Equity Shares of Rs. 10/- each.	45,00,000
<b>TOTAL</b>	<b>45,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>	
2,00,000 Equity Shares of Rs. 10/- each.	20,00,000
<b>TOTAL</b>	<b>20,00,000</b>

There was no change in Capital Structure of the Transferor Company after the 'Appointed Date'.

l)	Names of the Promoters and Directors with their Addresses:		
Name	Promoter / Director	Address	
Shri Amit Kumar Lohia	Director & Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur- 208002 (U.P.)	
Shri Krishan Gopal Gupta	Director	349, D Block, Shyam Nagar, Kanpur – 208013 (U.P.)	
Shri Om Prakash Darolia	Director	901, 'Y' Block, Kidwai Nagar, Kanpur – 208011 (U.P.)	
Shri Ajay Lohia	Promoter	7/153-B, Swaroop Nagar, Kanpur (U.P.)- 208002	

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Shri Alok Kumar Lohia	Promoter	Plot No.2, 7/209, Swaroop Nagar, Kanpur – 208002 (U.P.)
Shri Anurag Lohia	Promoter	3A/88, Azad Nagar, Kanpur-208002 (U.P.)
Smt. Anuja Lohia	Promoter	3A/88, Azad Nagar, Kanpur-208002 (U.P.)
Smt. Ritu Lohia	Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208002 (U.P.)
Shri Raj Kumar Lohia	Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208002 (U.P.)
Shri Gaurav Lohia	Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208002 (U.P.)
Shri Jitendra Kumar Lohia	Promoter	3A/88, Azad Nagar, Kanpur – 208002 (U.P.)
Smt. Shradha Lohia	Promoter	7/153-B, Swaroop Nagar, Kanpur- 208002 (U.P.)

m) The Pre-amalgamation Shareholding details of the Transferor Company as on 31<sup>st</sup> March, 2021 are as follows:

Sl. No.	Name of Equity Shareholder	No. of Shares (Rs. 10/- each)	Nominal Value of Shares held (in Rs.)	Percentage (%)
1.	Shri Raj Kumar Lohia	46,600	4,66,000	23.30

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2.	Shri Amit Kumar Lohia	23,500	2,35,000	11.75
3.	Smt. Ritu Lohia	10,000	1,00,000	5.00
4.	Shri Gaurav Lohia	20,000	2,00,000	10.00
5.	Shri Ajay Lohia	18,000	1,80,000	9.00
6.	Shri Jitendra Kumar Lohia	20,000	2,00,000	10.00
7.	Shri Alok Kumar Lohia	13,300	1,33,000	6.65
8.	Shri Anurag Lohia	18,300	1,83,000	9.15
9.	Smt. Anuja Lohia	15,000	1,50,000	7.50
10.	Smt. Shradha Lohia	15,300	1,53,000	7.65
	<b>TOTAL</b>	<b>2,00,000</b>	<b>20,00,000</b>	<b>100.00</b>

**n) RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME**

The 'Transferor Company' presently holds 89.54% of the Paid-up Share Capital of the 'Transferee Company', as such, the 'Transferor Company' is the Holding Company of the 'Transferee Company'. Pursuant to the Scheme of Amalgamation, as a consideration for Transfer of Assets and Liabilities upon Amalgamation, the 'Transferee Company' shall issue to the Shareholders of the 'Transferor Company', Equity Shares as per the Share Exchange Ratio determined by Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705).

9.2	<b>Details of the Transferee Company</b>	<b>Lohia Corp Limited</b>
a)	Corporate Identification Number (CIN)	U29263UP1981PLC005446
b)	Date of Incorporation	5 <sup>th</sup> October, 1981
c)	Type of Company	Public Limited Company
d)	Permanent Account Number (PAN)	AAACL2470J

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e)	Registered Office	D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.)
f)	Email Address	<a href="mailto:cs@lohiagroup.com">cs@lohiagroup.com</a>
g)	<p>The Main Objects of the Transferee Company are as follows:</p> <ol style="list-style-type: none"> <li>1. <i>To carry on the business as manufacturers, producers, exporters, importers, traders, dealers, distributors, stockiest, 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 PP/ HDPE, synthetic, textile plastic, rayon, tape woven sacks.</i></li> <li>2. <i>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.</i></li> <li>3. <i>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.</i></li> <li>4. <i>To establish institutions / training centres for imparting technical, vocational &amp; behavioural education and for providing training in all disciplines in workshops, factories of other establishment / organizations 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</i></li> </ol>	

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*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, assemblers etc. made of metals and / or elements of all kinds and description whether man made or natural.*

	<p>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, strape, 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.</p> <p>9. To carry on the business of manufacturers, exporters, importers, buyers, sellers or act as agents, re-packers, stockiest 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.</p> <p>Transferee Company is engaged in the business of manufacturing of complete range of machines required by HDPE/PP Woven Fabric Industry.</p>	
h)	Name Change	There has been no change in the name of the Transferor Company during the last five years.
i)	<p>Objects Change</p> <p><b>Changes in the Main Objects of the MOA</b></p>	<p>The following amendments have been made in the Memorandum of Association of the Company:-</p> <p><b>Date &amp; Type of Meeting</b></p> <p>25<sup>th</sup> July, 2016; Extraordinary General Meeting.</p>

	<p>(a) New sub-clauses 4, 5, 6 &amp; 7 were inserted in the Main Objects Clause of MOA of the Company.</p> <p>(b) New sub-clauses 8 &amp; 9 were inserted in the Main Objects Clause of MOA of the Company.</p>	<p>29<sup>th</sup> March, 2017; Extraordinary General Meeting.</p>
j)	<p>Registered Office Change</p>	<p>There has been no change in the registered office of the Transferee Company during the last five years.</p>

k)	<p>The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31<sup>st</sup> March, 2021 are as follows:-</p>
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Particulars	Amount (Rs.)
<p><b>Authorised Capital</b></p> <p>1,20,00,000 Equity Shares of Rs.10/- each.</p>	<p>12,00,00,000</p>
<b>TOTAL</b>	<b>12,00,00,000</b>
<p><b>Issued, Subscribed and Paid up Capital</b></p> <p>45,50,000 Equity Shares of Rs. 10/- each.</p>	<p>4,55,00,000</p>
<b>TOTAL</b>	<b>4,55,00,000</b>

There was no change in Capital Structure of the Transferee Company after the 'Appointed Date'.

l)	<p>Names of the Promoters and Directors with their Addresses:</p>	
<b>Name</b>	<b>Promoter / Director</b>	<b>Address</b>
Shri Raj Kumar Lohia	Managing Director & Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208002 (U.P.)

Shri Vinay Sah	Managing Director	Anand Shubh Dham, House No. 9, 7/213, Swaroop Nagar, Kanpur – 208002 (U.P.)
Shri Anurag Lohia	Whole-time Director & Promoter	3A/88, Azad Nagar, Kanpur-208002 (U.P.)
Shri Paritosh Kumar Mukherjee	Whole-time Director	Flat H-1303, NCC Meadows-2, Doddaballapur Main Road, Yelahanka New Town, Bengaluru – 560064 (Karnataka)
Shri Naresh Kumar Gupta	Director	J-32, Sarita Vihar, New Delhi – 110044
Shri Gopal Chandra Lohia	Director & Promoter	7/153-B, Swaroop Nagar, Kanpur-208002 (U.P.)
Ms. Stuti Singhania Agarwal	Director	Plot No. 2, 7/209, Swaroop Nagar, Kanpur – 208002 (U.P.)
Shri Amit Kumar Lohia	Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur – 208002 (U.P.)
Smt. Neela Lohia	Promoter	H1, Emerald Garden, 7/102, Swaroop Nagar, Kanpur-208002 (U.P.)
Shri Ajay Lohia	Promoter	7/153-B, Swaroop Nagar, Kanpur-208002 (U.P.)
Shri Jitendra Kumar Lohia	Promoter	3A/88, Azad Nagar, Kanpur-208002 (U.P.)
Shri Alok Kumar Lohia	Promoter	Plot No.2, 7/209, Swaroop Nagar, Kanpur – 208002 (U.P.)

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Shree Holdings Limited	Promoter	D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.)
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m) The Pre-amalgamation Shareholding details of the Transferee Company as on 31<sup>st</sup> March, 2021 is as follows:

Sl. No.	Name of Equity Shareholder	No. of Shares (Rs. 10/- each)	Nominal Value of Shares held (in Rs.)	Percentage (%)
1.	Shri Raj Kumar Lohia	1,77,000	17,70,000	3.89
2.	Shri Amit Kumar Lohia	60,000	6,00,000	1.32
3.	Mrs. Neela Lohia	41,000	4,10,000	0.90
4.	Shri Gopal Chandra Lohia	32,000	3,20,000	0.70
5.	Shri Ajay Lohia	40,000	4,00,000	0.88
6.	Shri Jitendra Kumar Lohia	36,000	3,60,000	0.79
7.	Shri Alok Kumar Lohia	40,000	4,00,000	0.88
8.	Shri Anurag Lohia	50,000	5,00,000	1.10
9.	Shree Holdings Limited	40,74,000	4,07,40,000	89.54
	<b>TOTAL</b>	<b>45,50,000</b>	<b>4,55,00,000</b>	<b>100.00</b>

n) **RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME**

The 'Transferee Company' is a Subsidiary Company of the 'Transferor Company' as 40,74,000 Equity Shares of Rs. 10/- each constituting 89.54% of the Paid-up Share Capital is held by 'Transferor Company'. Pursuant to the Scheme of Amalgamation, as a consideration for Transfer of Assets and Liabilities upon Amalgamation, the 'Transferee Company' shall issue to the Shareholders of the 'Transferor Company', Equity Shares as per the Share Exchange Ratio determined by Mr. Sandeep

Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705).
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10. The Board of Directors of the 'Transferor Company' had approved the 'Scheme of Amalgamation' in its Meeting held on 9<sup>th</sup> August, 2021.

Names of the Directors who voted in favor of the Resolution are:-

- (a) Shri Amit Kumar Lohia
- (b) Shri Krishan Gopal Gupta
- (c) Shri Om Prakash Darolia

Names of the Directors who voted against the resolution are: None

Names of the Directors who did not vote for the resolution are: None

11. The Board of Directors of the 'Transferee Company' had approved the 'Scheme of Amalgamation' in their Meeting held on 9<sup>th</sup> August, 2021.

Names of the Directors who voted in favor of the Resolution are:-

- (a) Shri Raj Kumar Lohia
- (b) Shri Gopal Chandra Lohia
- (c) Shri Anurag Lohia
- (d) Shri Naresh Kumar Gupta

Names of the Directors who voted against the resolution are: None

Names of the Directors who did not vote on the resolution are: Shri Vinay Sah, Managing Director, Shri Paritosh Kumar Mukherjee, Whole-time Director and Smt. Stuti Singhania Agarwal, Director of the Company were absent and were granted leave of absence for not attending the Meeting.



## 12. Details of the Scheme:

### (a) 'Appointed Date'

means the date from which the provisions of this Scheme shall become operational i.e. **1<sup>st</sup> April, 2021** or such other date as may be fixed and approved by National Company Law Tribunal, Allahabad Bench or any other authority.

### (b) 'Effective Date'

**"Effective Date"** or **"upon this Scheme becoming effective"** or **"upon coming into effect of this Scheme"** shall mean the last of the date on which the certified copy of the order(s) of the Tribunal sanctioning this Scheme, as defined hereunder, is filed with the jurisdictional Registrar of Companies ("ROC") by the Transferor Company and Transferee Company, as required under the provisions of the Act.

### (c) Other Details

This Scheme of Arrangement provides for Amalgamation of Shree Holdings Limited ("Transferor Company") with Lohia Corp Limited ("Transferee Company") under the provisions of Section 230-232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Amalgamation also provides for various other matters consequential or otherwise integrally connected therewith.

### (d) Rationale and Benefits of the Scheme

This Scheme of Amalgamation is presented under Section 230-232 of the Companies Act, 2013 read with applicable Rules of the Companies (Compromises, Arrangements and Amalgamations)

Rules, 2016 for Amalgamation of the above-mentioned Companies to achieve the following objectives:-

- The Transferor Company is the Holding Company of the Transferee Company.
- The Transferor Company and the Transferee Company have common control, common management, common place of business and common group administration.
- The amalgamation will lead to emergence of a single entity with strong financial capability to effectively withstand competition, to effectuate economies of scale and to optimize benefits available under the law. The consolidated Company with far enlarged asset base, higher profitability and net worth will be better placed to access low cost fund for its expansion and diversification requirements.
- The amalgamation will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried by the Amalgamating Companies and will avoid duplication of administrative functions and eliminate multiple record keeping.
- The amalgamation will result in simplification and rationalization of the holding structure and reduction in corporate legal entities.

**(e) The salient features and effects of the Scheme are:**

The salient features of the Scheme are as under:

## **5. TRANSFER AND VESTING OF BUSINESS & UNDERTAKING**

- 5.1. With effect from the 'Appointed Date' and upon the Scheme becoming effective, the entire business of Transferor Company including all its assets movable and immovable properties, taxes and whole

of the undertaking, shall pursuant to the sanction of this Scheme by the Tribunal and in accordance with the provisions of the Act stand transferred to and vested in and / or be deemed to have been transferred to and vested in Transferee Company, without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, the business of Transferee Company.

- 5.2. All liabilities (including contingent liabilities) arising out of the activities or operations of the Transferor Company forming the part of the business undertaking and including taxes or in relation to its contracts, other obligations, duties and sums owing shall be and stand transferred to and vested in or deemed to have been transferred to and vested in, so as to become the debts, liabilities, duties and obligations of the Transferee Company.

## 6. TRANSFER/ VESTING OF ASSETS

- 6.1. All the assets and properties of the Transferor Company including immovable properties of whatsoever nature and wherever situated, shall, in accordance with the provisions of the Act without any further act or deed, shall be and stand transferred to and vested in Transferee Company or be deemed to be transferred to and vested in Transferee Company so as to become, as and from the Appointed Date, the assets and properties of Transferee Company.
- 6.2. Without prejudice to the provisions of Clause 6.1 above, in respect of such assets and properties of Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and / or delivery, the same shall be so transferred by Transferor Company and shall, upon such transfer, become the assets and properties of Transferee Company without requiring any separate deed or instrument or conveyance for the same.
- 6.3. In respect of movables other than those dealt with in Clause 6.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any

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Governmental Authority or other person, the same shall on and from the 'Appointed Date' stand transferred to and vested in Transferee Company without any notice or other intimation to the Debtors (although Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, or any class of them, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in Transferee Company). In addition, Transferor Company, shall, if so required by Transferee Company, may, issue notice in such form as Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of Transferee Company, as the person entitled thereto, to the end and intent that the right of Transferor Company to recover or realize the same stands transferred to Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

6.4. All the statutory or regulatory licenses, permits, quotas, consents, approvals, permissions, registrations, sanctions (including pertaining to electricity, water, telephones), authorizations, incentives, tax deferrals, credits, exemption and benefits under applicable laws, subsidies, concessions, grants, rights, claims, leases, tenancy rights / lease or license rights, liberties, no objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the 'Appointed Date', shall in accordance with the provisions of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to Transferee Company so as to become, as and from the 'Appointed Date' regulatory licenses, permits, quotas, consents, approvals, permissions, registrations, sanctions (including pertaining to electricity, water, telephones) etc., authorizations, incentives, tax deferrals, credits, exemption and benefits under applicable laws, subsidies, concessions, grants, rights, claims, leases, tenancy rights / lease or license rights, liberties, no objection certificates and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

## 7. TRANSFER OF LIABILITIES

7.1. Upon this Scheme coming into effect and with effect from the Appointed Date, all liabilities of the Transferor Company including all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the Tribunal and in accordance with the provisions of the Act, without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the 'Appointed Date' the Liabilities of Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

7.2. All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company respectively, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by Transferee Company by virtue of this Scheme.

7.3. Where any such debts, loans raised, liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the

Transferor Company respectively after the 'Appointed Date' and prior to the 'Effective Date', such discharge or satisfaction shall be deemed to be for and on account of Transferee Company.

## 8. TAXES

8.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-Tax Act, Customs Act, 1962, Goods and Services Tax Act, 2017 or other applicable laws / regulations dealing with taxes / duties / levies (hereinafter in this Clause referred to as the "Tax Laws") shall be transferred to the account of Transferee Company, similarly all credits for taxes including Minimum Alternate Tax, Tax deduction at source on income of the Transferor Company or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly, any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by Transferee Company if so made by the Transferor Company.

8.2. Any refunds under the Tax Laws due to Transferor Company, consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Transferee Company.

## 9. ENCUMBRANCES

The transfer and vesting of the assets of the Transferor Company to and in Transferee Company shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided:

- 9.1. All the existing securities, mortgages, charges, encumbrances or liens (the “**Encumbrances**”), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets or any part thereof transferred to Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of Transferee Company.
- 9.2. The existing Encumbrances over the assets and properties of Transferee Company or any part thereof which relate to the liabilities and obligations of Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in Transferee Company by virtue of this Scheme.

## 10. CONSIDERATION

**10.1 Upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of Undertaking of the ‘Transferor Company’ in terms of this ‘Scheme’, the ‘Transferee Company’ shall issue and allot without any further application, act or deed and without any further payment, the Equity Shares to the Equity Shareholders of the ‘Transferor Company’ whose names are recorded in the Register of Members / Records of Depositories as beneficial owners on the ‘Record Date’ to be fixed by the Board of Directors of the ‘Transferee Company’ as under:-**

**“2,037 (Two Thousand and Thirty Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the ‘Transferee Company’ for every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up held in the ‘Transferor Company’.”**

- 10.2 The approval of the Scheme by the Shareholders of the Transferee Company shall be deemed to be in due compliance with the provisions of Sections 61, 62 and any other applicable provisions of the Companies Act, 2013 for the issue and allotment of Equity Shares by the Transferee Company to the Shareholders of the Transferor Company as provided for in the Scheme. The Transferee Company, if required, will increase, alter or modify its capital structure for issuance of new shares under the Scheme.
- 10.3 The Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company.
- 10.4 The Equity Shares to be issued by the Transferee Company, in terms of Clause 10.1 hereinabove, shall be issued in dematerialized form to all the eligible Equity Shareholders of the Transferor Company.
- 10.5 Upon the coming into effect of this 'Scheme', all the existing shares of the 'Transferor Company' held in physical and / or dematerialized form as on the 'Record Date' shall stand cancelled and will become invalid and shall cease to be tradable thereafter. The Board of Directors of the 'Transferee Company' may not require the Shareholders of the 'Transferor Company', to surrender their share certificates, if any held in physical form, before issuing the new shares in terms of Clause 10.1.

## 11. CANCELLATION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

- 11.1. Upon coming into effect of the Scheme, all the Equity Shares of the Transferee Company held by the Transferor Company shall stand cancelled and extinguished without any further application, act or deed. The cancellation, as aforesaid, shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 66 of the Act and the Order of the National Company Law

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Tribunal ('NCLT') sanctioning the Scheme shall be deemed to be an Order under Section 66 of the Act for the purpose of confirming the reduction. Notwithstanding the reduction as mentioned above, Transferee Company shall not be required to add "and reduced" as suffix to its name.

- 11.2. The consent of the Shareholders, secured and unsecured creditors to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction in the issued and paid-up share capital of the Transferee Company, and no further resolution and / or action under Section 66 of the Act and any other applicable provisions of the Act would be required to be separately passed or taken.

## 12. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL

- 12.1. On occurrence of the Effective Date, pursuant to Sections 230 and 232 read with Section 61 and other applicable provisions of the Companies Act, 2013, and Clause V of the Memorandum of Association of Transferor Company and Transferee Company, the Authorized Share Capital of Transferor Company as on the Effective Date shall get combined with the Authorized Share Capital of Transferee Company. Pursuant to the consolidation of Authorized Share Capital as envisaged above, the Memorandum of Association of Transferee Company shall automatically stand amended and altered.

- 12.2. The filing fee already paid by Transferor Company on its Authorized Share Capital, to be combined with Transferee Company under Clause 12.1 above, shall be set-off against any fees payable by an increase in authorized capital pursuant to such combination. Post increase in Authorized Capital, Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Registrar of Companies within a period of 30 days from the Effective Date and the Registrar of Companies shall take the same on record.

## 13 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

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13.1 Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, Rules made thereunder, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

In terms of the Accounting Standard (AS) 14, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:

- (i) The amalgamation shall be an 'Amalgamation in the nature of Merger' as defined in the Accounting Standard (AS) 14 as prescribed under the Companies (Accounting Standards) Rules, 2006, and shall be accounted for under the 'Pooling of Interests' method in accordance with the said AS-14.
- (ii) Accordingly, all the assets and liabilities recorded in the Books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as reflected in the Books of the Transferor Company as on the Appointed Date.
- (iii) Cross investments or other inter-company balances, if any, will stand cancelled.
- (iv) All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor Company and Transferee Company will also be clubbed together.
- (v) In accordance with the Accounting Standard 14, any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus, if any, in the Books of the

Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

- (vi) Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

It is, however, clarified that in case of applicability of the IND AS as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as amended, amalgamation of the Transferor Company with the Transferee Company will be accounted for in the manner as provided in the applicable IND AS.

## 14 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEREE COMPANY

During the period between the Appointed Date and the Effective Date:

- 14.1 The Transferor Company undertakes to preserve and carry on its business, with reasonable diligence and business prudence and shall not sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof;
- 14.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets and, rights, title and interest therein, for and on account of, and in trust for Transferee Company;
- 14.3 All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of Transferee Company;

## 15 LEGAL PROCEEDINGS

- 15.1 All legal proceedings of whatsoever nature by or against Transferor Company pending and / or arising on or after the Appointed Date, shall not abate or be discontinued and shall be continued and enforced

by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against Transferor Company respectively;

- 15.2 Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company referred to in Clause 15.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company to the exclusion of Transferor Company.

## 16 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 16.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or oblige thereto or thereunder.

## 17 SAVING OF CONCLUDED TRANSACTIONS

- 17.1 The transfer and vesting of the assets, liabilities and obligations pertaining / relating to Transferor Company pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 15 hereof shall not affect any transactions or proceedings already completed by Transferor Company on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of Transferor Company, as acts, deeds and things done and executed by and on behalf of Transferee Company.

## 18 STAFF AND EMPLOYEES

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- 18.1 On the Scheme becoming effective, all staff, workmen and employees of Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favorable than those applicable to them with reference to Transferor Company respectively, on the Effective Date.
- 18.2 Transferee Company agrees that the services of all such staff, workmen and employees of Transferor Company up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in Transferor Company respectively on the Effective Date.

## 19 DISSOLUTION OF TRANSFEROR COMPANY

- 19.1 Transferor Company and Transferee Company shall take such other step, as may be necessary or expedient to give full and formal effect to the provisions of the Scheme.
- 19.2 Transferor Company shall stand dissolved as on the Effective Date in terms of this Scheme, without the process of winding up.

## 20 APPLICATION TO TRIBUNAL

- 20.1 Transferor Company and Transferee Company shall make all applications / petitions under sections 230 and 232 read with other applicable provisions of the Companies Act, 2013 to the Tribunal for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.

## 21 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 21.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and Transferee Company as may be directed by the Tribunal or any other competent authority, as may be applicable.
- 21.2 The Scheme being sanctioned by the Tribunal under Sections 230 to 232, read with other applicable provisions of the Act and to the necessary orders under Section 232 of the said Act being obtained.
- 21.3 Certified copies of the Orders of the Tribunal sanctioning the Scheme being filed with the jurisdictional Registrar of Companies, by Transferor Company and Transferee Company.
- 21.4 The requisite, consent, approval or permission of any Government, statutory or regulatory authority which by law may be necessary for the implementation of this Scheme.
- 21.5 The Scheme comprises of amalgamation of Transferor Company with and into Transferee Company. The Scheme shall be effective upon the sanction of the NCLT. However, failure of any part for lack of necessary approval from shareholders/ creditors/ statutory regulatory authorities shall not result in failing of whole Scheme. It shall be open to the concerned Board of Directors, with the approval from the shareholders, to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the Tribunal with such modification.

## 22 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 22.1 The Transferor Company and Transferee Company, through their respective Board of Directors (which shall include any committee or person authorized by the said Boards in this regard) may assent from time to time, on behalf of all persons concerned, to any extension, modifications which either the

Board of Directors of Transferor Company and Transferee Company, deem fit and / or approved / imposed by the creditors / members or any other authority, amendments to the Scheme (including modification in the Appointed Date) or to any conditions or limitations that the Tribunal, and /or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and Transferee Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

## 23 REVOCATION OR WITHDRAWAL OF THE SCHEME

23.1 Subject to the order of the Tribunal, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage if: (i) this Scheme is not being sanctioned by the Tribunal or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (ii) in case any condition or alteration imposed by the Tribunal, shareholders/creditors of the Company or any other authority is not acceptable to the Board of Directors of the Companies; (iii) the Board of Directors of the Companies are of view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on all or any of Transferor Company or Transferee Company; (iv) any change in Applicable Law; (v) owing to reasons as otherwise deem fit by the Board of Transferor Company or Transferee Company. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be

preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

23.2 If any part of the Scheme is invalid, ruled invalid by any Tribunal or court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme. Further, if deletion of such part of the Scheme may cause the Scheme to become materially adverse to Transferor Company or Transferee Company, then in such case the said Company may bring about modification(s) in the Scheme, as will best preserve for these Company the benefits and obligations under the Scheme, including but not limited to such part.

23.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Company, and / or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.

## 24 COSTS, CHARGES AND EXPENSES

24.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection of this Scheme and matters incidental thereto, shall be on account of and borne by Transferee Company.

**THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME OF AMALGAMATION, THE SECURED CREDITORS OF LOHIA CORP LIMITED ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF AMALGAMATION TO GET THEMSELVES ACQUAINTED WITH THE PROVISIONS THEREOF.**

## 13. Conduct of Business

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For the purpose of giving effect to the vesting order passed under Section 230-232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 in respect of this Scheme by the National Company Law Tribunal, the Transferee Company shall at any time pursuant to the Orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Company business and undertakings in accordance with the provisions of Section 230-232 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings, applications, forms etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

14. The Scheme would not be prejudicial to the interests of the Creditors (Secured and / or Unsecured), if any, of the Transferor Company and the Transferee Company. There is no likelihood that Secured or Unsecured Creditor, if any, of either of the Transferor Company and the Transferee Company would lose or to be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner.

**15. Amount due to Secured Creditors:**

As per the Books of Accounts of Transferor Company, there are no Secured Creditors as on 31<sup>st</sup> March, 2021, as such, there are no amounts which are due to the Secured Creditors of the Transferor Company. However, the Transferee Company has 3 (Three) Secured Creditors with value of debt amounting to Rs. 1,61,22,46,535/- (Rupees One Hundred Sixty One Crore Twenty Two Lakhs Forty Six Thousand Five Hundred and Thirty Five only) as on 31<sup>st</sup> March, 2021.

**16. Amount due to Unsecured Creditors:**

- As per the Books of Accounts of the Transferor Company there are 2 (Two) Unsecured Creditors as on 31<sup>st</sup> March, 2021 with aggregate value of debt amounting to Rs. 24,01,500/- (Rupees Twenty Four Lakhs One Thousand and Five Hundred only).

- As per the Books of Accounts of the Transferee Company there are 2,556 (Two Thousand Five Hundred and Fifty Six) Unsecured Creditors as on 31<sup>st</sup> March, 2021 with aggregate value of debt amounting to Rs. 5,59,29,78,911/- (Rupees Five Hundred and Fifty Nine Crore Twenty Nine Lakhs Seventy Eight Thousand Nine Hundred and Eleven only).

## 17. Shareholding Pattern of Lohia Corp Limited [LCL] as on 31st July, 2021 (Pre and Post)

Shareholding Pattern of LCL	Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Promoter and Promoter Group				
Individuals	4,76,000	10.46	45,50,000	100.00
Bodies Corporate	40,74,000	89.54	--	--
Public Shareholding	--	--	--	--
Shares held by Custodian	--	--	--	--
<b>TOTAL</b>	<b>45,50,000</b>	<b>100.00</b>	<b>45,50,000</b>	<b>100.00</b>

## 18. Disclosure about the effect of the Amalgamation on:

- (a) **Directors and Key Managerial Personnel (KMP):** None of the Directors, Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any material interest, concern or any other interest in the Scheme except to the extent of the Equity Shares held by them in the Transferor Company and to the extent shareholding in the Transferee Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. There are no common Directors in the Transferor Company and the Transferee Company and the Director of the Transferor Company will cease to be Director consequent upon amalgamation. However, they may be appointed at some other designation

as per the requirement of Transferee Company. There will be no impact of Amalgamation on Directors of Transferee Company.

**(b) Promoter Members:**

The Scheme of Amalgamation will have effect on the Promoter Members of the Transferor and Transferee Companies as there will be change in their shareholding in the Transferee Company pursuant to allotment of shares that may be made in the terms of the Scheme of Amalgamation.

**(c) Non-Promoter Members:**

There are no non-promoter members of the Transferor Company and the Transferee Company. As such, the Scheme of Amalgamation will not have any effect on the non-promoter members of the Transferor and Transferee Companies.

**(d) Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

Neither the Transferor Company nor the Transferee Company have any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme of Amalgamation.

**(e) Creditors:**

The amount due to the Secured and / or Unsecured Creditors by the Transferor Company (SHL) and Transferee Company (LCL) directly and indirectly involved in the Scheme are as follows:

**Details of Secured Creditors**

Particulars	Amount due (Rs.)
Transferor Company (SHL)	Nil

(Nil Secured Creditors as on 31st March, 2021)	
Transferee Company (LCL) [3 (Three) Secured Creditors as on 31st March, 2021]	1,61,22,46,535/- (Rupees One Hundred Sixty One Crore Twenty Two Lakhs Forty Six Thousand Five Hundred and Thirty Five only).

### Details of Unsecured Creditors

Particulars	Amount due (Rs.)
<b>Transferor Company (SHL)</b> [2 (Two) Unsecured Creditors as on 31st March, 2021]	24,01,500/- (Rupees Twenty Four Lakhs One Thousand and Five Hundred only)
<b>Transferee Company (LCL)</b> [2,556 (Two Thousand Five Hundred and Fifty Six) Unsecured Creditors as on 31st March, 2021]	5,59,29,78,911/- (Rupees Five Hundred and Fifty Nine Crore Twenty Nine Lakhs Seventy Eight Thousand Nine Hundred and Eleven only)

- (f) **Employees:** All employees of the Transferor Company shall be deemed to have become employees of the Transferee Company, with effect from the 'Appointed Date', without any break in their service.

### 19. Summary of Valuation Report and Fairness Opinion

- The share entitlement ratio in consideration for the Amalgamation has been fixed on a fair and reasonable basis and on the basis of the Valuation Report of Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705) dated 7<sup>th</sup> August, 2021 as per the provisions of the Act. Since Transferor Company ('SHL'), the Holding Company is amalgamating with its Subsidiary Company, the Transferee Company

(‘LCL’), consequent upon amalgamation LCL will issue to the Equity Shareholders of SHL, whose names are recorded in the Register of Members / Records of Depositories as beneficial owners on the ‘Record Date’ to be fixed by the Board of Directors of the ‘Transferee Company’ as under:-

**“2,037 (Two Thousand and Thirty Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the ‘Transferee Company’ for every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up held in the ‘Transferor Company’.**

- Further details of the valuation will appear from the Valuation Report of Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705) on the share entitlement ratio dated 7<sup>th</sup> August, 2021, copies whereof are attached to this Explanatory Statement as **Annexure 3**.
- Further, the Equity Shares of the Transferee Company as held by the Transferor Company shall stand cancelled and such cancellation shall be effected as an integral part of the Scheme.

## **20. Auditors’ Certificate of conformity of accounting treatment in the Scheme with Accounting Standards**

The Auditors of the Transferor Company and the Transferee Company have confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

- 22. Investigations or proceedings, if any, pending against the Companies under the Act:** There are no inspection, investigation or inquiry proceedings pending against the Transferor Company and the Transferee Company.

## **23. Filing of Scheme with the Registrar of Companies:**

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In terms of the provisions of Section 232 (2) (b) of the Companies Act, 2013, it is hereby confirmed that a copy of the Scheme has been filed by the Transferee Company with the Registrar of Companies, Uttar Pradesh.

#### 24. Details of approval from Regulatory Authorities:

The Transferee Company and the Transferor Company are required to seek approvals / sanctions / no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Official Liquidator, Regional Director and Income-Tax authorities which will be obtained at the relevant time.

#### 25. List of Attachments:

The following documents are attached herewith as Annexures:

(a)	Copy of Order dated 26th August, 2021 passed by the National Company Law tribunal ('NCLT'), Allahabad Bench.	<b>Annexure -1</b>
(b)	Copy of Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited ("Transferee Company") and their respective Shareholders and Creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("The Scheme").	<b>Annexure-2</b>
(c)	Report on Share Exchange Ratio dated 7th August, 2021 submitted by Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705).	<b>Annexure-3</b>
(d)	Report adopted by the Board of Directors of Shree Holdings Limited (Transferor Company) in its Meeting held on 1st	<b>Annexure -4</b>

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	September, 2021 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	
(e)	Report adopted by the Board of Directors of Lohia Corp Limited (Transferee Company) in its Meeting held on 1st September, 2021 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	<b>Annexure -5</b>

## 21. Inspection of Documents:

Copy of the following documents and all other documents referred to in the Statement under Sections 230-232 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, will be open for inspection and taking extracts therefrom by the Members and Creditors of Transferor Company and the Transferee Company at the Registered Office of the respective Companies during business hours on all working days upto the date of the Meeting. All the aforesaid documents will also be available for inspection at the time of the meeting.

- (a) Copy of the Company Application CA (CAA) No. 18 / ALD / 2021 filed with the National Company Law Tribunal, Allahabad Bench;
- (b) Copy of the Order dated 26th August, 2021 passed by Hon'ble National Company Law Tribunal, Allahabad Bench in the abovementioned Company Application;
- (c) Copy of Scheme of Amalgamation ;
- (d) Memorandum and Articles of Association of the Transferor Company and the Transferee Company;

### Lohia Corp Limited

Regd. Off.: D-3/A, Panki Industrial Estate, Kanpur -- 208 022, India | T: +91 512 2593499 | M: +91 9936294101 | F: +91 512 2593500 | E: [isl@lohiagroup.com](mailto:isl@lohiagroup.com)

HO: Lohia Industrial Complex, Chaubepur, Kanpur -- 209 203, India | T: +91 512 2593100 | M: +91 9936294000 | F: +91 512 2593299

Sales Offices in India: Ahmedabad | Bengaluru | Delhi | Kolkata

Overseas Offices/Associates: Bangkok | Dubai | Manila | Miami | Moscow | Sao Leopoldo -- Brazil

CIN: U29263UP1981PLC005446

[www.lohiagroup.com](http://www.lohiagroup.com)

- (e) Copies of the Audited Financial Statements of the Transferor Company and the Transferee Company for the Financial year ended on 31st March, 2021;
  - (f) Copy of the Statutory Auditors' Certificate dated 13th August, 2021 issued by M/s. Anil Pariek & Garg, Chartered Accountants of the Transferor Company confirming that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
  - (g) Copy of the Statutory Auditors' Certificate dated 13th August, 2021 issued by M/s. V Awasthi & Arvind Shrish, Chartered Accountants of the Transferee Company confirming that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act,
  - (h) Copy of the Resolutions passed by the respective Board of Directors of the Transferor Company and the Transferee Company dated 9th August, 2021 approving the Scheme of Amalgamation;
  - (i) Report on Share Exchange Ratio dated 7th August, 2021 submitted by Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705);
  - (j) Report pursuant to Section 232(2)(c) of the Companies Act, 2013 adopted by the Board of Directors of the Transferor Company in its meeting held on 1st September, 2021;
  - (k) Report pursuant to Section 232(2)(c) of the Companies Act, 2013 adopted by the Board of Directors of the Transferee Company in its meeting held on 1st September, 2021.
22. After the Scheme is approved, by the Secured and Unsecured Creditors of the Transferee Company, it will be subject to the approval / sanction by Hon'ble National Company Law Tribunal, Allahabad Bench.

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#### Lohia Corp Limited

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23. This Statement may be treated as an Explanatory Statement under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance slip may be obtained free of charge on any working days (except Saturdays, Sundays and public holidays) prior to the date of the Meeting from the Registered Office of the Transferee Company.

Sd/-  
(RAHUL AGRAWAL)

Date: 03-09-2021 Chairperson appointed for the Secured Creditors' Meeting

Place: ALLAHABAD

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT ALLAHABAD  
ORIGINAL COMPANY JURISDICTION  
IN  
COMPANY APPLICATION CA (CAA) NO. 18 / ALD / 2021  
(Under Section 230 -232 of the Companies Act, 2013)  
**DISTRICT: KANPUR**

In the matter of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016  
AND

**IN THE MATTER OF AMALGAMATION OF**

**SHREE HOLDINGS LIMITED**, a Company incorporated under the Companies Act, 1956 having its Registered Office at D-3 / A, Panki Industrial Estate, Kanpur- 208022 (U.P.) having Corporate Identification Number U65923UP1983PLC006136 within the jurisdiction of this Tribunal.

**Applicant / Transferor Company**

WITH

**LOHIA CORP LIMITED**, a Company incorporated under the Companies Act, 1956 having its Registered Office at D-3 / A, Panki Industrial Estate, Kanpur- 208022 (U.P.) having Corporate Identification Number U29263UP1981PLC005446 within the jurisdiction of this Tribunal.

**Applicant / Transferee Company**

**ORDER DELIVERED ON: 26.08.2021**

**CORAM:**  
Hon'ble Mr. Justice (Retd.) Rajesh Dayal Khare, Member, Judicial

For the Applicant Companies: Sh. S.K. Gupta, PCS

Per se: Mr. Justice (Retd.) Rajesh Dayal Khare, Member (Judicial)

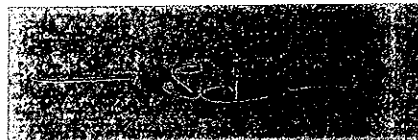
**ORDER**

1. This is a First Motion Application jointly filed by the Applicant Companies herein, Shree Holdings Limited (Applicant / Transferor Company) and Lohia Corp Limited (Applicant / Transferee Company) (collectively referred to as the 'Applicant Companies') under Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the 'Scheme') proposed between the Applicant Companies inter-alia,



seeking directions from the Hon'ble Tribunal for holding / dispensation with the requirement of convening the meetings of the Equity Shareholders, Secured and Unsecured Creditors of both the Applicant Companies. The Scheme of Amalgamation is annexed as Annexure -1 to the Application.

2. In the Application, it is stated that the Transferor Company is a 'Public Limited Company' incorporated on 18<sup>th</sup> June, 1983 under the provisions of the Companies Act, 1956. The Transferor Company is the Holding Company of Lohia Corp Limited, the Transferee Company. The Authorised Share Capital of the Transferor Company is Rs. 45,00,000/- divided into 4,50,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Share Capital of the Transferor Company is Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs.10/- each. The Main Objects of the Transferor Company are set out in its Memorandum and Articles of Association annexed with the Application and marked as *Annexure-2*.
3. In the Application, it is stated that the Transferee Company was originally incorporated on 5<sup>th</sup> October, 1981 as a 'Private Limited Company' under the provisions of the Companies Act, 1956. The Company was converted into a 'Public Limited Company' pursuant to Section 44 of the Companies Act, 1956 and the word 'Private' was deleted from the name of the Company by the Registrar of Companies, Uttar Pradesh with effect from 31<sup>st</sup> December, 1987. The name of the Company was subsequently changed from 'Lohia Starlinger Limited' to 'Lohia Corp Limited' vide Shareholders approval dated 2nd March, 2013 and a fresh Certificate of Incorporation consequent to change of name was issued by Registrar of Companies, Uttar Pradesh on 7th March, 2013. The Authorised Share Capital of the Transferee Company is Rs. 12,00,00,000/- divided into 1,20,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital of the Transferee Company is Rs. 4,55,00,000/- divided into 45,50,000 Equity Shares of Rs. 10/- each. The Main Objects of the Transferee Company are set out in its Memorandum and Articles of Association annexed with the Application and marked as *Annexure-4*.
4. The Board of Directors of both the Applicant Companies in their respective meetings held on 9<sup>th</sup> August, 2021, considered and unanimously approved the proposed Scheme of Amalgamation with 'Appointed Date' as on 1st April, 2021. The copies of



- the Resolutions passed by the Board of Directors of the respective Applicant Companies are annexed with the Application and marked as *Annexure-6 and Annexure-7*.
5. The Applicant Companies have filed their Audited Financial Statements for the Financial year ended 31<sup>st</sup> March, 2021 which are annexed with the Application and marked as *Annexure-3 and Annexure-5*.
6. The Board of Directors of the Applicant Companies have proposed the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) for the following reasons:
- (a) *The Transferor Company is the Holding Company of the Transferee Company.*
  - (b) *The Transferor Company and the Transferee Company have common control, common management, common place of business and common group administration.*
  - (c) *The amalgamation will lead to emergence of a single entity with strong financial capability to effectively withstand competition, to effectuate economies of scale and to optimize benefits available under the law. The consolidated Company with far enlarged asset base, higher profitability and net worth will be better placed to access low cost fund for its expansion and diversification requirements.*
  - (d) *The amalgamation will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried by the Amalgamating Companies and will avoid duplication of administrative functions and eliminate multiple record keeping.*
  - (e) *The amalgamation will result in simplification and rationalization of the holding structure and reduction in corporate legal entities.*
7. It is stated that no inspection, inquiry or investigation proceedings under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956 are pending against the Applicant Companies.
8. It is stated that the Auditors of the Applicant Companies have not disclosed any mismanagement in the affairs of the Applicant Companies.



9. It is stated that as a consideration for transfer of assets and liabilities pursuant to the 'Scheme of Amalgamation', the Share Exchange Ratio has been determined by Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI / RV / 06 / 2019 / 10705), who has given the Share Entitlement Report which is annexed to the Application and marked as Annexure-8.
10. As per the Share Entitlement Report, the 'Transferee Company' shall issue and allot without any further application, act or deed and without any further payment, the Equity Shares to the Equity Shareholders of the 'Transferor Company' whose names are recorded in the Register of Members / Records of Depositories as beneficial owners on the 'Record Date' to be fixed by the Board of Directors of the 'Transferee Company' as under:-
- "2,037 (Two Thousand and Thirty Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the 'Transferee Company' for every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up held in the 'Transferor Company'."*
11. The Applicant Companies have stated that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. Certificates from the Statutory Auditors of the respective Applicant Companies have been filed along with the Application as *Annexure - 9 and Annexure - 10*.
12. The Learned Counsel for the Applicant Companies filed details of Shareholders, Secured Creditors and Unsecured Creditors as below:
- i) The Transferor Company has 10 (Ten) Equity Shareholders, all of them have accorded their consents in the form of affidavits to the proposed 'Scheme of Amalgamation' and also for waiver of separate Meeting of the Equity Shareholders of the Transferor Company. There are no Preference Shareholders in the Transferor Company. The list of Equity Shareholders and their consent affidavits are annexed with the Application and marked as *Annexure-11 and*



*Annexure-12.* Further, the Transferor Company has no Secured Creditors and has 2 (Two) Unsecured Creditors with value of debt aggregating to Rs. 24,01,500/- as on 31st March, 2021 as per the list of Creditors duly certified by the Statutory Auditors annexed with the Application marked as **Annexure-13.** All the Unsecured Creditors of the 'Applicant / Transferor Company' have given their consent in writing in the form of an Affidavit signifying their approval to the Scheme and waiving the holding of the Meeting of the Unsecured Creditors of the Applicant / Transferor Company to consider the 'Scheme of Amalgamation' which are annexed with the Application and marked as **Annexure-14.**

- ii) The Transferee Company has 9 (Nine) Equity Shareholders and the Applicant / Transferor Company holds 40,74,000 Equity shares constituting 89.54% of the Paid-up Share Capital of the Applicant / Transferee Company, therefore, the Applicant / Transferee Company is the Subsidiary of the Applicant / Transferor Company. There are no Preference Shareholders in the Transferee Company. The list of Equity Shareholders and their consent Affidavits are annexed with the Application and marked as **Annexure-15** and **Annexure-16.** Further, the Transferee Company has 2,559 (Two Thousand Five Hundred and Fifty Nine) Creditors consisting of 3 (Three) Secured Creditors and 2,556 (Two Thousand Five Hundred and Fifty Six) Unsecured Creditors as on 31<sup>st</sup> March, 2021 with aggregate value of debt amounting to Rs. 7,20,52,25,446/- (Rupees Seven Hundred Twenty Crore Fifty Two Lakhs Twenty Five Thousand Four Hundred and Forty Six only). The aggregate value of Secured Debt was Rs. 1,61,22,46,535/- (Rupees One Hundred Sixty One Crore Twenty Two Lakhs Forty Six Thousand Five Hundred and Thirty Five only) and Unsecured Debt



amounted to Rs. 5,59,29,78,911/- (Rupees Five Hundred and Fifty Nine Crore Twenty Nine Lakhs Seventy Eight Thousand Nine Hundred and Eleven only).  
*The list of Secured and Unsecured Creditors of the Transferee Company duly certified by Statutory Auditors of the Company is annexed with the Application and marked as Annexure-17.*

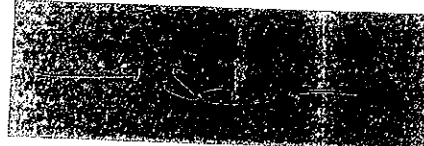
13. Learned Practicing Company Secretary, Mr. S.K.Gupta, appearing for the Applicant Companies made the following contentions with respect to the holding and / or dispensation of the requirement of convening the meetings:

A. As all the Shareholders of the Transferor Company and the Transferee Company have given their written consents by way of Affidavits, therefore, the requirement of convening meetings of the Shareholders of the Transferor Company and the Transferee Company may be dispensed with.

B. As there are no Secured Creditors in the Transferor Company, therefore, the necessity for convening the Meeting of the Secured Creditors of the Transferor Company does not arise.

C. As all the Unsecured Creditors of the Transferor Company have given their written consents by way of Affidavits, therefore, the requirement of convening the Meeting of the Unsecured Creditors of the Transferor Company may be dispensed with.

D. Further, necessary directions need to be issued for convening, holding and conducting the Meetings of the Secured and Unsecured Creditors of the Transferee Company and the notices and advertisements be issued in that behalf. It was pointed out that from the list of Unsecured Creditors of the Transferee Company annexed to the Application it may be observed that there are many trade creditors with minimal amount of debt which constitute less than one percent of the total debt due to Unsecured creditors and form huge proportion of total number of Unsecured creditors and their interest is unlikely to be affected by the proposed Scheme, therefore, in order to simplify the process of issuance of notices and to avoid crowding at the venue of the Meeting considering the pandemic situation, it was prayed that the requirement of issuing notice to those



Unsecured Creditors having value of unsecured debt upto Rs. 50,000/- may be dispensed with.

14. Taking into consideration the joint Application and the documents filed therewith showing compliance of various provisions of the Companies Act, 2013 and the Rules framed thereunder, this Tribunal issues the following directions with respect to convening, holding and conducting of the meetings of the Shareholders, Secured and Unsecured Creditors of the Applicant Companies or dispensing with the same as follows:-

**A. APPLICANT / TRANSFEROR COMPANY**

• **With respect to Equity Shareholders**

The Applicant / Transferor Company has 10 (Ten) Equity Shareholders and all of them have given their consent in the form of affidavits in support of the Scheme constituting 100% in value and in number of the Equity Shareholders which are on record, hence the necessity of convening a meeting of the Equity Shareholders is dispensed with.

• **With respect to Secured Creditors**

The Applicant / Transferor Company has no Secured Creditors, hence the necessity of convening a Meeting of Secured Creditors does not arise.

• **With respect to Unsecured Creditors**

The Applicant / Transferor Company has 2 (Two) Unsecured Creditors, who have given their consent in writing in the form of Affidavits in support of the Scheme of Amalgamation constituting 100% in value of unsecured debts of the Applicant / Transferor Company which are on record, hence the necessity of convening a meeting of the Unsecured Creditors is dispensed with.

**B. APPLICANT / TRANSFEREE COMPANY**

• **With respect to Equity Shareholders**

The Applicant / Transferee Company has 9 (Nine) Equity Shareholders who have given their consents in writing in the form of affidavits in support to the proposed 'Scheme of Amalgamation' constituting 100% in value and in number of the Equity Shareholders which are on record, hence the necessity of convening a meeting of the Equity Shareholders is dispensed with.

• **With respect to Secured Creditors**





The Transferee Company has 3 (Three) Secured Creditors with aggregate value of debt amounting to Rs. 1,61,22,46,535/- (Rupees One Hundred Sixty One Crore Twenty Two Lakhs Forty Six Thousand Five Hundred and Thirty Five only), hence, the Tribunal allows the prayer of the Applicant / Transferee Company to convene the Meeting of its Secured Creditors .Let the Meeting of Secured Creditors of the Applicant / Transferee Company be convened and held at the Head Office and Works of the Applicant / Transferee Company situated at *Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.) on Saturday, the 9th October, 2021 at 11.30 A.M.* for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Shree Holdings Limited (SHL) with Lohia Corp Limited (LCL).

• With respect to Unsecured Creditors

The Applicant / Transferee Company has 2,556 (Two Thousand Five Hundred and Fifty Six) Unsecured Creditors with aggregate value of debt amounting to Rs. 5,59,29,78,911/- (Rupees Five Hundred and Fifty Nine Crore Twenty Nine Lakhs Seventy Eight Thousand Nine Hundred and Eleven only), hence, the Tribunal allows the prayer of the Applicant / Transferee Company to convene the Meeting of its Unsecured Creditors. Let the Meeting of Unsecured Creditors of the Applicant / Transferee Company be convened and held at the Head office and Works of the Transferee Company at *Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.) on Saturday, the 9th October, 2021 at 1.00 P.M.* for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Shree Holdings Limited (SHL) with Lohia Corp Limited (LCL). Further, as submitted with reference to the list of Unsecured Creditors of the Transferee Company annexed to the Application that there are many trade creditors with minimal amount of debt which form insignificant proportion of total value of debt of unsecured creditors and their interest is unlikely to be affected by the proposed Scheme, in order to simplify the process of issuance of notices and to avoid crowding at the venue of the Meeting in pandemic situation, the requirement of issuing notice to those Unsecured Creditors having value of unsecured debt upto Rs. 50,000/- is dispensed with.

The quorum of the aforesaid meetings of the Secured Creditors shall be 2 (Two) persons and for Unsecured Creditors shall be as prescribed under Section 103 of the



Companies Act, 2013. In case the quorum for the aforesaid Meeting(s) is not present then the Meeting(s) shall be adjourned for half-an hour and the person(s) present at the adjourned Meeting(s) of the Secured and / or Unsecured Creditors shall be deemed to constitute the quorum.

15. For computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting is filed with the registered office of the Transferee Company at least forty eight hours before the time fixed for commencement of the Meeting. The Chairperson / Alternate Chairperson along with the Scrutinizer shall ensure that the proxy registers are properly maintained.
16. As per Section 230(4) of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Companies (Management and Administration) Rules, 2014 option for voting by Postal Ballot shall also be given to the Secured and Unsecured Creditors before the date of the meeting in addition to the poll at the venue of the Meeting through ballot paper in which :
  - (i) The Secured and Unsecured Creditors as per the list placed at *Annexure No. 17* of the Application will get the right to vote. The votes cast by Secured and Unsecured Creditors by all modes shall be reckoned and scrutinized for each meeting.
  - (ii) The Transferee Company to ensure that appointment of Proxy is in Form No. MGT-11 as provided in the Companies (Management and Administration) Rules, 2014 which may be suitably modified to conform to the requirements of Creditors' Meetings.
  - (iii) That the notices of the meetings of the Secured and Unsecured Creditors of the Transferee Company, inter-alia, containing date, time, venue, mode of voting etc. shall be communicated in the manner prescribed under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 by the Authorized Representative of the Transferee Company to each of the Secured and Unsecured Creditors by Speed post, Registered post or through email where email id is available. Such notices shall be sent at least thirty days before the date fixed for the meeting of the Secured and Unsecured Creditors. It is clarified

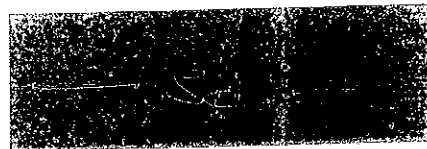


that notices be issued only to those unsecured creditors whose value of unsecured debt is more than Rs. 50,000/- as per the list placed at Annexure-17 and the prayer for doing away with issuing notices to those Unsecured Creditors having value of unsecured debt up to Rs. 50,000/- is allowed.

- (iv) It is further directed that such notices shall be accompanied by a copy of Scheme of Amalgamation, a Statement disclosing the details as specified in Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and such other information / documents as may be necessary under other applicable provisions.
- (v) It is also directed the notices shall be published in the following newspapers not less than thirty days before the date fixed for the meeting, in "*Business Standard*" in English and "*Rashtriya Sahara*" in Hindi having circulation in Kanpur in Form No. CAA.2 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 which shall also be placed on the website of the Company, if any.
- (vi) The Transferee Company shall furnish a copy of the proposed Scheme of Amalgamation together with a copy of the Statement required to be furnished under Section 230 of the Companies Act, 2013 free of charge within one day of any requisition being made for the same by any Creditor of the Transferee Company entitled to attend the Meeting.
- (vii) *Mr. Rahul Agrawal, Advocate (Mobile No. 9453091100), Email Id: [agarwal.agarwal@gmail.com](mailto:agarwal.agarwal@gmail.com) and Ms. Aparna Trivedi, Advocate (Mobile No.9650308968), Email Id: [aparnatrivedi2015@gmail.com](mailto:aparnatrivedi2015@gmail.com)* are appointed as the Chairperson and Alternate Chairperson for the aforesaid Meetings of the Secured and Unsecured Creditors of the Applicant / Transferee Company. *Mr. Ankit Kumar Singh, Practicing Company Secretary, (Mobile No. 7007496701), Email Id: [es.ankitsingh22@gmail.com](mailto:es.ankitsingh22@gmail.com)* is appointed as Scrutinizer for smooth conduct of the said Meetings and ascertaining the results of the postal ballot and poll process.

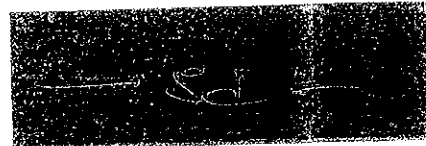


- (viii) The Chairperson and Alternate Chairperson shall be paid Rs. 1,00,000/- (Rupees One Lakh only) each as honorarium and the Scrutinizer shall be paid Rs. 75,000/- (Rupees Seventy Five Thousand only) as honorarium. Apart from above remuneration, the Applicant / Transferee Company shall make necessary and proper arrangements for travel / transport, stay and other allied expenses.
- (ix) The Chairperson appointed for the aforesaid Meetings shall issue the Notice of the Meetings referred to above and shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the Meeting(s), including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including amendment to the Scheme or resolution, if any, proposed at the Meetings by any person(s).
- (x) The Learned Chairperson to file an Affidavit not less than 7 (seven) days before the date fixed for holding of the meetings and to report this Tribunal that the directions regarding issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (xi) The Learned Chairperson to report this Tribunal, the results of the aforesaid meetings of the Secured and Unsecured Creditors of the Transferee Company in Form No. CAA.4, within thirty days of the conclusion of the said meetings as per Rule 13(2) and Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
17. The Transferee Company shall serve notice as per sub-section (5) of Section 230 of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the copy of the Application and all other documents including the copy of the Scheme of Amalgamation with the necessary details on the Central Government through Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, Registrar of Companies, Uttar Pradesh, Kanpur, the concerned Income-Tax Authority within



whose jurisdiction the Applicant Companies are assessed, the Official Liquidator, Allahabad and other Sectoral Regulators, as may be applicable by Registered post or by Speed post or by courier or by hand delivery forthwith after sending the notice of the said meetings to the Secured and Unsecured Creditors for filing their representations, if any, within thirty days from the date of receipt of such Notice to the Tribunal and a copy of such representations shall simultaneously be served upon the Applicant Companies, failing which, it shall be presumed that the Authorities have no representation to make on the proposals.

18. With the above directions CA (CAA) No. 18 / ALD / 2021 is accordingly, disposed off.



**JUSTICE RAJESH DAYAL KHARE**  
**MEMBER (J)**

**Date:26.08.2021**

Swati Gupta  
(LRA)

## SCHEME OF AMALGAMATION

BETWEEN

SHREE HOLDINGS LIMITED  
(TRANSFEROR COMPANY)

AND

LOHIA CORP LIMITED  
(TRANSFEEE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTION 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013  
AND RULES MADE THEREUNDERPREAMBLE**(A) PURPOSE OF THE SCHEME**

This Scheme of Amalgamation (hereinafter referred to as "the Scheme" or "this Scheme") provides for amalgamation of Shree Holdings Limited with Lohia Corp Limited pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

**(B) DESCRIPTION OF COMPANIES**

- (i) Shree Holdings Limited (hereinafter referred to as "SHL" or "Transferor Company") was incorporated on 18th June, 1983 and its Registered office is situated at D-3 / A, Panki Industrial Estate, Kanpur-208022 (U.P.). The Corporate Identification Number and Permanent Account Number of the Transferor Company is U65923UP1983PLC006136 and AABCS9221R respectively. The Transferor Company is inter-alia, engaged in the business of financing and investment and is a Core Investment Company. The Transferor Company is the Holding Company of the Transferee Company.
- (ii) Lohia Corp Limited (hereinafter referred to as "LCL" or the "Transferee Company") was incorporated on 5<sup>th</sup> October, 1981 and its Registered office is situated at D-3 / A, Panki Industrial Estate, Kanpur-208022 (U.P.). The Corporate Identification Number and Permanent Account Number of the Transferee Company is U29263UP1981PLC005446 and AAACL2470J respectively. The Transferee Company is inter-alia, engaged in the business of manufacturing of complete range of machines required by HDPE/PP Woven Fabric Industry. The Transferee Company is a Subsidiary of the Transferor Company.
- (iii) The Transferor Company and the Transferee Company are hereinafter collectively referred to as "the Companies".

**(C) OBJECTS AND RATIONALE FOR THE PROPOSED SCHEME**

- (i) The Scheme provides for amalgamation of Transferor Company with Transferee Company, pursuant to Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 and rules made thereunder. The Scheme would, *inter-alia*, have the following benefits:
- (a) The Transferor Company is the Holding Company of the Transferee Company.
- (b) The Transferor Company and the Transferee Company have common control, common management, common place of business and common group administration.

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- (c) The amalgamation will lead to emergence of a single entity with strong financial capability to effectively withstand competition, to effectuate economies of scale and to optimize benefits available under the law. The consolidated Company with far enlarged asset base, higher profitability and net worth will be better placed to access low cost fund for its expansion and diversification requirements.
- (d) The amalgamation will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried by the Amalgamating Companies and will avoid duplication of administrative functions and eliminate multiple record keeping.
- (e) The amalgamation will result in simplification and rationalization of the holding structure and reduction in corporate legal entities.
- (ii) The Scheme does not have any adverse effect on either the shareholders or employees or creditors or customers of the Transferor Company or Transferee Company.
- (iii) The Scheme has been approved by the respective Board of Directors of both the Transferor Company and the Transferee Company. Accordingly, it has been decided to make the requisite applications / petitions before the National Company Law Tribunal, Allahabad Bench for the sanction of this Scheme.

**(D) PARTS OF THE SCHEME**

The Scheme is divided in the following parts:

- (i) **Part I** provides for Definitions and Share Capital details of the Companies which are common to all Parts. Specific definitions (if any) have been provided in the other Parts therein;
- (ii) **Part II** provides for specific provisions governing the Amalgamation of "SHL" and "LCL" ; and
- (iii) **PART III** deals with certain general terms and conditions applicable to one or more Parts of the Scheme.

**PART I : DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, unless inconsistent / repugnant with the subject, context or meaning thereof, the following words or expressions shall have the meaning as set out herein below:

- 1.1. "**Act**" or "**the Act**" means the Companies Act, 2013 including any applicable rules and regulations made thereunder, and includes any statutory re-enactments, modifications or amendments thereof from time to time and to the extent in force;
- 1.2. "**Applicable Laws**" means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Governmental Authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.3. "**Appointed Date**" means the date from which the provisions of this Scheme shall become operational i.e. 1<sup>st</sup> April, 2021 or such other date as may be fixed and approved by National Company Law Tribunal, Allahabad Bench or any other authority;
- 1.4. "**Board of Directors**" in relation to the Companies, as the case may be, unless it be repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors duly constituted and authorized, inter alia, for the purposes of the amalgamation, the Scheme and/ or any other matter relating thereto;
- 1.5. "**Effective Date**" or "**upon this Scheme becoming effective**" or "**upon coming into effect of this Scheme**" shall mean the last of the date on which the certified copy of the order(s) of the Tribunal sanctioning this Scheme, as defined hereunder, is filed with the jurisdictional Registrar of Companies ("ROC") by the Transferor Company and Transferee Company, as required under the provisions of the Act;

- 1.6. **"Governmental Authority"** means any applicable central or state Government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over territory of India;
- 1.7. **"Income-Tax Act"** means the Income-Tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
- 1.8. **"Person"** shall include any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being;
- 1.9. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form, as submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the Members and / or the Creditors of the Companies or such modification(s) as may be imposed by any competent authority and / or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies;
- 1.10. **"Transferor Company"** or **"SHL"** shall have the same meaning as ascribed to it in Clause B (i) of Preamble of the Scheme.
- 1.11. **"Transferee Company"** or **"LCL"** shall have the same meaning as ascribed to it in Clause B (ii) of Preamble of the Scheme.
- 1.12. **"Tribunal"** or **"NCLT"** means the National Company Law Tribunal, Allahabad Bench having jurisdiction in relation to the Transferor Company and the Transferee Company and shall be deemed to include, if applicable, such other forum or authority as may be vested with the powers of the Tribunal for the purpose of Section 230 to 232 of the Act.
- 1.13. **"Taxation"** (including with correlative meaning, the terms Tax and Taxes) means any and all taxes (direct or indirect), surcharges, cess, duties, impositions imposed by any Governmental Entity, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added, withholding, payroll, excise and property taxes, goods and services tax, stamp duty, registration fees, together with all interest, penalties with respect to such amounts.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time to the extent in force.

## 2. INTERPRETATION

- 2.1. References to statutory provisions shall be construed as references to the statutory provisions under laws of India unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Scheme) from time to time, to the extent in force;
- 2.2. References to Clauses are to the Clauses of this Scheme and references to sub-clauses are to the sub-clauses of the Clause of this Scheme in which the reference appears;
- 2.3. The headings and sub-headings are for information only and shall not affect the construction or interpretation of this Scheme;
- 2.4. The singular shall include the plural and vice versa; and reference to one gender shall include all genders;
- 2.5. Any phrase introduced by the terms "including", "include" or any similar expression shall be construed as illustrative and shall not limit the sense or scope of the word(s) preceding those terms.

## 3. DATE OF TAKING EFFECT AND OPERATIVE DATE



- 3.1. The Scheme set out herein in its present form submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the Members and / or the Creditors of the Companies or such modification(s) as may be imposed by any competent authority and / or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies shall be operative from the 'Appointed Date' but shall be effective from the 'Effective Date'.
- 3.2. This Scheme complies with the conditions relating to "Amalgamation" as defined under Section 2(1B) and other relevant sections and provisions of the Income-Tax Act are intended to apply accordingly. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-Tax Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme may be modified accordingly with consent of each of the Company (acting through their respective Board of Directors).

#### 4. SHARE CAPITAL

- 4.1. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 31st March, 2021 as per the latest Audited Financial Statements is as under:

Authorized Capital	Amount in Rs.
4,50,000 Equity Shares of Rs. 10/- each	45,00,000
<b>TOTAL</b>	<b>45,00,000</b>
<b>Issued, Subscribed and Paid- up Capital</b>	
2,00,000 Equity Shares of Rs. 10/- each	20,00,000
<b>TOTAL</b>	<b>20,00,000</b>

Subsequent to the aforesaid date of audited Financial Statements and till the date of approval by the Board of Directors to the said Scheme, there have been no changes to the Share Capital of the Transferor Company.

- 4.2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 31st March, 2021, as per the latest Audited Financial Statements is as under:

Authorized Capital	Amount in Rs.
1,20,00,000 Equity Shares of Rs.10/- each	12,00,00,000
<b>TOTAL</b>	<b>12,00,00,000</b>
<b>Issued, Subscribed and Paid- up Capital</b>	
45,50,000 Equity Shares of Rs. 10/- each	4,55,00,000
<b>TOTAL</b>	<b>4,55,00,000</b>

Subsequent to the aforesaid date of Audited Financial Statements and till the date of approval by the Board of Directors to the said Scheme, there have been no changes to the Share Capital of the Transferee Company.

**Note:**

40,74,000 Equity Shares of Rs.10/- each constituting 89.54% of the Paid-up Share capital in the 'Transferee Company' are held by Shree Holdings Limited, the 'Transferor Company' as such the 'Transferor Company' is the Holding Company of the 'Transferee Company'.

**PART II : AMALGAMATION OF 'SHL' WITH 'LCL'**

**5. TRANSFER AND VESTING OF BUSINESS & UNDERTAKING**

- 5.1. With effect from the 'Appointed Date' and upon the Scheme becoming effective, the entire business of Transferor Company including all its assets movable and immovable properties, taxes and whole of the undertaking, shall pursuant to the sanction of this Scheme by the Tribunal and in accordance with the provisions of the Act stand transferred to and vested in and / or be deemed to have been transferred to and vested in Transferee Company, without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, the business of Transferee Company.
- 5.2. All liabilities (including contingent liabilities) arising out of the activities or operations of the Transferor Company forming the part of the business undertaking and including taxes or in relation to its contracts, other obligations, duties and sums owing shall be and stand transferred to and vested in or deemed to have been transferred to and vested in, so as to become the debts, liabilities, duties and obligations of the Transferee Company.

**6. TRANSFER/ VESTING OF ASSETS**

- 6.1. All the assets and properties of the Transferor Company including immovable properties of whatsoever nature and wherever situated, shall, in accordance with the provisions of the Act without any further act or deed, shall be and stand transferred to and vested in Transferee Company or be deemed to be transferred to and vested in Transferee Company so as to become, as and from the Appointed Date, the assets and properties of Transferee Company.
- 6.2. Without prejudice to the provisions of Clause 6.1 above, in respect of such assets and properties of Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and / or delivery, the same shall be so transferred by Transferor Company and shall, upon such transfer, become the assets and properties of Transferee Company without requiring any separate deed or instrument or conveyance for the same.
- 6.3. In respect of movables other than those dealt with in Clause 6.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or other person, the same shall on and from the 'Appointed Date' stand transferred to and vested in Transferee Company without any notice or other intimation to the Debtors (although Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, or any class of them, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in Transferee Company). In addition, Transferor Company, shall, if so required by Transferee Company, may, issue notice in such form as Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of Transferee Company, as the person entitled thereto, to the end and intent that the right of Transferor Company to recover or realize the same stands transferred to Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 6.4. All the statutory or regulatory licenses, permits, quotas, consents, approvals, permissions, registrations, sanctions (including pertaining to electricity, water, telephones), authorizations, incentives, tax deferrals, credits, exemption and benefits under applicable laws, subsidies, concessions, grants, rights, claims, leases, tenancy rights / lease or license rights, liberties, no objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the 'Appointed Date', shall in accordance with the provisions of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to Transferee Company so as to become, as and from the 'Appointed Date' regulatory licenses, permits, quotas, consents, approvals, permissions, registrations, sanctions (including pertaining to electricity, water, telephones) etc., authorizations, incentives, tax deferrals, credits, exemption and benefits under applicable laws, subsidies, concessions, grants, rights, claims, leases, tenancy rights / lease or license rights, liberties, no objection certificates and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

- 6.5. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180, 185 and 186 or any other applicable provisions of the Act, shall stand transferred to Transferee Company, and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company.
- 6.6. Since each of the permissions, approvals, consents, sanctions, remissions, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the Tribunal to Transferee Company, the Transferee Company shall file, wherever required, the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the orders of the Tribunal.
- 6.7. All assets and properties of the Transferor Company as on the 'Appointed Date', whether or not included in the books of Transferor Company respectively, and all assets and properties which are acquired by the Transferor Company, on or after the 'Appointed Date' but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of Transferee Company, and shall in accordance with the provisions of the Act without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act provided that no onerous asset shall have been acquired by the Transferor Company after the date of filing of the Scheme without the prior written consent of the Board of Directors of Transferee Company.
- 6.8. The various bank accounts and amount lying in the bank accounts pertaining to the Transferor Company shall be transferred to Transferee Company. Such transfer shall be made in the manner mutually agreed upon by the Board of Directors of the Transferor Company and Transferee Company and shall take effect from the 'Appointed Date'.
- 6.9. Notwithstanding the change in name of the Transferor Company, the relevant banks shall honour all cheques or bank transactions pertaining to Transferor Company post the 'Appointed Date' for and on behalf of Transferee Company, which shall be entitled to operate the said bank accounts from the Effective Date.
- 6.10. For avoidance of doubt, and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company would be replaced with that of Transferee Company and the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company or in relation to the business of the Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such time as may be deemed to be necessary by Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferee Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company shall be instituted, or as the case may be, continued by or against Transferee Company after the coming into effect of the Scheme.

## 7. TRANSFER OF LIABILITIES

- 7.1. Upon this Scheme coming into effect and with effect from the Appointed Date, all liabilities of the Transferor Company including all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the Tribunal and in accordance with the provisions of the Act, without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the 'Appointed Date' the

Liabilities of Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 7.2. All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company respectively, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by Transferee Company by virtue of this Scheme.
- 7.3. Where any such debts, loans raised, liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company respectively after the 'Appointed Date' and prior to the 'Effective Date', such discharge or satisfaction shall be deemed to be for and on account of Transferee Company.
- 7.4. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the 'Appointed Date' and prior to the 'Effective Date' shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and in accordance with the provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company and shall become the loans and liabilities, duties and obligations of Transferee Company which shall meet, discharge and satisfy the same.
- 7.5. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company, shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

## **8. TAXES**

- 8.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-Tax Act, Customs Act, 1962, Goods and Services Tax Act, 2017 or other applicable laws / regulations dealing with taxes / duties / levies (hereinafter in this Clause referred to as the "Tax Laws") shall be transferred to the account of Transferee Company, similarly all credits for taxes including Minimum Alternate Tax, Tax deduction at source on income of the Transferor Company or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly, any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by Transferee Company if so made by the Transferor Company.
- 8.2. Any refunds under the Tax Laws due to Transferor Company, consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Transferee Company.
- 8.3. All Taxes of any nature, duties, cess or any other like payment or deductions made by the Transferor Company to any statutory authorities such as Income-Tax, Sales Tax, Service Tax, Goods and Services Tax (GST) etc. or any tax deduction / collection at source, tax credits under Tax laws, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been paid by or on account of Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the Tribunal upon relevant proof and documents being provided to the said authorities.

- 8.4. The Income -Tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of Transferee Company.
- 8.5. Upon this Scheme becoming effective, Transferee Company is expressly permitted to revise and file its tax returns including tax deducted at source returns, Goods and Services Tax returns, and other tax returns (including revised returns) as may be necessary and expressly reserves the right to make such provisions in its returns, and to claim refunds and credits etc. pertaining to the Transferor Company notwithstanding that the statutory period for such revision and filing may have lapsed. Transferee Company shall be entitled to claim and be allowed credit or benefits of all tax deduction certificates, advance tax or other tax payments, credits or any other benefit of any tax, duty, cenvat, incentive etc. relating to the Transferor Company, notwithstanding that such certificates or challans or any other documents for tax payments or credits/benefits etc. may have been issued or made in the name of the Transferor Company. Such credit / benefit shall be allowed without any further act or deed by Transferee Company or the need for any endorsements on such certificates, challans, documents etc. to be done by the issuers or any authority.
- 8.6. All expenses of the Transferor Company which are disallowed earlier and are covered under Section 43B of the Income-Tax Act, in relation and pertaining to its business, shall be claimed as a deduction by Transferee Company if paid by it. The transfer of the entire business of Transferor Company shall be considered as succession of business by Transferee Company.
- 8.7. Without prejudice to the foregoing, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and Transferee Company shall be considered as intra-party transactions for all purposes.

## 9. ENCUMBRANCES

The transfer and vesting of the assets of the Transferor Company to and in Transferee Company shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided:

- 9.1. All the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets or any part thereof transferred to Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of Transferee Company.
- 9.2. The existing Encumbrances over the assets and properties of Transferee Company or any part thereof which relate to the liabilities and obligations of Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in Transferee Company by virtue of this Scheme.
- 9.3. Any reference in any security documents or arrangements to which the Transferor Company and its assets and properties, shall be construed as a reference to Transferee Company and the assets and properties of the Transferor Company shall be transferred to Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required upon the coming into effect of this Scheme, Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 9.4. It is expressly provided that, save as herein provided, no other terms or conditions of the liabilities transferred to Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 9.5. The provisions of this Clause shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of

sanction or issue or any security document, all of which instruments, deeds or writings shall be deemed to stand modified and / or superseded by the foregoing provisions.

## **10. ISSUE OF NEW SHARES**

10.1 Upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of Undertaking of the 'Transferor Company' in terms of this 'Scheme', the 'Transferee Company' shall issue and allot without any further application, act or deed and without any further payment, the Equity Shares to the Equity Shareholders of the 'Transferor Company' whose names are recorded in the Register of Members / Records of Depositories as beneficial owners on the 'Record Date' to be fixed by the Board of Directors of the 'Transferee Company' as under:-

**"2,037 (Two Thousand and Thirty-Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the 'Transferee Company' for every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up held in the 'Transferor Company'."**

10.2 The approval of the Scheme by the Shareholders of the Transferee Company shall be deemed to be in due compliance with the provisions of Sections 61, 62 and any other applicable provisions of the Companies Act, 2013 for the issue and allotment of Equity Shares by the Transferee Company to the Shareholders of the Transferor Company as provided for in the Scheme. The Transferee Company, if required, will increase, alter or modify its capital structure for issuance of new shares under the Scheme.

10.3 The Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company.

10.4 The Equity Shares to be issued by the Transferee Company, in terms of Clause 10.1 hereinabove, shall be issued in dematerialized form to all the eligible Equity Shareholders of the Transferor Company.

10.5 Upon the coming into effect of this 'Scheme', all the existing shares of the 'Transferor Company' held in physical and / or dematerialized form as on the 'Record Date' shall stand cancelled and will become invalid and shall cease to be tradable thereafter. The Board of Directors of the 'Transferee Company' may not require the Shareholders of the 'Transferor Company', to surrender their share certificates, if any held in physical form, before issuing the new shares in terms of Clause 10.1.

## **11. CANCELLATION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY**

11.1. Upon coming into effect of the Scheme, all the Equity Shares of the Transferee Company held by the Transferor Company shall stand cancelled and extinguished without any further application, act or deed. The cancellation, as aforesaid, shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 66 of the Act and the Order of the National Company Law Tribunal ('NCLT') sanctioning the Scheme shall be deemed to be an Order under Section 66 of the Act for the purpose of confirming the reduction. Notwithstanding the reduction as mentioned above, Transferee Company shall not be required to add "and reduced" as suffix to its name.

11.2. The consent of the Shareholders, secured and unsecured creditors to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction in the issued and paid-up share capital of the Transferee Company, and no further resolution and / or action under Section 66 of the Act and any other applicable provisions of the Act would be required to be separately passed or taken.

## **12. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL**

12.1. On occurrence of the Effective Date, pursuant to Sections 230 and 232 read with Section 61 and other applicable provisions of the Companies Act, 2013, and clause V of the Memorandum of Association of Transferor Company and Transferee Company, the Authorized Share Capital of Transferor Company as on the Effective Date shall get combined with the Authorized Share Capital of Transferee Company. Pursuant to the consolidation of Authorized Share Capital as envisaged above, the Memorandum of Association of Transferee Company shall automatically stand amended and altered.

- 12.2. The filing fee already paid by Transferor Company on its Authorized Share Capital, to be combined with Transferee Company under Clause 12.1 above, shall be set-off against any fees payable by an increase in authorized capital pursuant to such combination. Post increase in Authorized Capital, Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Registrar of Companies within a period of 30 days from the Effective Date and the Registrar of Companies shall take the same on record.
- 12.3. It is hereby clarified that the consent of the Shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61, Section 64 or any other applicable provisions of the Act, would be required to be separately passed. It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent / approval for the increase of the Authorized Share Capital, amendment of the Capital Clause of the Memorandum of Association under the relevant provisions of the Act.

### 13. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

- 13.1 Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, Rules made thereunder, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.
- 13.2 In terms of the Accounting Standard (AS) 14, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:
- (i) The amalgamation shall be an 'Amalgamation in the nature of Merger' as defined in the Accounting Standard (AS) 14 as prescribed under the Companies (Accounting Standards) Rules, 2006, and shall be accounted for under the 'Pooling of Interests' method in accordance with the said AS-14.
  - (ii) Accordingly, all the assets and liabilities recorded in the Books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as reflected in the Books of the Transferor Company as on the Appointed Date.
  - (iii) Cross investments or other inter-company balances, if any, will stand cancelled.
  - (iv) All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor Company and Transferee Company will also be clubbed together.
  - (v) In accordance with the Accounting Standard 14, any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus, if any, in the Books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.
  - (vi) Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

It is, however, clarified that in case of applicability of the IND AS as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as amended, amalgamation of the Transferor Company with the Transferee Company will be accounted for in the manner as provided in the applicable IND AS.

### 14. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEEE COMPANY

During the period between the Appointed Date and the Effective Date:

- 14.1. The Transferor Company undertakes to preserve and carry on its business, with reasonable diligence and business prudence and shall not sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof;
- 14.2. The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets and, rights, title and interest therein, for and on account of, and in trust for Transferee Company;
- 14.3. All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of Transferee Company;
- 14.4. Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Transferee Company may require to carry on the business of Transferor Company;
- 14.5. Transferor Company shall not without the prior written consent of the Board of Directors of Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of its undertaking or any part thereof or any material assets, except in the ordinary course of its business;
- 14.6. In case any transaction of sale of assets (including the investments held by the Transferor Company) takes place during the interregnum period, specifically on and from the Appointed Date upto the Effective Date, such asset shall be deemed to have been first recorded in the books of Transferee Company in accordance with the Scheme above and thereafter sold by Transferee Company itself;
- 14.7. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of this Scheme itself upon sanction by the NCLT, the Transferor Company may at any time after coming into effect of this Scheme and in accordance with the provisions hereof, if so required under any applicable law or otherwise, give notice in such form as may be required, or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary, in order to give formal effect to the provisions of this Scheme, including, with or in favour of and carry out and perform all such formalities and compliances required by (i) any party to any Contract to which Transferor Company is a party or (ii) any Governmental Authority or non-Governmental Authority, in either case in order to give formal effect to the provisions of the Scheme. Provided, however, that the execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date. Transferee Company shall under the provisions of this Scheme be deemed to be authorised to execute any such documents on behalf of the Transferor Company and to carry out or perform all such above mentioned formalities or compliances that are to be carried out or performed by Transferor Company.
- 14.8. Upon the Effective Date and until the licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, schemes are transferred, vested, recorded, effected and/or perfected, in the record of the governmental authority, in favor of Transferee Company, the Transferee Company is authorized to carry on business in the name and style of Transferor Company and under the relevant license and or permit and/or approval, as the case may be, and Transferee Company shall keep a record and/or account of such transactions; and
- 14.9. Transferor Company shall not, without the prior written consent of the Board of Directors of Transferee Company or pursuant to any pre-existing obligation, vary the terms and conditions of service of its employees working except in the ordinary course of its business or consistent with past practice.

## **15. LEGAL PROCEEDINGS**

- 15.1. All legal proceedings of whatsoever nature by or against Transferor Company pending and / or arising on or after the Appointed Date, shall not abate or be discontinued and shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against Transferor Company respectively;



- 15.2. Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company referred to in the Clause above transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company to the exclusion of Transferor Company.

## **16. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 16.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 16.2. For the avoidance of doubt and without prejudice to the generality of the foregoing clause, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of Transferor Company shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferee Company, and Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Transferee Company. Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this regard.

## **17. SAVING OF CONCLUDED TRANSACTIONS**

- 17.1. The transfer and vesting of the assets, liabilities and obligations pertaining / relating to Transferor Company pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 15 hereof shall not affect any transactions or proceedings already completed by Transferor Company on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of Transferor Company, as acts, deeds and things done and executed by and on behalf of Transferee Company.

## **18. STAFF AND EMPLOYEES**

- 18.1. On the Scheme becoming effective, all staff, workmen and employees of Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favorable than those applicable to them with reference to Transferor Company respectively, on the Effective Date.
- 18.2. Transferee Company agrees that the services of all such staff, workmen and employees of Transferor Company up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in Transferor Company respectively on the Effective Date.

## **19. DISSOLUTION OF TRANSFEROR COMPANY**

- 19.1. Transferor Company and Transferee Company shall take such other step, as may be necessary or expedient to give full and formal effect to the provisions of the Scheme.
- 19.2. Transferor Company shall stand dissolved as on the Effective Date in terms of this Scheme, without the process of winding up.
- 19.3. Upon the Scheme taking effect and after dissolution of Transferor Company, the Board of Directors of Transferee Company is hereby authorized to take steps as may be necessary, desirable or proper to resolve any questions, doubts, or difficulty whether by reason of any Order(s) of the Tribunal(s) or any directive, order or sanction of any authority or otherwise arising out of or under this Scheme or any matter therewith.

<b>PART III : GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME</b>
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**20. APPLICATION TO TRIBUNAL**

- 20.1. Transferor Company and Transferee Company shall make all applications / petitions under sections 230 and 232 read with other applicable provisions of the Companies Act, 2013 to the Tribunal for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.

**21. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 21.1. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and Transferee Company as may be directed by the Tribunal or any other competent authority, as may be applicable.
- 21.2. The Scheme being sanctioned by the Tribunal under Sections 230 to 232, read with other applicable provisions of the Act and to the necessary orders under Section 232 of the said Act being obtained.
- 21.3. Certified copies of the Orders of the Tribunal sanctioning the Scheme being filed with the jurisdictional Registrar of Companies, by Transferor Company and Transferee Company.
- 21.4. The requisite, consent, approval or permission of any Government, statutory or regulatory authority which by law may be necessary for the implementation of this Scheme.
- 21.5. The Scheme comprises of amalgamation of Transferor Company with and into Transferee Company. The Scheme shall be effective upon the sanction of the NCLT. However, failure of any part for lack of necessary approval from shareholders/ creditors/ statutory regulatory authorities shall not result in failing of whole Scheme. It shall be open to the concerned Board of Directors, with the approval from the shareholders, to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the Tribunal with such modification.

**22. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 22.1. The Transferor Company and Transferee Company, through their respective Board of Directors (which shall include any committee or person authorized by the said Boards in this regard) may assent from time to time, on behalf of all persons concerned, to any extension, modifications which either the Board of Directors of Transferor Company and Transferee Company, deem fit and / or approved / imposed by the creditors / members or any other authority, amendments to the Scheme (including modification in the Appointed Date) or to any conditions or limitations that the Tribunal, and /or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and Transferee Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.
- 22.2. For the purpose of giving effect to this Scheme or modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Company and Transferee Company, including any person(s) or committee as may be authorised by the respective Board of Directors on their behalf may give and are hereby authorized to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all the parties in the manner as if the same were specifically incorporated in this Scheme.
- 22.3. Further, in case of any alteration in the position of the issued and paid-up share capital of either the Transferor Company or Transferee Company, during the period from the date of approval of the Scheme by the Board of Directors and up to and including the Effective Date, owing to further issue of shares by way of bonus issue, preferential issue / private placement, right issue or in any other mode (including a share swap), which would cause any resultant change in the Scheme, then the Board of Directors (including any committee constituted by them) of Transferor Company or

Transferee Company shall be deemed to be authorized to carry any such change / amendment / modification in this Scheme and for other incidental purposes in order to give effect to the said alteration and approval of the shareholders and creditors (both secured and unsecured or any other class of creditors) of this Scheme shall also be considered as deemed approval of the shareholders and creditors to any modification / amendment to the Scheme, particularly with respect to such change, which may be made or carried to and approved by the Board of Directors of Transferor Company and Transferee Company.

### **23. REVOCATION OR WITHDRAWAL OF THE SCHEME**

- 23.1. Subject to the order of the Tribunal, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage if: (i) this Scheme is not being sanctioned by the Tribunal or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (ii) in case any condition or alteration imposed by the Tribunal, shareholders/creditors of the Company or any other authority is not acceptable to the Board of Directors of the Companies; (iii) the Board of Directors of the Companies are of view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on all or any of Transferor Company or Transferee Company; (iv) any change in Applicable Law; (v) owing to reasons as otherwise deem fit by the Board of Transferor Company or Transferee Company. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.
- 23.2. If any part of the Scheme is invalid, ruled invalid by any Tribunal or court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme. Further, if deletion of such part of the Scheme may cause the Scheme to become materially adverse to Transferor Company or Transferee Company, then in such case the said Company may bring about modification(s) in the Scheme, as will best preserve for these Company the benefits and obligations under the Scheme, including but not limited to such part.
- 23.3. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Company, and/or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.

### **24. COSTS, CHARGES AND EXPENSES**

- 24.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in connection of this Scheme and matters incidental thereto, shall be on account of and borne by Transferee Company.

**SANDEEP KUMAR AGRAWAL**

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F.C.A., LL.B., M.B.A. (Finance), DISA (ICAI),  
FAFD (ICAI), INSOLVENCY PROFESSIONAL  
REGISTERED VALUER (Securities or Financial Assets)  
Registration No. IBBI/RV/06/2019/10705

To,  
Lohia Corp Limited  
D-3/A, Panki Industrial Estate  
Kanpur-208022 (Uttar Pradesh)

Shree Holdings Limited  
D-3/A, Panki Industrial Estate  
Kanpur- 208022 (Uttar Pradesh)

Sub: Report on Valuation of Shares and Share Exchange Ratio for the proposed Scheme of Amalgamation of Shree Holdings Limited with Lohia Corp Limited

Dear Sirs,

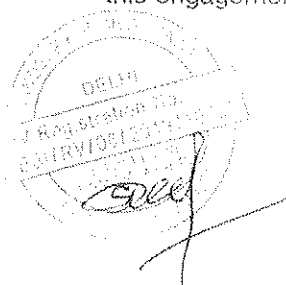
**Preamble:** There is a proposal to merge Shree Holdings Limited with Lohia Corp Limited, to be implemented through a Scheme of Amalgamation under the provisions of the Companies Act, 2013, and other applicable provisions, if any. The aforesaid Scheme of Amalgamation is hereinafter referred to as "the Scheme"/ "the Proposed Scheme". Whereas the Companies to the Scheme of Amalgamation namely, Shree Holdings Limited and Lohia Corp Limited are hereinafter collectively referred to as "the Companies".

The Board of Directors of Shree Holdings Limited and Lohia Corp Limited in the respective meetings held on 2<sup>nd</sup> August, 2021, have appointed me to carry out the valuation exercise and to recommend a share swap ratio for the aforesaid Scheme of Amalgamation.

I, accordingly, report as under:

- Objective:** The objective of the present valuation process is to determine a fair valuation of shares of the Companies under the Scheme of Amalgamation and to recommend a share exchange ratio for the proposed Scheme of Amalgamation.
- Disclosure regarding identity and interest of the Valuer:** The Valuer – Mr. Sandeep Kumar Agrawal, having his office at 523, Pocket-E, Mayur Vihar Phase-2, Delhi-110 091, is a Chartered Accountant and Registered Valuer in respect of Securities or Financial Assets, duly registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/2019/10705. The Valuer is hereinafter referred to as the Registered Valuer.

The Registered Valuer does not have any conflict of interest in the present valuation exercise as he does not hold any share or other pecuniary interest in any of the Companies under the valuation except fee or any other payment received/to be received for carrying out any professional services, if any. The Registered Valuer is not associated with the management of the Companies which are subject matter of the present valuation, their promoters or any other group company in any way other than in professional capacity, if any. Accordingly, there is no conflict of interest among the Registered Valuer and the Companies under the valuation exercise or their Management. Prior to accepting this engagement, I have considered my independence.



523, Pocket - E, Mayur Vihar Phase -2, Delhi - 110 091  
Phone : 011 - 22785089, 43052620  
Mob. : +91 98113 37758

### 3. Source of Information

In connection with preparing this Valuation Report, I have received the following information from the management of the Companies:

- a. Audited Financial Statements of the Companies for the Financial Year ended March 31, 2021;
- b. Memorandum and Articles of Association;
- c. List of Shareholders;
- d. Note on the business activities;
- e. Details regarding the draft Scheme of Amalgamation.

I also held various discussions with the representative of the Management of the Companies. In finalization of this Report, I have further relied on various secondary and other analysis, reviews and enquiries, as I considered relevant.

The valuation cut-off date for the purpose of the present valuation has been taken as 31<sup>st</sup> March, 2021.

4. **Scope/Limitation:** The Valuation exercise carried out by me does not constitute an audit carried out in accordance with Generally Accepted Accounting Principles/Auditing Standards. Accordingly, I do not express any opinion on the financial statements, assumptions underlying such financial statements and representations of management included in the Valuation Report. I do not provide any assurance that the financial information or assumptions, upon which these have been based, are accurate.

The present exercise is limited to valuation of shares for specific purpose of the proposed Amalgamation and does not necessarily constitute an enterprise valuation of these Companies.

In carrying out the valuation, I have entirely relied upon the financial statements of the concerned Companies, assumptions and other information & explanations provided by the management and discussions with the management from time to time regarding these Companies.

### 5. Caveats, Limitations, and Disclaimers:

This Report is a private and confidential document prepared under the specific instructions of the client(s). It is for the internal use of the client(s) and their Shareholders/Creditors and is not meant for external circulation except to any statutory agency or competent authority for the purpose of the Proposed Scheme. Any person making any investment or taking other decision on reliance of this report will be doing so at its/ his sole risk. I shall not be responsible for any decision taken by anybody on reliance of this report other than the aforesaid Amalgamation.



While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Companies/ Client. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The valuation of Companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. The object of the present valuation exercise is to determine the share swap ratio for the purpose of the proposed Scheme of Amalgamation, we have determined the relative value to determine the share swap ratio.

The ultimate analysis has been tempered by the exercise of judicious discretion by the Registered Valuer and judgment considering the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value.

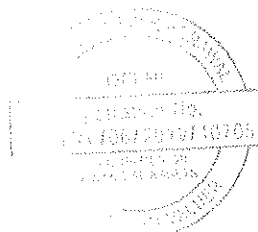
In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

#### 6. Compliance with the Rules and Standards:

While carrying out the present valuation exercise, I have relied on relevant provisions of the Companies Act, 2013; the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the Institute of Chartered Accountants of India (ICAI); various Guidance Notes on Valuation issued by the ICAI through its publications-Technical Guide on Valuation, Valuation: Professionals' Insight; and other relevant material, to the extent relevant/applicable.

The present Valuation Report complies with the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the ICAI, and other applicable provisions, if any.



## 7. Brief Profile of the Companies:

### 7.1 The Transferor Company: Shree Holdings Limited

- a. **Shree Holdings Limited** [Corporate Identification No. (CIN): U65923UP1983PLC006136] (hereinafter referred to as "the Transferor Company/ the Company") was incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Shree Holdings Limited' vide Certificate of Incorporation dated 18<sup>th</sup> June, 1983, issued by the Registrar of Companies, Uttar Pradesh, Kanpur.
- b. The present registered office of the Company is situated at D-3/A, Panki Industrial Estate, Kanpur- 208022, Uttar Pradesh
- c. The present authorized share capital of the Company is Rs. 45,00,000/- (Rupees Forty-Five Lakhs only), divided into 4,50,000 Equity Shares of Rs. 10 each.

The present issued, subscribed and paid-up share capital of the Company is Rs. 20,00,000/- (Rupees Twenty Lakhs only) divided into 2,00,000 Equity Shares of Rs. 10/- each.

- d. The Transferor Company is a Core Investment Company (CIC) and holds 89.54% shares in Lohia Corp Limited. The Transferor Company is the holding Company of the Transferee Company, as it holds 89.54% of the equity share capital of the Transferee Company. Apart from the investment in the equity shares of the Transferee Company, there is no other significant assets, liabilities or business in the Transferor Company.

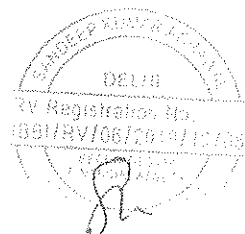
### 7.2 The Transferee Company: Lohia Corp Limited

- a. **Lohia Corp Limited** [Corporate Identification No. (CIN): U29263UP1981PLC005446] (hereinafter referred to as "the Transferee Company/ the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Lohia Starlinger Private Limited' vide Certificate of Incorporation dated 5<sup>th</sup> October, 1981, issued by the Registrar of Companies, Uttar Pradesh, Kanpur.

The Company was converted into a public limited company and the name of the Company was changed to 'Lohia Starlinger Limited' vide Fresh Certificate of Incorporation dated 31<sup>st</sup> December, 1987, issued by the Registrar of Companies, Uttar Pradesh, Kanpur.

The name of the Company was again changed to its present name 'Lohia Corp Limited' vide Fresh Certificate of Incorporation dated 7<sup>th</sup> March, 2013, issued by the Registrar of Companies, Uttar Pradesh, Kanpur.

- b. The present registered office of the Company is situated at D-3/A, Panki Industrial Estate, Kanpur- 208022 Uttar Pradesh.



c. The present authorized share capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores only), divided into 1,20,00,000 Equity Shares of Rs. 10/- each.

The present issued, subscribed and paid-up share capital of the Company is Rs. 4,55,00,000/- (Rupees Four Crores Fifty-Five lakhs only) divided into 45,50,000 Equity Shares of Rs. 10/- each.

d. The Transferee Company is engaged in the business of manufacturer of complete range of machines like tape extrusion line, tape winders, circular weaving looms, bag conversion lines, FIBC conversion lines etc. required by HDPE/ PP woven fabric industry and other related activities.

e. The Transferee Company is a subsidiary of the Transferor Company, as the Transferor Company holds 89.54% of the equity share capital of the Transferee Company.

8. Valuation approach and methodologies:

8.1 As mentioned above, it is proposed to amalgamate Shree Holdings Limited with Lohia Corp Limited through a Scheme of Amalgamation.

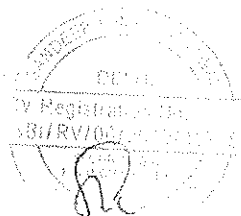
8.2 The primary objective of the present exercise is to find out the number of shares to be issued by the Transferee Company to the shareholders of the Transferor Company in consideration of the proposed amalgamation of the Transferor Company with the Transferee Company.

8.3 The Equity Shares of the Transferor and the Transferee Companies are required to be valued to recommend a Share Swap for the proposed amalgamation, based on the relative value of the shares of the Companies involved in the Scheme.

8.4 It has been informed that, the Transferor Company and the Transferee Company are closely held group companies. Hence, general public is not affected by the proposed share exchange ratio.

8.5 There are a number of techniques/methods for valuation of shares. According to various judicial precedents the valuation of shares is a technical matter which requires considerable skill and expertise. There are bound to be differences of opinion as to the correct value of the shares of the Company. Simply because it is possible to value the shares in a manner different from the one adopted in a given case, it cannot be said that the valuation agreed upon has been unfair.

8.6 In the valuation of the shareholders' equity of a subject company, mainly three different approaches may be employed to determine its fair market value, viz., the Income Approach, the Asset Approach and the Market Approach. While each of these approaches would initially be considered in the valuation, the nature and the characteristics of the subject company/companies will determine which approach or approaches is/are most suitable in a particular case.





8.7

A. Income Approach

i. Discounted Cash Flow Method (DCF)

One methodology in the Income Approach is the discounted cash flow method, which focuses on the expected cash flow of the subject company/companies.

The discounted Cash Flow method indicates the Fair Value of a business based on the value of cash flows that the business is expected to generate in future. This method involves the estimation of post-tax cash flows for the projected period, after considering the business's requirement of reinvestment in terms of capital expenditure and incremental working capital. These cash flows are then discounted at a cost of capital that reflects the risks of the business and the capital structure of the entity.

ii. Profit Earning Capacity Method (PECV)

PECV method focuses on the future earning capability of the business enterprise, based on the past income generated by the Company. The PECV Method requires the determination of parameters like, future maintainable profit, appropriate income tax rate, expected rate of returns etc. the value is determined by capitalizing the future maintainable profits.

B. Asset Approach

i. Book Value/Net Asset Value

This is a value based on the books of accounts of the business. In simple form, Assets minus Liabilities equals the owner's equity, which is the "Book Value" or Net Assets Value of the business.

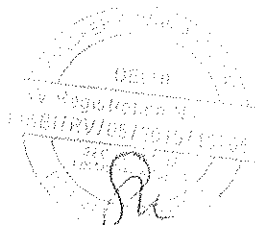
ii. Replacement Value

This is mainly used with asset heavy business such as hotels, motels etc. The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the businesses. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure similar to that of the company being valued.

C. Market Approach

i. Value based on market quotes as available from recognized stock exchange

In case of valuation of shares of a company which is listed and traded on the stock exchanges, the market price of such shares is also considered to arrive at the fair value of the shares. Generally, an average market price of the listed shares for a reasonably past period is taken.



## ii. Price Earning Multiple Value/Comparable Companies Multiple Method

The basic of this approach is to find the earning capacity of the business and to capitalize it on the basis of appropriate rate considering the business fundamentals. In this method appropriate multiple can be used with the normalized earnings to arrive at fair estimation of business value (market price per share; MPS).

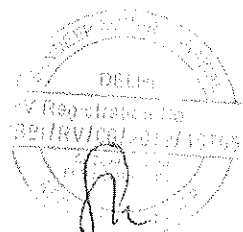
The multiple is usually taken based at PE Multiple (MPS/EPS) of the Industry, on the rate of return expected by the equity shareholder of the Company.

8.8 The ICAI Valuation Standard provides that in transactions of the nature of merger or amalgamation or arrangement between companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are arrived at by applying an appropriate valuation approach or a combination of valuation approaches. If a combination of valuation approaches or methodologies is adopted, appropriate weightages are assigned to arrive at a single value. Relative values are usually derived by using similar valuation approaches, methodologies and weightages. Use of differing methodologies or approaches may be justified in some circumstances, e.g., merger of a listed company and an unlisted company where market price method would be relevant only for the listed company. It further provides that Valuation base selected by a valuer shall be appropriate considering the purpose of engagement and the terms of the engagement. The valuer will use the relevant valuation approach and adhere to other assumptions associated with the valuation bases.

8.9 As mentioned above, the Transferor Company has made investments in the equity shares of the Transferee Company. Presently, the Transferor Company is holding 40,74,000 equity shares (89.54% of total equity share capital) of the Transferee Company. Apart from the investments in the equity shares of the Transferee Company; the Transferor Company does not have any other significant assets or liabilities.

Considering these facts, it would be most appropriate that in consideration of the amalgamation of the Transferor Company with the Transferee Company; the shareholders of the Transferor Company should be issued the same number of shares of the Transferee Company on proportionate basis, as been held by the Transferor Company, in the Transferee Company. Here it is pertinent to mention that the cross holding in the form of shares held by the Transferor Company in the Transferee Company shall be cancelled and exactly same number of shares may be issued by the Transferee Company to the shareholders of the Transferor Company on proportionate basis.

In view of the fact that the same number of equity shares are proposed to be issued by the Transferee Company to the equity shareholders of the Transferor Company, any other methods of valuation is not used in the present valuation exercise.



8.10 It is pertinent to note that the Transferor Company and the Transferee Company are closely held Group Companies under common management and control. The management of these Companies has represented and undertaken that there will not be any change in the shareholding of the Transferor Company in the Transferee Company, until shares are issued to the shareholders of the Transferor Company pursuant to the proposed Scheme of Amalgamation.

9. **Share Exchange Ratio for the proposed Scheme:** On the basis of valuation exercise and after rounding off, I recommend the following Share Exchange Ratio:

- a. The Transferee Company will issue 2,037 (Two Thousand and Thirty-Seven) Equity Shares of Rs. 10/- each, credited as fully paid up, for every 100 (One Hundred) Equity Shares of Rs. 10/- each held in the Transferor Company.

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number subject to the condition that the total number of Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, will be equivalent to the number of Equity Shares of the Transferee Company held by the Transferor Company.

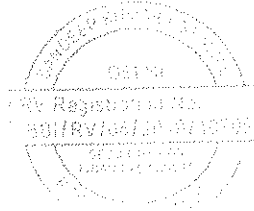
10. Separate workings of in connection with valuation and calculation of the Share Exchange Ratio, are enclosed herewith.

Thanking you.

CA Sandeep Kumer Agrawal  
Registered Valuer in respect of Securities or Financial Assets  
IBBI Registration No.: IBBI/RV/06/2019/10705  
ICAI Membership No.: 088699

Date: 7<sup>th</sup> August, 2021  
Place: Delhi

Encl: as above



UDIN: 21088699AAAAAU5165

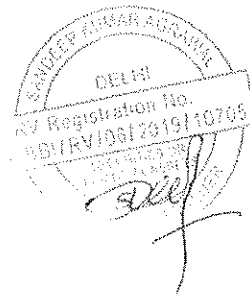
**Brief Financials of the Transferor Company  
Shree Holdings Limited**

As on 31<sup>st</sup> March, 2021

Liabilities	Amount (Rs. in Lakhs)	Assets	Amount (Rs. in Lakhs)
Equity Share Capital (2,00,000 Equity Shares of Rs. 10/- each)	20.00	Investment in Lohia Corp Limited (40,74,000 Equity shares of Rs. 10/- each)	623.65
Reserves and Surplus	593.19	Other assets	13.56
Other Liabilities	24.02		
<b>Total</b>	<b>637.21</b>	<b>Total</b>	<b>637.21</b>

**Calculation of Share Exchange Ratio**

Number of Equity Shares held in the Transferee Company – Lohia Corp Limited by the Transferor Company – Shree Holdings Limited (Equity Shares of Rs. 10/- each)	40,74,000
Total Number of equity shares issued in the Transferor Company (Equity Shares of Rs. 10/- each)	2,00,000
<b>Share Exchange Ratio</b>	<b>2037:100</b>



**SHREE HOLDINGS LIMITED**

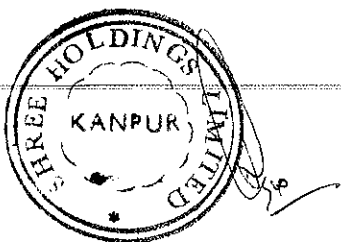
REGD. OFFICE: D-3/A, Panki Industrial Estate, Kanpur – 208022 (U.P.)  
TEL: 0512 2691221 Fax: 0512 2691249 E-mail: [shree.holding@gmail.com](mailto:shree.holding@gmail.com)  
CIN: U65923UP1983PLC006136

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**REPORT OF DIRECTORS**

*(Pursuant to sub-section (2) of Section 232 of the Companies Act, 2013)*

1. The Scheme of Amalgamation between Shree Holdings Limited ('Transferor Company'), Lohia Corp Limited ('Transferee Company') and their respective Shareholders and Creditors ("Scheme") under Section 230 to 232 of the Companies Act, 2013 provides for amalgamation of Transferor Company into and with the Transferee Company.
2. The Board of Directors of the Transferor Company at its meeting held on 9th August, 2021 had approved the 'Scheme'.
3. The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining (i) the effect of the arrangement under the Scheme on each class of Shareholders, Promoter and Non-Promoter Shareholders and Key Managerial Personnel; and (ii) Laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the Shareholders and Creditors.
4. This Report of the Board of Directors is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
5. **Description of Shree Holdings Limited ('Transferor Company')**
  - Shree Holdings Limited, Transferor Company, is a Public Limited Company which was originally incorporated on 18<sup>th</sup> June, 1983 under the provisions of the Companies Act, 1956 in the name and style of 'Shree Holdings Limited' in the State of Uttar Pradesh vide Certificate of Incorporation issued by the



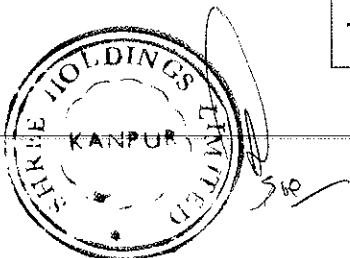
## SHREE HOLDINGS LIMITED

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Registrar of Companies, Uttar Pradesh and the Company was subsequently assigned Corporate Identification Number (CIN) U65923UP1983PLC006136. The Company was issued the Certificate of Commencement of Business by the Registrar of Companies, Uttar Pradesh on 19<sup>th</sup> day of August, 1983. The Registered Office of the Company is presently situated at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.). The PAN No. of the Applicant / Transferor Company is AABCS9221R. The Transferor Company is, inter-alia, engaged in the business of financing and investment and is a Core Investment Company.

- The Transferor Company presently holds 89.54% of the Paid-up Share Capital of Lohia Corp Limited, the Transferee Company, as such, the Transferor Company is a Holding Company of Lohia Corp Limited (Transferee Company).
- The Share Capital structure of the Transferor Company as on 31st March, 2021 is as under:-

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
4,50,000 Equity Shares of Rs. 10/- each.	45,00,000
<b>Total</b>	<b>45,00,000</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>	
2,00,000 Equity Shares of Rs. 10/- each.	20,00,000
<b>Total</b>	<b>20,00,000</b>



## SHREE HOLDINGS LIMITED

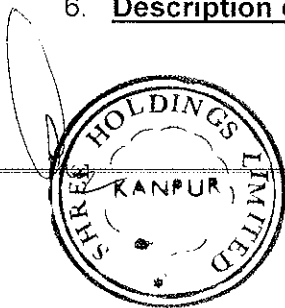
REGD. OFFICE: D-3/A, Panki Industrial Estate, Kanpur – 208022 (U.P.)  
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 CIN: U65923UP1983PLC006136

There has been no change in the above Capital structure of the Transferor Company after 31st March, 2021 till date.

- The Shareholding Pattern of the 'Transferor Company' as on 31st March, 2021 is as follows:-

Sl. No.	Name of Equity Shareholder	No. of Shares (Rs. 10/- each)	Nominal Value of Shares held (in Rs.)	Percentage (%)
1.	Shri Raj Kumar Lohia	46,600	4,66,000	23.30
2.	Shri Amit Kumar Lohia	23,500	2,35,000	11.75
3.	Smt. Ritu Lohia	10,000	1,00,000	5.00
4.	Shri Gaurav Lohia	20,000	2,00,000	10.00
5.	Shri Ajay Lohia	18,000	1,80,000	9.00
6.	Shri Jitendra Kumar Lohia	20,000	2,00,000	10.00
7.	Shri Alok Kumar Lohia	13,300	1,33,000	6.65
8.	Shri Anurag Lohia	18,300	1,83,000	9.15
9.	Smt. Anuja Lohia	15,000	1,50,000	7.50
10.	Smt. Shradha Lohia	15,300	1,53,000	7.65
	<b>TOTAL</b>	<b>2,00,000</b>	<b>20,00,000</b>	<b>100.00</b>

6. Description of Lohia Corp Limited ('Transferee Company')

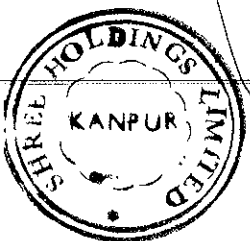


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- Lohia Corp Limited, Transferee Company is a Public Limited Company which was originally incorporated on 5<sup>th</sup> October, 1981 as a 'Private Limited Company' under the provisions of the Companies Act, 1956 in the name and style of 'Lohia Starlinger Private Limited' in the State of Uttar Pradesh vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh. The Company was converted into a 'Public Limited Company' pursuant to Section 44 of the Companies Act, 1956 and the word 'Private' was deleted from the name of the Company by the Registrar of Companies, Uttar Pradesh with effect from 31<sup>st</sup> December, 1987. The name of the Company was subsequently changed from 'Lohia Starlinger Limited' to 'Lohia Corp Limited' vide Shareholders approval dated 2nd March, 2013 and a fresh Certificate of Incorporation consequent to change of name was issued by Registrar of Companies, Uttar Pradesh on 7th March, 2013. The Company was subsequently assigned Corporate Identification Number (CIN) U29263UP1981PLC005446. The Registered Office of the Company is presently situated at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.). The PAN No. of the Applicant / Transferee Company is AAACL2470J. The Transferee Company is inter-alia, engaged in the business of manufacturing of complete range of machines required by HDPE/PP Woven Fabric Industry.
- The Transferee Company is a Subsidiary Company of Shree Holdings Limited, the Transferor Company, as 40,74,000 Equity Shares of Rs.10/- each constituting 89.54% of the Paid-up Equity Share Capital of the Transferee Company is held by the Transferor Company.





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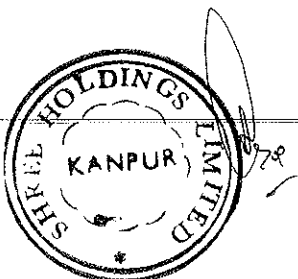
- The Share Capital structure of the Transferee Company as on 31st March, 2021 is as under:-

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
1,20,00,000 Equity Shares of Rs.10/- each.	12,00,00,000
<b>Total</b>	<b>12,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>	
45,50,000 Equity Shares of Rs. 10/- each.	4,55,00,000
<b>Total</b>	<b>4,55,00,000</b>

There has been no change in the above Capital structure of the 'Transferee Company' after 31st March, 2021 till date.

- The Shareholding Pattern of the Transferee Company as on 31st March, 2021 is as follows:-

Sl. No.	Name of Shareholder	Equity Shares (Rs. 10/- each)	No. of Shares	Nominal Value of Shares held (in Rs.)	Percentage (%)
1.	Shri Raj Kumar Lohia		1,77,000	17,70,000	3.89
2.	Shri Amit Kumar Lohia		60,000	6,00,000	1.32
3.	Mrs. Neela Lohia		41,000	4,10,000	0.90
4.	Shri Gopal Chandra Lohia		32,000	3,20,000	0.70



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5.	Shri Ajay Lohia	40,000	4,00,000	0.88
6.	Shri Jitendra Kumar Lohia	36,000	3,60,000	0.79
7.	Shri Alok Kumar Lohia	40,000	4,00,000	0.88
8.	Shri Anurag Lohia	50,000	5,00,000	1.10
9.	Shree Holdings Limited	40,74,000	4,07,40,000	89.54
	<b>TOTAL</b>	<b>45,50,000</b>	<b>4,55,00,000</b>	<b>100.00</b>

**7. Rationale of the Scheme**

The Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) is being undertaken with the following objectives:-

- The Transferor Company is the Holding Company of the Transferee Company.
- The Transferor Company and the Transferee Company have common control, common management, common place of business and common group administration.
- The amalgamation will lead to emergence of a single entity with strong financial capability to effectively withstand competition, to effectuate economies of scale and to optimize benefits available under the law. The consolidated Company with far enlarged asset base, higher profitability and net worth will be better placed to access low cost fund for its expansion and diversification requirements.
- The amalgamation will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried by the Amalgamating



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Companies and will avoid duplication of administrative functions and eliminate multiple record keeping.

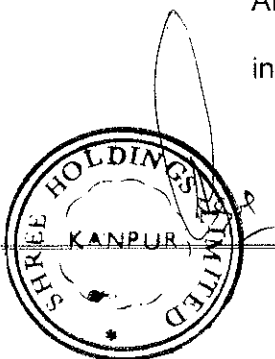
- The amalgamation will result in simplification and rationalization of the holding structure and reduction in corporate legal entities.

**8. Key Features of the Scheme**

- (a) The '**Appointed Date**' for the Scheme is 1<sup>st</sup> April, 2021 or such other date as may be fixed and approved by National Company Law Tribunal, Allahabad Bench or any other authority.
- (b) "**Effective Date**" or "**upon this Scheme becoming effective**" or "**upon coming into effect of this Scheme**" shall mean the last of the date on which the certified copy of the order(s) of the Tribunal sanctioning this Scheme, as defined hereunder, is filed with the jurisdictional Registrar of Companies ("ROC") by the Transferor Company and Transferee Company, as required under the provisions of the Act.

**(c) Other Details**

This Scheme of Arrangement provides for Amalgamation of Shree Holdings Limited ("Transferor Company") with Lohia Corp Limited ("Transferee Company") under the provisions of Section 230-232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Amalgamation also provides for various other matters consequential or otherwise integrally connected therewith.



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(d) Upon occurrence of the Effective Date and in consideration of the transfer of and vesting of Undertaking of the 'Transferor Company' in terms of this 'Scheme', the 'Transferee Company' shall issue and allot without any further application, act or deed and without any further payment, the Equity Shares to the Equity Shareholders of the 'Transferor Company' whose names are recorded in the Register of Members / Records of Depositories as beneficial owners on the 'Record Date' to be fixed by the Board of Directors of the 'Transferee Company' as under:-

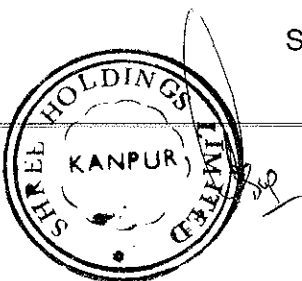
**"2,037 (Two Thousand and Thirty Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the 'Transferee Company' for every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up held in the 'Transferor Company'."**

(e) The Scheme is subject to the approval of Shareholders and Creditors of Shree Holdings Limited (Transferor Company) and Lohia Corp Limited (Transferee Company) and the sanction by the National Company Law Tribunal, Allahabad Bench.

9. The Scheme is considered to be in the interest of the Shareholders, Creditors and Employees of the Transferee Company and the Transferor Companies.

### 10. Share Entitlement Ratio

- Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705) has provided Share Exchange Ratio Report dated 7th August, 2021 determining allotment of Equity Shares of Threads (India) Limited to the Shareholders of Shree Holdings



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Limited (Transferor Company) as consideration for Amalgamation of Shree Holdings Limited into Lohia Corp Limited. The above valuer has not reported any special valuation difficulties.

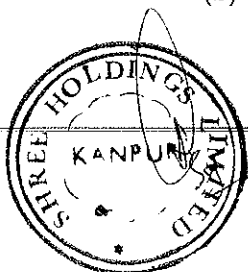
- The allotment of Equity Shares of the Transferee Company to the Shareholders of the Transferor Company pursuant to the proposed Amalgamation as mentioned above, appear fair and appropriate.
- The Board of Directors of the Transferee Company have adopted the said Share entitlement Report at its Meeting held on 9th August, 2021.

### 11. The expected Shareholding Pattern of the Transferee Company and the Transferor Company post Amalgamation

(a) Expected Shareholding Pattern of the **Transferee Company** post Amalgamation is as below:-

Sl. No.	Shareholders	No. of Shares	Percentage %
<b>Promoter &amp; Promoter Group</b>			
1.	Individuals	45,50,000	100.00
2.	Bodies Corporate	--	--
Total Promoter & Promoter Group		45,50,000	100.00
<b>Public</b>		NIL	NIL
<b>TOTAL</b>		<b>45,50,000</b>	<b>100.00</b>

(b) Expected Shareholding Pattern of the '**Transferor Company**' post Amalgamation is as below:-



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Not Applicable. As upon the Scheme coming into effect, the Transferor Company shall without any further act or deed, stand dissolved without being wound up.

**12. Directors and Key Managerial Personnel****(a) Directors and Key Managerial Personnel in Transferor Company**

The list of Directors of the Transferor Company as on the date is as under:-

Name	Designation	No. of Equity Shares held
Shri Amit Kumar Lohia	Director	23,500
Shri Om Prakash Darolia	Director	--
Shri Krishan Gopal Gupta	Director	--

The List of Key Managerial Personnel of the Transferor Company as on date is as under:

Name	Designation	No. of Equity Shares held
NIL		

**(b) Directors and Key Managerial Personnel in Transferee Company**

The list of Directors of the Transferee Company as on the date is as under:-

Name	Designation	No. of Equity Shares held
Shri Raj Kumar Lohia	Managing Director	1,77,000



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Shri Vinay Sah	Managing Director	NIL
Shri Anurag Lohia	Whole-time Director	50,000
Shri Paritosh Kumar Mukherjee	Whole-time Director	NIL
Shri Naresh Kumar Gupta	Director	NIL
Shri Gopal Chandra Lohia	Director	32,000
Ms. Stuti Singhania Agarwal	Director	NIL

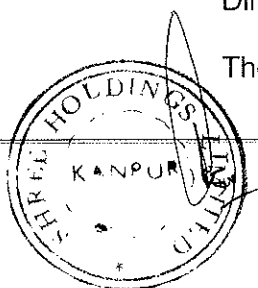
The List of Key Managerial Personnel of the Transferee Company as on date is as under:

Name	Designation	No. of Equity Shares held
Shri Amit Kumar Lohia	CFO (KMP)	60,000
Mrs. Shikha Srivastava	Company Secretary	NIL

### 13. Disclosure about the effect of the Amalgamation on:

#### (a) Directors and Key Managerial Personnel (KMP):

None of the Directors, Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any material interest, concern or any other interest in the Scheme except to the extent of the Equity Shares held by them in the Transferor Company and to the extent shareholding in the Transferee Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. There are no common Directors in the Transferor Company and the Transferee



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Company and the Director of the Transferor Company will cease to be Director consequent upon amalgamation. However, they may be appointed at some other designation as per the requirement of Transferee Company. There will be no impact of Amalgamation on Directors of Transferee Company.

**(b) Promoter Members**

The Scheme of Amalgamation will have effect on the Promoter Members of the Transferor and Transferee Companies as there will be change in their shareholding in the Transferee Company pursuant to allotment of shares that may be made in the terms of the Scheme of Amalgamation.

**(c) Non-Promoter Members:**

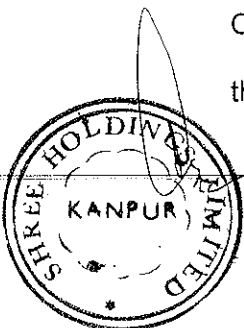
There are no non-promoter members of the Transferor Company and the Transferee Company. As such, the Scheme of Amalgamation will not have any effect on the non-promoter members of the Transferor and Transferee Companies.

**(d) Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

Neither the Transferor Company nor the Transferee Company have any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme of Amalgamation.

**(e) Creditors:**

The amount due to the Secured and / or Unsecured Creditors by the Transferor Company (SHL) and Transferee Company (LCL) directly and indirectly involved in the Scheme are as follows:





**SHREE HOLDINGS LIMITED**

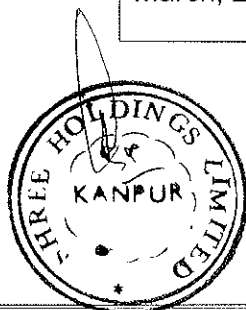
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**Details of Secured Creditors**

Particulars	Amount due (Rs.)
Transferor Company (SHL) (Nil Secured Creditors as on 31st March, 2021)	Nil
Transferee Company (LCL) [3 (Three) Secured Creditors as on 31st March, 2021]	1,61,22,46,535/- (Rupees One Hundred Sixty One Crore Twenty Two Lakhs Forty Six Thousand Five Hundred and Thirty Five only).

**Details of Unsecured Creditors**

Particulars	Amount due (Rs.)
Transferor Company (SHL) [2 (Two) Unsecured Creditors as on 31st March, 2021]	24,01,500/- (Rupees Twenty Four Lakhs One Thousand and Five Hundred only)
Transferee Company (LCL) [2,556 (Two Thousand Five Hundred and Fifty Six) Unsecured Creditors as on 31st March, 2021]	5,59,29,78,911/- (Rupees Five Hundred and Fifty Nine Crore Twenty Nine Lakhs Seventy Eight Thousand Nine Hundred and Eleven only)



**SHREE HOLDINGS LIMITED**

REGD. OFFICE: D-3/A, Panki Industrial Estate, Kanpur – 208022 (U.P.)  
TEL: 0512 2691221 Fax: 0512 2691249 E-mail: [shree.holding@gmail.com](mailto:shree.holding@gmail.com)  
CIN: U65923UP1983PLC006136

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**(f) Employees:**

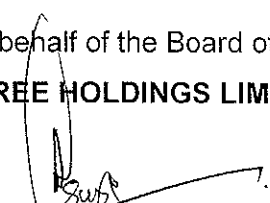
All employees of the Transferor Company shall be deemed to have become employees of the Transferee Company, with effect from the 'Appointed Date', without any break in their service.

14. This report has been approved by the Board of Directors of the Transferor Company at its meeting held on 1st September, 2021.

For and on behalf of the Board of Directors  
For **SHREE HOLDINGS LIMITED**



Date: 1st September, 2021  
Place: Kanpur

  
(KRISHNA GOPAL GUPTA)  
Director  
DIN: 00214678

## REPORT OF DIRECTORS

(Pursuant to sub-section (2) of Section 232 of the Companies Act, 2013)

1. The Scheme of Amalgamation between Shree Holdings Limited ('Transferor Company'), Lohia Corp Limited ('Transferee Company') and their respective Shareholders and Creditors ('Scheme') under Section 230 to 232 of the Companies Act, 2013 provides for amalgamation of Transferor Company into and with the Transferee Company.
2. The Board of Directors of the Transferee Company at its meeting held on 9th August, 2021 had approved the 'Scheme'.
3. The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining (i) the effect of the arrangement under the Scheme on each class of Shareholders, Promoter and Non-Promoter Shareholders and Key Managerial Personnel; and (ii) Laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the Shareholders and Creditors.
4. This Report of the Board of Directors is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
5. **Description of Shree Holdings Limited ('Transferor Company')**

- Shree Holdings Limited, Transferor Company, is a Public Limited Company which was originally incorporated on 18<sup>th</sup> June, 1983 under the provisions of the Companies Act, 1956 in the name and style of 'Shree Holdings Limited' in the State of Uttar Pradesh vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh and the Company was subsequently assigned Corporate Identification Number (CIN) U65923UP1983PLC006136. The Company was issued the Certificate of Commencement of Business by the Registrar of Companies, Uttar Pradesh on 19<sup>th</sup> day of August, 1983. The Registered Office of the Company is presently situated at D-3/A,

### Lohia Corp Limited

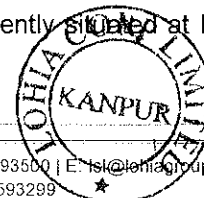
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Panki Industrial Estate, Kanpur-208022 (U.P.). The PAN No. of the Applicant / Transferor Company is AABCS9221R. The Transferor Company is, inter-alia, engaged in the business of financing and investment and is a Core Investment Company.

- The Transferor Company presently holds 89.54% of the Paid-up Share Capital of Lohia Corp Limited, the Transferee Company, as such, the Transferor Company is a Holding Company of Lohia Corp Limited (Transferee Company).
- The Share Capital structure of the Transferor Company as on 31st March, 2021 is as under:-

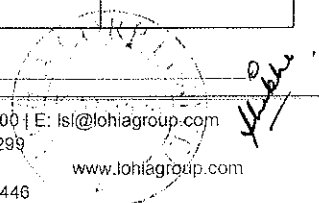
Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
4,50,000 Equity Shares of Rs. 10/- each.	45,00,000
<b>Total</b>	<b>45,00,000</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>	
2,00,000 Equity Shares of Rs. 10/- each.	20,00,000
<b>Total</b>	<b>20,00,000</b>

There has been no change in the above Capital structure of the Transferor Company after 31st March, 2021 till date.

- The Shareholding Pattern of the 'Transferor Company' as on 31st March, 2021 is as follows:-

Sl. No.	Name of Equity Shareholder	No. of Shares (Rs. 10/- each)	Nominal Value of Shares held (in Rs.)	Percentage (%)
1.	Shri Raj Kumar Lohia	46,600	4,66,000	23.30

**Lohia Corp Limited**



2.	Shri Amit Kumar Lohia	23,500	2,35,000	11.75
3.	Smt. Ritu Lohia	10,000	1,00,000	5.00
4.	Shri Gaurav Lohia	20,000	2,00,000	10.00
5.	Shri Ajay Lohia	18,000	1,80,000	9.00
6.	Shri Jitendra Kumar Lohia	20,000	2,00,000	10.00
7.	Shri Alok Kumar Lohia	13,300	1,33,000	6.65
8.	Shri Anurag Lohia	18,300	1,83,000	9.15
9.	Smt. Anuja Lohia	15,000	1,50,000	7.50
10.	Smt. Shradha Lohia	15,300	1,53,000	7.65
	<b>TOTAL</b>	<b>2,00,000</b>	<b>20,00,000</b>	<b>100.00</b>

## 6. Description of Lohia Corp Limited ('Transferee Company')

- Lohia Corp Limited, Transferee Company is a Public Limited Company which was originally incorporated on 5<sup>th</sup> October, 1981 as a 'Private Limited Company' under the provisions of the Companies Act, 1956 in the name and style of 'Lohia Starlinger Private Limited' in the State of Uttar Pradesh vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh. The Company was converted into a 'Public Limited Company' pursuant to Section 44 of the Companies Act, 1956 and the word 'Private' was deleted from the name of the Company by the Registrar of Companies, Uttar Pradesh with effect from 31<sup>st</sup> December, 1987. The name of the Company was subsequently changed from 'Lohia Starlinger Limited' to 'Lohia Corp Limited' vide Shareholders approval dated 2nd March, 2013 and a fresh Certificate of Incorporation consequent to change of name was issued by Registrar of Companies, Uttar Pradesh on 7th March, 2013. The Company was subsequently assigned Corporate Identification Number (CIN) U29263UP1981PLC005446. The

### Lohia Corp Limited

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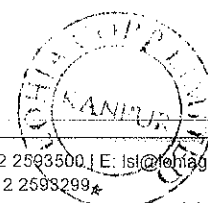


Registered Office of the Company is presently situated at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.). The PAN No. of the Applicant / Transferee Company is AAACL2470J. The Transferee Company is inter-alia, engaged in the business of manufacturing of complete range of machines required by HDPE/PP Woven Fabric Industry.

- The Transferee Company is a Subsidiary Company of Shree Holdings Limited, the Transferor Company, as 40,74,000 Equity Shares of Rs.10/- each constituting 89.54% of the Paid-up Equity Share Capital of the Transferee Company is held by the Transferor Company.
- The Share Capital structure of the Transferee Company as on 31st March, 2021 is as under:-

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
1,20,00,000 Equity Shares of Rs.10/- each.	12,00,00,000
<b>Total</b>	<b>12,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>	
45,50,000 Equity Shares of Rs. 10/- each.	4,55,00,000
<b>Total</b>	<b>4,55,00,000</b>

There has been no change in the above Capital structure of the 'Transferee Company' after 31st March, 2021 till date.



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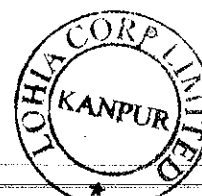
- The Shareholding Pattern of the Transferee Company as on 31st March, 2021 is as follows:-

Sl. No.	Name of Equity Shareholder	No. of Shares (Rs. 10/- each)	Nominal Value of Shares held (in Rs.)	Percentage (%)
1.	Shri Raj Kumar Lohia	1,77,000	17,70,000	3.89
2.	Shri Amit Kumar Lohia	60,000	6,00,000	1.32
3.	Mrs. Neela Lohia	41,000	4,10,000	0.90
4.	Shri Gopal Chandra Lohia	32,000	3,20,000	0.70
5.	Shri Ajay Lohia	40,000	4,00,000	0.88
6.	Shri Jitendra Kumar Lohia	36,000	3,60,000	0.79
7.	Shri Alok Kumar Lohia	40,000	4,00,000	0.88
8.	Shri Anurag Lohia	50,000	5,00,000	1.10
9.	Shree Holdings Limited	40,74,000	4,07,40,000	89.54
	<b>TOTAL</b>	<b>45,50,000</b>	<b>4,55,00,000</b>	<b>100.00</b>

## 7. Rationale of the Scheme

The Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) is being undertaken with the following objectives:-

- The Transferor Company is the Holding Company of the Transferee Company.
- The Transferor Company and the Transferee Company have common control, common management, common place of business and common group administration.



### Lohia Corp Limited

- The amalgamation will lead to emergence of a single entity with strong financial capability to effectively withstand competition, to effectuate economies of scale and to optimize benefits available under the law. The consolidated Company with far enlarged asset base, higher profitability and net worth will be better placed to access low cost fund for its expansion and diversification requirements.
- The amalgamation will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried by the Amalgamating Companies and will avoid duplication of administrative functions and eliminate multiple record keeping.
- The amalgamation will result in simplification and rationalization of the holding structure and reduction in corporate legal entities.

## 8. Key Features of the Scheme

- (a) The '**Appointed Date**' for the Scheme is 1<sup>st</sup> April, 2021 or such other date as may be fixed and approved by National Company Law Tribunal, Allahabad Bench or any other authority.
- (b) "**Effective Date**" or "**upon this Scheme becoming effective**" or "**upon coming into effect of this Scheme**" shall mean the last of the date on which the certified copy of the order(s) of the Tribunal sanctioning this Scheme, as defined hereunder, is filed with the jurisdictional Registrar of Companies ("ROC") by the Transferor Company and Transferee Company, as required under the provisions of the Act.

### (c) Other Details

This Scheme of Arrangement provides for Amalgamation of Shree Holdings Limited ("Transferor Company") with Lohia Corp Limited ("Transferee Company") under the provisions of Section 230-232 of the Companies Act, 2013 read with the Companies

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(Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Amalgamation also provides for various other matters consequential or otherwise integrally connected therewith.

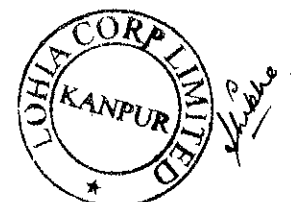
**(d) Upon occurrence of the Effective Date and in consideration of the transfer of and vesting of Undertaking of the 'Transferor Company' in terms of this 'Scheme', the 'Transferee Company' shall issue and allot without any further application, act or deed and without any further payment, the Equity Shares to the Equity Shareholders of the 'Transferor Company' whose names are recorded in the Register of Members / Records of Depositories as beneficial owners on the 'Record Date' to be fixed by the Board of Directors of the 'Transferee Company' as under:-**

**"2,037 (Two Thousand and Thirty Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the 'Transferee Company' for every 100 (One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up held in the 'Transferor Company'."**

(e) The Scheme is subject to the approval of Shareholders and Creditors of Shree Holdings Limited (Transferor Company) and Lohia Corp Limited (Transferee Company) and the sanction by the National Company Law Tribunal, Allahabad Bench.

9. The Scheme is considered to be in the interest of the Shareholders, Creditors and Employees of the Transferee Company and the Transferor Companies.

10. **Share Entitlement Ratio**



## Lohia Corp Limited

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- Mr. Sandeep Kumar Agrawal, a Registered Valuer for Securities and Financial Assets (Registration No. IBBI/RV/06/2019/10705) has provided Share Exchange Ratio Report dated 7th August, 2021 determining allotment of Equity Shares of Threads (India) Limited to the Shareholders of Shree Holdings Limited (Transferor Company) as consideration for Amalgamation of Shree Holdings Limited into Lohia Corp Limited. The above valuer has not reported any special valuation difficulties.
- The allotment of Equity Shares of the Transferee Company to the Shareholders of the Transferor Company pursuant to the proposed Amalgamation as mentioned above, appear fair and appropriate.
- The Board of Directors of the Transferee Company have adopted the said Share entitlement Report at its Meeting held on 9th August, 2021.

**11. The expected Shareholding Pattern of the Transferee Company and the Transferor Company post Amalgamation**

(a) Expected Shareholding Pattern of the **Transferee Company** post Amalgamation is as below:-

Sl. No.	Shareholders	No. of Shares	Percentage %
<b>Promoter &amp; Promoter Group</b>			
1.	Individuals	45,50,000	100.00
2.	Bodies Corporate	--	--
<b>Total Promoter &amp; Promoter Group</b>		<b>45,50,000</b>	<b>100.00</b>
<b>Public</b>		<b>NIL</b>	<b>NIL</b>
<b>TOTAL</b>		<b>45,50,000</b>	<b>100.00</b>



**Lohia Corp Limited**

(b) Expected Shareholding Pattern of the 'Transferor Company' post Amalgamation is as below:-

Not Applicable. As upon the Scheme coming into effect, the Transferor Company shall without any further act or deed, stand dissolved without being wound up.

## 12. Directors and Key Managerial Personnel

### (a) Directors and Key Managerial Personnel in Transferor Company

The list of Directors of the Transferor Company as on the date is as under:-

Name	Designation	No. of Equity Shares held
Shri Amit Kumar Lohia	Director	23,500
Shri Om Prakash Darolia	Director	--
Shri Krishan Gopal Gupta	Director	--

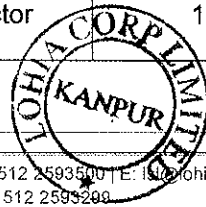
The List of Key Managerial Personnel of the Transferor Company as on date is as under:

Name	Designation	No. of Equity Shares held
NIL		

### (b) Directors and Key Managerial Personnel in Transferee Company

The list of Directors of the Transferee Company as on the date is as under:-

Name	Designation	No. of Equity Shares held
Shri Raj Kumar Lohia	Managing Director	1,77,000



Shri Vinay Sah	Managing Director	NIL
Shri Anurag Lohia	Whole-time Director	50,000
Shri Paritosh Kumar Mukherjee	Whole-time Director	NIL
Shri Naresh Kumar Gupta	Director	NIL
Shri Gopal Chandra Lohia	Director	32,000
Ms. Stuti Singhania Agarwal	Director	NIL

The List of Key Managerial Personnel of the Transferee Company as on date is as under:

Name	Designation	No. of Equity Shares held
Shri Amit Kumar Lohia	CFO (KMP)	60,000
Mrs. Shikha Srivastava	Company Secretary	NIL

**13. Disclosure about the effect of the Amalgamation on:**

**(a) Directors and Key Managerial Personnel (KMP):**

None of the Directors, Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any material interest, concern or any other interest in the Scheme except to the extent of the Equity Shares held by them in the Transferor Company and to the extent shareholding in the Transferee Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. There are no common Directors in the Transferor Company and the Transferee Company and the Director of the Transferor Company will cease to be Director consequent upon amalgamation. However, they may be appointed at some other designation as per the requirement of Transferee Company. There will be no impact of Amalgamation on Directors of Transferee Company.



**(b) Promoter Members**

The Scheme of Amalgamation will have effect on the Promoter Members of the Transferor and Transferee Companies as there will be change in their shareholding in the Transferee Company pursuant to allotment of shares that may be made in the terms of the Scheme of Amalgamation.

**(c) Non-Promoter Members:**

There are no non-promoter members of the Transferor Company and the Transferee Company. As such, the Scheme of Amalgamation will not have any effect on the non-promoter members of the Transferor and Transferee Companies.

**(d) Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

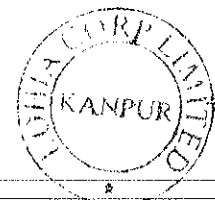
Neither the Transferor Company nor the Transferee Company have any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme of Amalgamation.

**(e) Creditors:**

The amount due to the Secured and / or Unsecured Creditors by the Transferor Company (SHL) and Transferee Company (LCL) directly and indirectly involved in the Scheme are as follows:

**Details of Secured Creditors**

Particulars	Amount due (Rs.)
Transferor Company (SHL) (Nil Secured Creditors as on 31st March, 2021)	Nil



Transferee Company (LCL) [3 (Three) Secured Creditors as on 31st March, 2021]	1,61,22,46,535/- (Rupees One Hundred Sixty One Crore Twenty Two Lakhs Forty Six Thousand Five Hundred and Thirty Five only).
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### Details of Unsecured Creditors

Particulars	Amount due (Rs.)
<b>Transferor Company (SHL)</b> [2 (Two) Unsecured Creditors as on 31st March, 2021]	24,01,500/- (Rupees Twenty Four Lakhs One Thousand and Five Hundred only)
<b>Transferee Company (LCL)</b> [2,556 (Two Thousand Five Hundred and Fifty Six) Unsecured Creditors as on 31st March, 2021]	5,59,29,78,911/- (Rupees Five Hundred and Fifty Nine Crore Twenty Nine Lakhs Seventy Eight Thousand Nine Hundred and Eleven only)

(f) **Employees:**

All employees of the Transferor Company shall be deemed to have become employees of the Transferee Company, with effect from the 'Appointed Date', without any break in their service.

14. This report has been approved by the Board of Directors of the Transferee Company at its meeting held on 1st September, 2021.

For and on behalf of the Board of Directors

For **LOHIA CORP LIMITED**



(SHIRHA SRIVASTAVA)  
Company Secretary

Date: 1st September, 2021  
Place: Kanpur

#### Lohia Corp Limited

ANIL PARIK & GARG  
Chartered Accountants

33, ANAND BAZAR,  
SWAROOP NAGAR,  
KANPUR - 208 002.  
TELEFAX: 2541272

E-mail : [apg2002@gmail.com](mailto:apg2002@gmail.com)

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHREE HOLDINGS LIMITED

#### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **SHREE HOLDINGS LIMITED** (the Company), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including the Annexures to the Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report along with Annexures to Board's Report is expected to be made available to us after the date of this auditor's report. Further, we have been informed that such report including annexures will be provided along with the Consolidated Financial Statements when they are approved later on.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as such other reports were not made available to us upto the date of this auditor's report.

### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.





### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

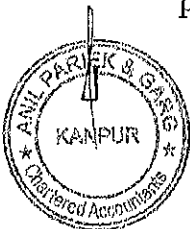
### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

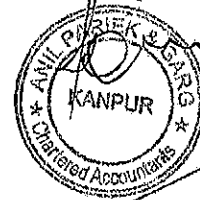
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit & Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to the others matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

As the Company has not paid any Managerial Remuneration to its directors, the provisions of section 197 relating to managerial remuneration are not applicable; and



- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ANIL PARIK & GARG  
Chartered Accountants  
Firm's Registration No.: 01676C



H. K. PARIK  
Partner

Membership No. 070250

Place: Kanpur  
Date: 02-08-2021

UDIN. 21070250AAAA IL 7210

### Annexure - A to The Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2021, we report that:

- (i) The Company does not have property, plant and equipment. Accordingly, paragraph 3(i) of the Order is not applicable.
- (ii) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, wherever applicable, in respect of investments made. The provisions of the sections 185 and 186 of the Act in respect of providing securities and guarantees is not applicable to the Company in the current accounting year.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to appropriate authorities.  
(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



- (xi) Company has not paid any managerial remuneration during the financial year. Thus paragraph 3(xi) of the order is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is a Core Investment Company and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kanpur  
Date: 02-08-2021

For ANIL PARIK & GARG  
Chartered Accountants  
Firm's Registration No.: 01676C



*H. K. Pariek*  
H. K. PARIK  
Partner  
Membership No. 070250

**Annexure - B to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SHREE HOLDINGS LIMITED** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

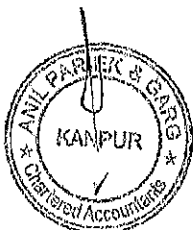
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kanpur  
Date: 02-08-2021

For ANIL PARIK & GARG  
Chartered Accountants  
Firm's Registration No.: 016766



H. K. PARIK  
Partner  
Membership No. 070250

**SHREE HOLDINGS LIMITED**  
**BALANCE SHEET AS AT 31st March, 2021**

	Particulars	Note	As at 31st March, 2021 ₹ in Lacs	As at 31st March, 2020 ₹ in Lacs
<b>ASSETS</b>				
<b>Financial assets</b>				
	(i) Cash and cash Equivalents	2	1.15	0.30
	(ii) Investments	3	623.65	623.65
<b>Non Financial assets</b>				
	(i) Current Tax assets (net)	4	12.35	0.84
	(ii) Deferred Tax assets (net)	5	-	6.49
	(iii) Other Non Financial Assets	6	0.06	-
<b>TOTAL ASSETS</b>			<b>637.21</b>	<b>631.28</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
	(i) Payables			
	Trade Payables	7		
	(a) Total outstanding dues of micro enterprises & small enterprises		-	-
	(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		0.30	0.30
	(ii) Borrowings (Other than debt securities)	8	23.72	65.65
<b>EQUITY</b>				
	(i) Equity share capital	9	20.00	20.00
	(ii) Other equity	10	593.19	545.33
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b>637.21</b>	<b>631.28</b>

ACCOMPANYING NOTES FORMING PART OF THE  
FINANCIAL STATEMENTS

1-21

As per our report of even date attached

For ANIL PARIK & GARG  
Chartered Accountants

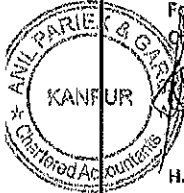
H.K. Pariek  
Partner  
M.No.70250

Place : Kanpur  
Date : 02-08-2021

For and on behalf of the Board of Directors

Anil Kumar Lohia  
Director  
(DIN : 00205588)

K G Gupta  
Director  
(DIN : 00214678)





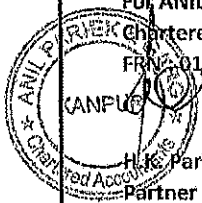
**SHREE HOLDINGS LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Note	For the year ended 31st March, 2021 ₹ in lacs	For the year ended 31st March, 2020 ₹ in lacs
Revenue from operations			
Interest Income	11	-	4.12
Dividend Income	12	305.55	611.10
<b>I Revenue from operations</b>		<b>305.55</b>	<b>615.22</b>
<b>II Other income</b>	13	<b>0.05</b>	<b>0.03</b>
<b>III Total Income (I+II)</b>		<b>305.60</b>	<b>615.25</b>
<b>IV Expenses</b>			
Other expenses	14	0.69	1.93
<b>Total expenses (IV)</b>		<b>0.69</b>	<b>1.93</b>
<b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>304.91</b>	<b>613.32</b>
Exceptional items		-	-
<b>Profit/ (loss) before tax &amp; after exceptional items</b>		<b>304.91</b>	<b>613.32</b>
<b>VI Tax expense</b>			
a) Current Tax	20	17.05	1.08
b) Deferred tax		-	(6.92)
c) Earlier Year		-	(0.57)
<b>Total Tax Expense</b>		<b>17.05</b>	<b>(6.41)</b>
<b>VII Profit/ (loss) for the year (V-VI)</b>		<b>287.86</b>	<b>619.73</b>
<b>VIII Other Comprehensive Income</b>		-	-
<b>IX Total Comprehensive Income for the Year (VII+VIII)</b>		<b>287.86</b>	<b>619.73</b>
<b>X Earnings per Equity Share (₹)</b>	15		
a) Basic		143.93	309.87
b) Diluted		143.93	309.87

ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-21

As per our report of even date



For ANIL PARIK & GARG  
Chartered Accountants  
FRN/01676C


H. K. Pariek  
Partner


M.No.70250

Place : Kanpur

Date :02-08-2021

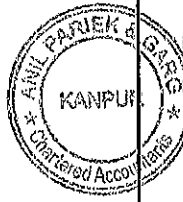
For and on behalf of the Board of Directors

  
Amit Kumar Lohia  
Director  
(DIN : 00205588)

  
KG Gupta  
Director  
(DIN : 00214678)

SHREE HOLDINGS LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021			
		For the year ended 31st March, 2021 ₹ in lacs	For the year ended 31st March, 2020 ₹ in lacs
<b>A. Cash Flow from Operating Activities</b>			
Profit before tax		304.91	613.32
Adjustments for:			
Operating profit before working capital changes		304.91	613.32
Adjustments for changes in working capital			
Adjustments for (Increase)/Decrease in operating assets			
Other non financial assets		(0.06)	-
Adjustments for increase/(Decrease) in operating liabilities			
Loans (net)		(41.93)	(12.72)
Other non financial liabilities		-	-
Cash generated from/ (used in) operations		262.92	600.60
Taxes paid		(22.07)	(0.85)
Net cash from/(used in) operating activities (A)		240.85	599.75
<b>B. Cash Flow From Investing Activities</b>			
Net cash from/(used in) investing activities (B)		-	-
<b>C. Cash Flow From Financing Activities</b>			
Dividend paid		(240.00)	(600.00)
Net cash from/(used in) financing activities		(240.00)	(600.00)
Net (Decrease)/Increase in cash & cash equivalents		0.85	(0.25)
Opening cash & cash equivalents		0.30	0.55
Closing cash & cash equivalents		1.15	0.30
Net (Decrease)/Increase in cash & cash equivalents		0.85	(0.25)
Net cash used in operating activities includes			
Dividend income		(305.55)	(611.10)
Interest income		-	(4.12)

Note forming part of the financial statements 1-21  
As per our report of even date attached



For AMIL PARIK & GARG  
Chartered Accountants  
Kanpur 208006  
H.K. Parlek  
Partner  
M.No. 70250  
Place : Kanpur  
Date : 02-08-2021

For and on behalf of the Board of Directors

Amit Kumar Lohia  
Director  
(DIN : 00205588)

KG Gupta  
Director  
(DIN : 00214678)

**SHREE HOLDINGS LIMITED**  
**Notes to the financial Statements for the year ended March 31st 2021**

**Reporting Entity**

Shree Holdings Limited referred to as "the Company" is domiciled in India. The Company's registered office is at D/3 A Panki Industrial Estate, Kanpur - 208002. The Company is in the business of financing industrial enterprises, subject to RBI Regulations.

**1 Significant Accounting Policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:

**A Basis of Preparation**

The financial statements of Shree Holdings Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

**B Basis of measurement**

The financial statements have been prepared under the historical cost convention on accrual basis except in case of following items, which are measured on following basis on each reporting date:

- Financial instrument - measured at fair value;

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in Impairment of Assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

**C Functional and presentation currency**

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

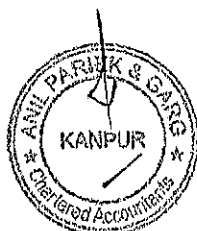
**D Use of judgements and estimates:**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**i) Judgements**

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

-Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.



**ii) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the period ended is included below:

- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of property, plant and equipment.
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows

**E Classification of Assets and Liabilities as Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**F Impairment of non-financial assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**G Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the date the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

**H Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is recognized on time proportion basis using the effective interest method.

**I 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.

**1) Financial Assets****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classifications**

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.



**Business model assessment**

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

**Debt instruments at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows,
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. 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 income in the profit or loss. The losses arising from impairment are recognised in the Statement of profit or loss.

**Debt instrument at fair value through Other Comprehensive Income (FVTOCI)**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVTOCI.

**Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**ii) Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial Liabilities measured at amortised cost**

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.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

**Derecognition of financial liabilities**

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

**J 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.

**K Taxation**

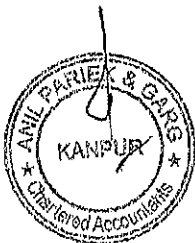
**i) Current Tax**

Current tax assets and liabilities for the current and prior years 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, by the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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.

**ii) Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in previous year was charged to the statement of profit and loss as "Deferred tax". The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company 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 Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "Deferred Tax". The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. It was presented in Balance Sheet under the head "Financial Assets" as "Deferred Tax Assets (Net)".



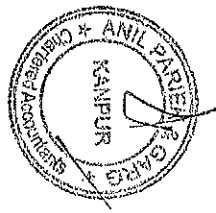
INVESTMENTS

(₹ in lacs)

Particulars	Face Value	Numbers as on		Amount as at	
		31st March 2021	31st March 2020	31st March 2021	31st March 2020
Equity Instruments (fully paid up)					
Unquoted Investments					
Investment in Subsidiary (at cost)					
Lohia Corp Limited	10	40,74,000	40,74,000	623.65	623.65
<b>Total</b>		<b>40,74,000</b>	<b>40,74,000</b>	<b>623.65</b>	<b>623.65</b>

(₹ in lacs)

Particulars	Amortised Cost	Fair Value		Designated at fair value through profit and loss	Subtotal	Others	Total	Amortised Cost	Fair Value		Subtotal	Others	Total
		Through Other Comprehensive Income	Through Profit and Loss						As at 31st March 2021	As at 31st March 2020			
Equity Instruments Subsidiary (at cost)	-	-	-	-	-	623.65	623.65	-	-	-	-	623.65	623.65
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623.65</b>	<b>623.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623.65</b>	<b>623.65</b>



8 BORROWINGS (other than debt securities)								
Particulars	As at 31st March, 2021 (₹ in lacs)				As at 31st March, 2020 (₹ in lacs)			
	Amortised Cost	Fair value Through Profit and Loss	Designated at fair value through profit and	Total	Amortised Cost	Fair value Through Profit and Loss	Designated at fair value through profit and	Total
Unsecured								
Loans repayable on demand								
From others*	23.72	-	-	23.72	65.65	-	-	65.65
Total (A)	23.72	-	-	23.72	65.65	-	-	65.65
Borrowings in India	23.72	-	-	23.72	65.65	-	-	65.65
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B)	23.72	-	-	23.72	65.65	-	-	65.65

\*includes borrowing of ₹23.72 lacs (Previous Year : ₹65.65 lacs) from director.



**SHREE HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

		As at 31st March,2021 ₹ in Lacs	As at 31st March,2020 ₹ in Lacs		
<b>2</b>	<b>CASH AND CASH EQUIVALENTS</b>				
	Balances with banks (of the nature of cash and cash equivalents)	1.15	0.30		
		1.15	0.30		
<b>4</b>	<b>CURRENT TAX ASSET (NET)</b>				
	Advance Income Tax	12.35	0.84		
		12.35	0.84		
<b>5</b>	<b>DEFERRED TAX ASSET (NET)</b>				
	MAT Credit Entitlement	-	6.49		
		-	6.49		
<b>6</b>	<b>OTHER NON FINANCIAL ASSETS</b>				
	Prepaid Expenses	0.06	-		
		0.06	-		
<b>7</b>	<b>TRADE PAYABLES</b>				
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-		
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.30	0.30		
		0.30	0.30		
<b>9</b>	<b>SHARE CAPITAL</b>				
	The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each as follows :				
	<b>AUTHORISED</b>				
	4,50,000 (Previous year 4,50,000) Equity Shares of ₹ 10/-	45.00	45.00		
	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>				
	2,00,000 (Previous year 2,00,000) Equity shares of ₹ 10/-	20.00	20.00		
		20.00	20.00		
<b>a</b>	<b>Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year</b>				
		Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
	Particulars				
	Outstanding at the beginning of the year	2,00,000	20,00,000	2,00,000	20,00,000
	Equity Shares issued during the year in consideration for cash	-	-	-	-
	Outstanding at the end of the year	2,00,000	20,00,000	2,00,000	20,00,000





**b Rights, preferences and restrictions attached to shares**

The company has issued one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the company.

	%	As at 31st March, 2021 No of Shares	%	As at 31st March, 2020 No of Shares
<b>c Shareholders holding more than 5 % shares</b>				
Ajay Lohia	9.00%	18,000	9.00%	18,000
Alok Kumar Lohia	6.65%	13,300	6.65%	13,300
Amit kumar Lohia	11.75%	23,500	11.75%	23,500
Anuja Lohia	7.50%	15,000	7.50%	15,000
Anurag Lohia	9.15%	18,300	9.15%	18,300
Gaurav Lohia	10.00%	20,000	10.00%	20,000
Jitendra Kumar Lohia	10.00%	20,000	10.00%	20,000
Raj Kumar Lohia	23.30%	46,600	23.30%	46,600
Shradha Lohia	7.65%	15,300	7.65%	15,300

10 OTHER EQUITY			
<b>a General Reserve</b>			
Balance at the beginning of the year		115.59	115.59
Less :-Adjustment during the Year		-	-
Balance at the end of the year		115.59	115.59
<b>b Retained Earnings</b>			
Balance at the beginning of the year		429.74	410.01
Add:- Net Profit for the year		287.86	619.73
Less:- Dividend on equity shares		240.00	600.00
Balance at the end of the year		477.60	429.74
		593.19	545.33

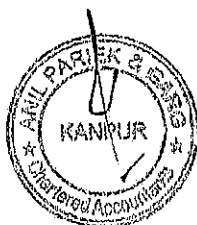
**Nature and Purpose of Reserves**

**(i) General Reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**(ii) Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve, dividends distributions paid to shareholders.



## SHREE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

		For the year ended 31st March, 2021 ₹ in Lacs	For the year ended 31st March, 2020 ₹ in Lacs
		On financial assets measured at amortised cost	On financial assets measured at amortised cost
11	Interest on loan	-	4.12
		-	4.12
		For the year ended 31st March, 2021 ₹ in Lacs	For the year ended 31st March, 2020 ₹ in Lacs
12	Dividend Income	305.55	611.10
		305.55	611.10
13	Interest on Income Tax Refund	0.05	0.03
		0.05	0.03
14	<b>OTHER EXPENSES</b>		
	Audit fee	0.30	0.30
	Legal & Consultancy Charges	0.25	0.10
	General Charges	0.14	1.53
		0.69	1.93
15	<b>EARNING PER SHARE</b>		
	Total profit/ (loss) for the year	287.86	619.73
	Weighted average number of equity shares of ₹ 10/- each	2,00,000	2,00,000
	EPS - Basic (₹)	143.93	309.87
	EPS - Diluted (₹)	143.93	309.87



**SHREE HOLDINGS LIMITED**

**16 Disclosure in respect of Related Parties pursuant to IndAS 24:**

**a) Related Party and their relationship**

**(i) Subsidiaries :**

- Lohia Corp Limited
- Lohia Filament Machines Limited
- Lohia Sales & Services Limited
- Lohia Packaging Machines Limited
- Indo Kentsu Services Pvt Limited
- Lohia Injectoplast Private Limited
- Sarjna Capfin Private Limited
- Lohia Aerospace Systems Private Limited
- Lohia Engineering And Design Services Private Limited (ceased to be a subsidiary from 25.03.2021)
- Lohia Group Electricity Consumers Association
- Lohia Mechatronic Private Limited (ceased to be a subsidiary from 25.02.2021)
- Lohia Global Solutions Private Limited
- Aditya Punj Traders Private Limited w.e.f.27.02.2021
- Lohia Infra Developers Private Limited w.e.f. 29.06.2020
- Nupur Real Estates Private Limited w.e.f. 29.06.2020
- SBI Mechatronik GmbH, Germany
- Leesona Corp, USA
- L&S Light & Strong Ltd, Israel
- Galuner S.A., Uruguay
- Tejidos Plasticos (subsidiary of Galuner S.A., Uruguay)
- Lohia Hong Kong Ltd.
- Lohia Global Solutions FZE w.e.f 22.03.2021

**(ii) Mr. Amit Kumar Lohia (Director)**

**b) Transactions with Related Parties during the year**

		(₹ In Lacs)	
		As at 31st March,2021	As at 31st March,2020
(i) Amit Kumar Lohia- Director	Finance Taken		
	Opening Balance	65.65	78.37
	Loan Received	0.72	65.96
	Interest Expense	-	-
	Repayment towards loan and interest	92.65	78.68
	Closing Balance	23.72	65.65
(ii) Lohia Corp Limited	Dividend Received	305.55	611.10
		305.55	611.10

**17 Capital Risk Management**

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

	(₹ In Lacs)	
Particulars	As at 31st March,2021	As at 31st March, 2020
Borrowings	23.72	65.65
Less: Cash and cash equivalents including bank balance	1.15	0.30
Net debt	22.57	65.35
Equity	613.19	565.33
Capital and Net debt	635.76	630.68
Gearing Ratio	3.55%	10.36%

**18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

**Financial assets**

Particular	Note	Fair Value Hierarchy	(₹ In Lacs)			
			As at 31st March,2021		As at 31st March, 2020	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>1 Financial assets designated at amortised cost</b>						
Equity Instruments		Level 3	623.65	623.65	623.65	623.65
Cash and cash Equivalents			1.15	1.15	0.30	0.30
			624.80	624.80	623.95	623.95

**Financial Liabilities**

Particular	Note	Fair Value Hierarchy	(₹ In Lacs)			
			As at 31st March,2021		As at 31st March, 2020	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>1 Financial liability designated at amortised cost</b>						
Borrowings*			23.72	23.72	65.65	65.65
Trade payables*			0.30	0.30	0.30	0.30
			24.02	24.02	65.95	65.95

The fair value of financial assets and 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 sale.

The following methods and assumptions were used to estimate the fair values.

The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).



## 19 Financial Risk management Objectives & Policies

### Risk Management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market Risk

### i Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

### ii Liquidity risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

	Carrying Amounts 31st March 2021	Total	Contractual cash flows		
			Less than 1 Year	1-5 years	More than 5 years
(₹ in Lacs)					
<b>Financial Assets</b>					
Cash & Cash Equivalents	1.15	1.15	1.15	-	-
Investments	623.65	623.65	-	-	623.65
<b>Total Financial Assets</b>	<b>624.80</b>	<b>624.80</b>	<b>1.15</b>	<b>-</b>	<b>623.65</b>

	Carrying Amounts 31st March 2020	Total	Contractual cash flows		
			Less than 1 Year	1-5 years	More than 5 years
(₹ in Lacs)					
<b>Financial Assets</b>					
Cash & Cash Equivalents	0.30	0.30	0.30	-	-
Investments	623.65	623.65	-	-	623.65
<b>Total Financial Assets</b>	<b>623.95</b>	<b>623.95</b>	<b>0.30</b>	<b>-</b>	<b>623.65</b>

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying Amounts 31st March 2021	Total	Contractual cash flows		
			Less than 1 Year	1-5 years	More than 5 years
(₹ in Lacs)					
<b>Financial liabilities</b>					
Borrowings	23.72	23.72	23.72	-	-
Trade payables	0.30	0.30	0.30	-	-
<b>Total Financial liabilities</b>	<b>24.02</b>	<b>24.02</b>	<b>24.02</b>	<b>-</b>	<b>-</b>

	Carrying Amounts 31st March 2020	Total	Contractual cash flows		
			Less than 1 Year	1-5 years	More than 5 years
(₹ in Lacs)					
<b>Financial liabilities</b>					
Borrowings	65.65	65.65	65.65	-	-
Trade payables	0.30	0.30	0.30	-	-
<b>Total Financial liabilities</b>	<b>65.95</b>	<b>65.95</b>	<b>65.95</b>	<b>-</b>	<b>-</b>

### iii Market risk

Market risk is the risk that changes in market prices – such as interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### iv Interest Rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	As at 31st March, 2021	As at 31st March, 2020
(₹ in Lacs)		
<b>Fixed-rate Instruments</b>		
Financial assets	-	-
Financial liabilities	23.72	65.65
<b>Net Assets/(Liability)</b>	<b>(23.72)</b>	<b>(65.65)</b>
<b>Variable-rate Instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
<b>Net Assets/(Liability)</b>	<b>-</b>	<b>-</b>



20 Income Tax recognised in Statement of Profit and Loss

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Current Tax		
In respect of current year	17.05	1.08
In respect of MAT credit adjustment	-	(6.92)
In respect of prior year	-	(0.57)
	17.05	(6.41)

Reconciliation of estimated income tax expense at Tax Rate to Income tax expense in the statement of Profit and Loss is as follows:

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Profit before Tax	304.91	613.32
Applicable Income Tax Rate	26%	26%
Expected Income Tax Expense	79.28	158.46
Tax Effect of Adjustments to reconcile expected income tax expense at tax rate to reported income tax expense		
Effect of Income exempt from tax	(62.40)	(158.88)
Effect of disallowed items	0.17	0.50
Income Tax Relating to Prior Years	-	(0.57)
Adjustment related to MAT Credit	-	(6.92)
Reported Income tax expense	17.05	(6.41)

21 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with current year's classification / disclosure.



**V. AWASTHI & ARVIND  
SHRISH**  
Chartered Accountants



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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LOHIA CORP LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying Standalone Financial Statements of LOHIA CORP LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

##### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report along with Annexures to Board's Report is expected to be made available to us after the date of this auditor's report. Further, we have been informed that such report including annexures will be provided along with the Consolidated Financial Statements when they are approved later on.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as such other reports were not made available to us upto the date of this auditor's report.

### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;



- e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 36 to the Standalone Financial Statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company..

For V. AWASTHI & ARVIND SHRISH  
Chartered Accountants  
Firm's Registration No.: 008099C



Vivek Awasthi  
PARTNER

Membership No.: 074590

UPDIN 21074590AAAAC03172

Place: KANPUR

Date: 2<sup>nd</sup> August, 2021

### Annexure - A to The Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Lohia Corp Limited of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on Property, plant and equipment to the financial statements, are held in the name of the Company, except for the case below:

Asset Category	Gross Block as at 31st March,2021 (Rs. in Crores)	Net Block as at 31st March 2021 (Rs. in Crores)	Remarks
Leasehold Land	21.87	21.35	Registration in name of the Company is under process.

- (ii) The inventories, except goods in transit, have been physically verified by the Management during the year. For stocks lying with third parties at the year-end, confirmations have been obtained. In our opinion, the frequency of physical verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 in respect on which
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, where applicable, with respect to the loans and investments made. The provisions of section 185 and 186 of the Act, with respect to providing guarantees and securities are not applicable to the Company for the current accounting year.

- (v) The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect to the company's products to which said rules are made applicable and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2021.
- (b) According to the records and information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

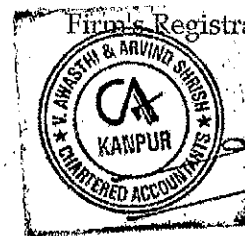
Nature of Statute	Nature of Dues	Amount (₹) in Crores	Period to which the amount relates	Forum where dispute is pending
UP Trade Tax Act, 1948.	Penalty u/s 4B (5)	0.36	2000-01 To 2006-07	Allahabad High Court.

- (viii) The Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company does not have any loans or borrowings from the government or debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has raised term loans during the year and these were applied for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V. AWASTHI & ARVIND SHRISH  
Chartered Accountants

Firm's Registration No.: 008099C



Vivek Awasthi  
PARTNER

Membership No: 074590

Place: KANPUR

Date: 2<sup>nd</sup> August, 2021

**ANNEXURE B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Lohia Corp Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **LOHIA CORP LIMITED** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

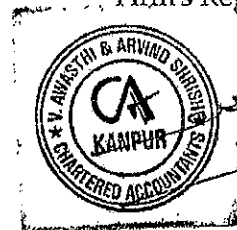
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future years are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. AWASTHI & ARVIND SHRISH  
Chartered Accountants  
Firm's Registration No.: 008099C



Vivek Awasthi  
PARTNER

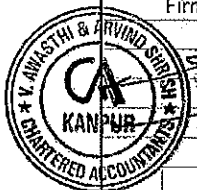
Membership No.: 074590

Place: KANPUR  
Date: 2<sup>nd</sup> August, 2021

LOHIA CORP LIMITED				
BALANCE SHEET AS AT 31st MARCH, 2021				
	Note	As at 31st March, 2021 ₹ In Crores	As at 31st March, 2020 ₹ In Crores	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	344.31	298.64	
Capital work in progress	2(a)	4.56	31.48	
Other intangible assets	3	2.04	2.53	
<b>Financial assets</b>				
(i) Investments	4	200.51	73.58	
(ii) Loans	5	16.60	28.61	
(iii) Other Non Current financial assets	6	3.69	0.25	
Other non-current assets	7	32.30	19.30	
<b>Total non-current assets</b>		<b>604.01</b>	<b>454.39</b>	
<b>Current assets</b>				
Inventories	8	268.90	207.31	
<b>Financial assets</b>				
(i) Investments	4	252.74	259.25	
(ii) Trade receivables	9	69.36	59.56	
(iii) Cash and cash Equivalents	10	14.38	30.64	
(iv) Bank Balances other than (iii) above	11	2.21	0.83	
(v) Loans	5	17.81	49.18	
(vi) Other Current financial assets	12	8.35	0.41	
Current Tax assets (net)	13	7.88	12.64	
Other current assets	14	79.97	71.08	
Assets held for sale	15	1.69	14.94	
<b>Total current assets</b>		<b>723.29</b>	<b>705.84</b>	
<b>TOTAL ASSETS</b>		<b>1,327.30</b>	<b>1,160.23</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	4.55	4.85	
Other equity	16(a)	550.11	539.02	
<b>Total equity</b>		<b>554.66</b>	<b>543.87</b>	
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	17	120.43	130.72	
(ii) Other Financial Liability	18	0.56	0.50	
Provisions	19	2.23	0.15	
Deferred tax liabilities (net)	20	18.51	10.42	
Other non-current liabilities	21	10.03	4.38	
<b>Total non-current liabilities</b>		<b>151.76</b>	<b>146.17</b>	
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	22	-	215.92	
(ii) Trade Payables	23	-	-	
(a) Total outstanding dues of micro enterprises and small enterprises;		20.20	11.60	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		111.49	89.75	
(iii) Other financial liabilities	24	53.23	24.09	
Other Current liabilities	25	432.92	126.97	
Provisions	26	3.04	2.46	
<b>Total Current liabilities</b>		<b>620.88</b>	<b>470.19</b>	
<b>Total liabilities</b>		<b>772.64</b>	<b>616.36</b>	
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,327.30</b>	<b>1,160.23</b>	
<b>ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>				
As per our report of even date attached		For and on behalf of the Board of Directors		
For V. AWASTHI & ARVIND SHRISH Chartered Accountants Firm's Registration No. : 08099C		AMIT KUMAR LOHIA Chief Financial Officer	RAJKUMAR LOHIA Chairman & Managing Director	
VIVEK AWASTHI Partner Membership No 074590		SHIKHA SRIVASTAVA Company Secretary	ANURAG LOHIA Whole Time Director	
Place : Kanpur				
Date : 2nd August, 2021				



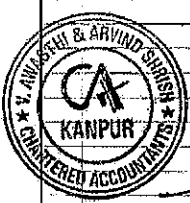
LOHIA CORP LIMITED				
STATEMENT OF PROFIT AND LOSS				
FOR THE YEAR ENDED 31st MARCH, 2021				
		Note	For the Year 31st March, 2021 ₹ In Crores	For the Year 31st March, 2020 ₹ In Crores
I	Revenue from operations	27	1,173.56	981.18
II	Other Income	28	37.99	23.77
III	<b>Total Income (I+II)</b>		<b>1,211.55</b>	<b>1,004.95</b>
IV	<b>Expenses</b>			
	Cost of materials consumed		712.07	555.07
	Changes in inventories of finished goods, work in progress	29	(21.04)	4.81
	Employee benefits expense	30	132.64	135.30
	Finance costs	31	9.68	20.96
	Depreciation and amortisation expense	32	36.22	29.02
	Other expenses	33	167.57	205.87
	<b>Total expenses (IV)</b>		<b>1,037.14</b>	<b>951.03</b>
V	<b>Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>174.41</b>	<b>53.92</b>
	Exceptional items		3.81	-
	<b>Profit/ (loss) before tax &amp; after exceptional items</b>		<b>170.60</b>	<b>53.92</b>
VI	<b>Tax expense</b>	34		
	a) Current tax		40.50	11.50
	b) Earlier Years Tax Adjustments		2.25	(0.58)
	c) Deferred tax		3.94	(5.81)
	<b>Total Tax expense</b>		<b>46.69</b>	<b>5.11</b>
VII	<b>Profit/ (loss) for the year (V-VI)</b>		<b>123.91</b>	<b>48.81</b>
VIII	<b>Other comprehensive income</b>			
(A)	- (i) Items that will not be reclassified to profit or loss			
	(a) Gain/(loss) of defined benefit obligation		(3.12)	6.73
	(ii) Income tax relating to remeasurement of defined benefit plans		0.79	(1.60)
(B)	- (i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gain or (losses) on hedging instruments in a cash flow hedge		18.45	(20.90)
	(b) Remeasurement in fair value of Assets held for sale		1.16	(1.16)
	(ii) Income tax relating to items that will be reclassified to profit or loss.		(4.94)	6.37
			12.34	(10.56)
IX	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>136.25</b>	<b>38.25</b>
X	<b>Earnings per equity share (₹)</b>	35		
	a) Basic		257.05	100.64
	b) Diluted		257.05	100.64
<b>ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		1-50		
This is the Statement of Profit & Loss referred to in our report of even date				
For V. AWASTHI & ARVIND SHRISH Chartered Accountants Firm's Registration No. : 08099C		For and on behalf of the Board of Directors		
VIVEK AWASTHI Partner Membership No 074590		AMIT KUMAR LOHIA Chief Financial Officer	RAJ KUMAR LOHIA Chairman & Managing Director	
Place : Kanpur Date : 2nd August, 2021		SHIKHA SRIVASTAVA Company Secretary	ANURAG LOHIA Whole Time Director	





LOHIA CORP LIMITED									
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021									
	As at 31st March 2021		As at 31st March 2020		Retained Earnings	Remeasurement of defined benefit plans	Remeasurement in fair value of Assets held for sale	Effective portion of cash flow hedge	Total
	No. of Shares	Amount ₹ in Cr	No. of Shares	Amount ₹ in Cr					
<b>A Equity Share Capital</b>									
Balance at the beginning of the Year	48,50,000	4.85	48,50,000	4.85					
Changes in equity share capital during the Year	(3,00,000)	(0.30)	-	-					
Balance at the end of the reporting Year	45,50,000	4.55	48,50,000	4.85					
									₹ in Crores
<b>B Other Equity</b>									
<b>Reserves and Surplus</b>									
	Security Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	Remeasurement in fair value of Assets held for sale	Effective portion of cash flow hedge	Total	
Balance at 1st April 2019	0.58	0.11	28.60	472.67	0.61	-	6.98	509.55	
Profit for the year	-	-	-	48.81	-	-	-	48.81	
Other comprehensive income for the year Net of Tax	-	-	-	(0.87)	5.13	(0.87)	(14.82)	(10.56)	
<b>Total comprehensive income for the year</b>	-	-	-	48.81	5.13	(0.87)	(14.82)	38.25	
Dividend paid (including dividend distribution tax)	-	-	-	(8.78)	-	-	-	(8.78)	
Balance at 31st March 2020	0.58	0.11	28.60	512.70	5.74	(0.87)	(7.84)	539.02	
Profit for the year	-	-	-	123.91	-	-	-	123.91	
Other comprehensive income for the year Net of Tax	-	-	-	-	(2.33)	0.87	13.80	12.34	
<b>Total comprehensive income for the year</b>	-	-	-	123.91	(2.33)	0.87	13.80	136.25	
Amount transferred to Capital Redemption Reserve	-	-	-	-	-	-	-	-	
Upon Buyback	-	0.30	-	(0.30)	-	-	-	-	
Buyback of equity shares (including distribution of Tax)	(0.58)	-	(28.60)	(92.57)	-	-	-	(121.75)	
Interim Dividend paid	-	-	-	(3.41)	-	-	-	(3.41)	
Balance at 31st March 2021	-	0.41	-	540.33	3.41	-	5.96	550.11	

LOHIA CORP LIMITED		
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March, 2021		
	Period Ended 31st March, 2021	Year Ended 31st March, 2020
	₹ In Crores	₹ In Crores
<b>A. Cash Flow From Operating Activities</b>		
Profit before tax	170.60	53.92
Adjustments for:		
Depreciation	36.22	29.02
Loss/(Profit) on sale of investments(Net)	(7.37)	(1.75)
Dividend Income	(3.02)	-
Net Gain on Financial assets measured at FVPTL	(10.98)	(7.24)
Defined Benefit Plans Charged to OCI	(3.12)	6.73
Interest (Net)	1.58	15.58
Loss/(Profit) on Sale / discard of property Plant & Equipment (Net)	3.94	(0.63)
Provision for doubtful debts & advances	1.81	-
Provision for product warranties	0.58	0.43
(Excess)/short provision for leave encashment	1.62	0.15
(Excess)/short provision for gratuity	0.46	-
Operating profit before working capital changes	192.32	96.21
Adjustments for changes in working capital		
Adjustments for (Increase)/Decrease in operating assets		
Trade receivables	(11.61)	19.92
Inventories	(61.59)	0.70
Loans (Current)	31.37	(20.72)
Loans (Non Current)	12.01	(6.70)
Other Asset (Non Current)	1.26	0.55
Other Asset (Current)	(8.89)	(21.13)
Other Financial Asset (Non Current)	0.25	(0.25)
Other Financial Asset (Current)	9.13	(15.71)
Adjustments for increase/(Decrease) in operating liabilities		
Trade Payables	30.94	3.49
Other Financial liabilities (Non Current)	-	0.50
Other Financial liabilities (Current)	(10.95)	21.79
Other liabilities (Non Current)	5.65	2.58
Other liabilities (Current)	307.01	(3.09)
Cash generated from operations	496.90	78.08
Taxes paid	(37.99)	(15.01)
<b>Net cash generated from operating activities (A)</b>	<b>458.91</b>	<b>63.07</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property Plant & Equipment	(109.29)	(94.37)
Sale of Property Plant & Equipment	50.77	0.71
Purchase of investments	(202.62)	(40.94)
Sale of investments	96.86	26.81
Dividend received	3.02	-
Interest received	8.10	5.38
<b>Net cash used in investing activities (B)</b>	<b>(153.16)</b>	<b>(102.43)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from borrowings	125.00	91.61
Buy Back of equity shares including distribution tax	(122.05)	-
Payment of dividend including dividend distribution tax	(3.41)	(8.78)
Repayment of borrowings	(310.42)	(9.51)
Principal Payment of Financial Lease	(1.45)	(1.44)
Interest Payment of Financial Lease	(0.11)	(0.21)
Interest paid	(9.57)	(20.75)
<b>Net cash generated/(used in) from financing activities (C)</b>	<b>(322.01)</b>	<b>50.92</b>
<b>Net (Decrease)/Increase in cash &amp; cash equivalents</b>	<b>(16.26)</b>	<b>11.58</b>
Opening cash & cash equivalents as per (Note 10)	30.64	19.06
Closing cash & cash equivalents as per (Note 10)	14.38	30.64



For V. AWASTHI & ARVIND SHRISH  
**CHARTERED ACCOUNTANTS**  
 Firm Reg. No. 08099C

**(NIVEK AWASTHI,**  
**PARTNER**  
 M. No. 074590

For and on behalf of the Board of Directors

**AMIT KUMAR LOHIA**      **RAJ KUMAR LOHIA**  
 Chief Financial      Chairman &  
 Officer      Managing Director

**SHIKHA SRIVASTAVA**      **ANURAG LOHIA**  
 Company Secretary      Whole Time Director

Place : Kanpur  
 Date : 2nd August, 2021

Lohla Corp Limited	
Notes to the financial Statements for the year ended 31st MARCH, 2021	
<b>1. Significant Accounting Policies</b>	
<b>i. Reporting Entity</b>	
Lohla Corp Limited referred to as "the Company" is domiciled in India. The Company's registered office is at D/3 A Panki Industrial Estate, Kanpur. The 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 three manufacturing units situated at i) D-3/A Panki Industrial Estate, Kanpur ii) Lohla Industrial Complex Chaubepur, Kanpur and iii) 486, C1, Peenya Industrial Area, 14th Cross, Peenya IV Phase, Bangalore – 560058	
<b>ii. Significant Accounting Policies</b>	
The Company has consistently applied the following accounting policies to all periods presented in the financial statements:	
<b>A. Basis of Preparation</b>	
The financial statements of Lohla Corp Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016 (as amended) other accounting principles generally accepted in India.	
<b>B. Basis of measurement</b>	
The financial statements have been prepared under the historical cost convention on accrual basis except in case of interest on overdue debts from customers, certain additional incentives on procurement of raw materials which are accounted for on receipt basis on account of uncertainties and the following items, which are measured on following basis on each reporting date:	
<ul style="list-style-type: none"> <li>- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.</li> <li>- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.</li> <li>- Financial instrument - measured at fair value;</li> </ul>	
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of Assets. The basis of fair valuation of these items is given as part of their respective accounting policies.	
In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:	
<ul style="list-style-type: none"> <li>- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;</li> <li>- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and</li> <li>- Level 3 inputs are unobservable inputs for the asset or liability.</li> </ul>	
<b>C. Functional and presentation currency</b>	
These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest crores, unless otherwise indicated.	
<b>D. Use of judgements and estimates:</b>	
In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.	
<b>i) Judgements</b>	
Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:	
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.	
<b>ii) Assumptions and estimation uncertainties</b>	
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended is included below:	
<ul style="list-style-type: none"> <li>- Measurement of defined benefit obligations: key actuarial assumptions;</li> <li>- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;</li> <li>- Impairment test: key assumptions underlying recoverable amounts.</li> <li>- Useful life and residual value of Property, Plant &amp; Equipment</li> <li>- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources</li> <li>- Impairment of financial assets: key assumptions used in estimating recoverable cash flows</li> </ul>	

<b>E</b>	<b>Classification of Assets and Liabilities as Current and Non-Current</b>
	The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
	An asset is treated as current when it is:
	- Expected to be realised or intended to be sold or consumed in normal operating cycle.
	- Held primarily for the purpose of trading
	- Expected to be realised within twelve months after the reporting period, or
	- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
	All other assets are classified as non-current.
	A liability is treated as current when:
	- it is expected to be settled in normal operating cycle.
	- it is held primarily for the purpose of trading
	- It is due to be settled within twelve months after the reporting period, or
	- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
	All other liabilities are classified as non-current.
	Deferred tax liabilities are classified as non-current liabilities.
	The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.
<b>F</b>	<b>Property, plant and equipment (PPE)</b>
<b>(i)</b>	<b>Recognition and measurement</b>
	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.
	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.
	Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and Loss.
<b>(ii)</b>	<b>Subsequent Measurement</b>
	Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.
<b>(iii)</b>	<b>Depreciation</b>
	Depreciation on Fixed assets, both tangibles & intangibles is provided using the Straight Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. Estimated useful life has been determined considering the nature of the asset, usage of the asset, anticipated technological changes etc. based on technical evaluations.
	The Estimated useful life of Assets is as under :-
	Leasehold land                      30-60 Years
	Building                                5-30 Years
	Plant & Machinery                5-20 Years
	Intangibles                            4-5 Years
	Computer                              5 Years
	Office Equipments                 5 Years
	Furniture & Fixture                5 Years
	Vehicles                                5 Years
	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.
	<b>Capital work-in-progress</b>
	Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.
	An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.
<b>G</b>	<b>Intangible assets</b>
	Intangible Assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 4-5 years.

	Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.
	An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.
	Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired, impairment loss is recognised in the statement of profit & loss.
<b>H</b>	<b>Assets Held for Sale</b>
	Non Current Assets or disposal group comprising of assets and liabilities are classified 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.
<b>I</b>	<b>Leases</b>
	The company has adopted Ind-As 1.16-Leases effective 1st April, 2019 using the modified retrospective approach.
	The company's lease assets classes primarily consist of leases for Land and Buildings. The company assess whether a contract is or contains a lease, at inception of contract. A contract is, or contains lease if the contract conveys the right to control the use of an identified asset, the company assess whether:
	(i) the contract involves the use of an identified asset.
	(ii) the company has substantially all the economic benefits from the use of the asset through the period of the lease, and
	(iii) the company has the right to direct the use of the asset.
	At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.
	The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus initial direct costs less any lease incentives, if any. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.
	The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.
<b>J</b>	<b>Impairment of non-financial assets</b>
	The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
<b>K</b>	<b>Borrowing Cost:</b>
	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the date the assets are substantially ready for their intended use or sale.
	The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.
<b>L</b>	<b>Foreign currency transactions</b>
	Financial statements are presented in Indian Rupee, which is Company's functional currency. In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. 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 Profit and Loss Statement.

<b>M</b>	<b>Employee benefits</b>
<b>I)</b>	<b>Defined contribution plans</b>
	Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:
	a) Provident fund
	b) Super Annuation Scheme
	c) National Pension Scheme
<b>II)</b>	<b>Defined benefit plans</b>
	The Company's liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (IndAS)-19, 'Employee Benefits'. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.
	The Defined Benefit Plan can be short term or long terms which are defined below:
<b>a)</b>	<b>Short term employee benefits</b>
	All employees' benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.
<b>b)</b>	<b>Long-term employee benefits</b>
	The company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of his leaving the service/retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.
<b>N</b>	<b>Revenue Recognition</b>
	The Company derives revenues primarily from sale of machinery, spares and other products.
	Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition. <ul style="list-style-type: none"> <li>• Identify the contract(s) with a customer;</li> <li>• Identify the performance obligations;</li> <li>• Determine the transaction price;</li> <li>• Allocate the transaction price to the performance obligations;</li> <li>• Recognise revenue when or as an entity satisfies performance obligation.</li> </ul>
	Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.
	Shipping and handling amounts invoiced to customers are included in revenue and the related shipping and handling costs incurred are included in freight and forwarding expenses when the Company is acting as principal in the shipping and handling arrangement.
	Export incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.
	Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.
	Interest income is recognized on time proportion basis using the effective interest rate method.

<b>O Government Grants</b>	Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
	Government grants that compensate the Company 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.
<b>P Inventories</b>	Inventories are valued at lower of cost and net realisable value after providing for obsolescence wherever necessary. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
<b>Q Trade Receivables</b>	A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.
	Impairment is made on the expected credit losses model, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.
	Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.
<b>R Provisions and contingencies</b>	Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.
<b>S Financial Instruments</b>	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 instruments also include derivative contracts such as foreign currency, foreign exchange forward contracts etc.
<b>i) Financial Assets</b>	
	<b>Initial recognition and measurement</b>
	All financial assets are recognised initially at fair value. In case of financial assets not recorded at fair value through profit or loss, transaction costs is attributed to the acquisition value of the financial asset.
	<b>Classifications</b>
	The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.
	<b>Business model assessment</b>
	The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.
	<b>Debt Instruments at amortised cost</b>
	A financial asset is measured at amortised cost only if both of the following conditions are met:
	- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows,
	- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.
	After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. 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 income in the profit or loss. The losses arising from impairment are recognised in the Statement of profit or loss.

<b>Debt instrument at fair value through Other Comprehensive Income (FVTOCI)</b>	
Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVTOCI.	
<b>Debt instrument at fair value through profit and loss (FVTPL)</b>	
Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.	
In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').	
Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.	
<b>ii) Equity Instruments</b>	
All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.	
All other financial instruments are classified as measured at FVTPL.	
<b>Derecognition of financial assets</b>	
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:	
<ul style="list-style-type: none"> <li>• The rights to receive cash flows from the asset have expired, or</li> <li>• The company 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 company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset</li> </ul>	
When the company has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.	
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.	
On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.	
<b>Impairment of financial assets</b>	
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.	
With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.	
<b>iii) Financial liabilities</b>	
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.	
All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.	
<b>Subsequent measurement</b>	
The measurement of financial liabilities depends on their classification, as described below:	
<b>Financial Liabilities measured at amortised cost</b>	
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.	
<b>Financial liabilities at fair value through profit or loss</b>	
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss.	
<b>Derecognition of financial liabilities</b>	
The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.	



<b>T</b>	<b>Derivative financial instruments and hedge accounting</b>
	<b>Initial recognition and subsequent measurement</b>
	The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
	Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.
	For the purpose of hedge accounting, hedges are classified as:
a)	Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
b)	Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
	At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.
	Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:
	<b>Fair value hedges</b>
	The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.
	<b>Cash flow hedges</b>
	The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.
	The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit or loss. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.
	If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.
<b>U</b>	<b>Taxation</b>
	Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive income.
i	<b>Current tax:</b>
	Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.
	Current tax assets and liabilities are offset only if, the Company:
a)	Has a legally enforceable right to set off the recognised amounts; and
b)	Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously
ii	<b>Deferred tax</b>
	Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
	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 profits will be available to allow all or part of the asset to be recovered.
	Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.
	Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

	Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.
	Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.
<b>V</b>	<b>Segment Reporting:</b>
	The Company is engaged in the business of manufacturing Plant & Machinery for processing of man made materials. Based on the guiding principles laid down in IndAS 108 on Segment Reporting, this constitute one single primary segment.
<b>W</b>	<b>Cash and cash equivalents</b>
	Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
	For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.
<b>X</b>	<b>Contingent Liabilities and Contingent Assets</b>
	A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021										
Note 2 - Property, Plant and Equipment										
PARTICULARS	GROSS BLOCK - AT COST			Total as at 31-03-2021	DEPRECIATION			NET BLOCK		
	As at 01-04-2020	Additions during the year	Deductions/Reclassification during the year		As at 01-04-2020	During the year	Deductions and/or Reclassification	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021
<b>2 (i) Owned Assets</b>										
Land - Freehold	26.95	-	-	26.95	-	-	-	26.95	-	26.95
Buildings	130.15	8.66	51.08	87.73	28.47	2.84	5.33	101.68	101.68	61.75
Plant & Machinery	267.40	111.91	2.60	376.71	150.15	23.89	1.52	172.52	117.25	204.19
Computer Installation	12.80	1.81	0.21	14.40	8.34	1.40	0.11	4.46	4.46	4.77
Office Equipment	14.47	2.63	0.02	17.08	10.80	1.55	0.03	12.32	3.67	4.76
Furniture & Fixture	9.72	1.81	0.03	11.50	5.06	1.48	0.01	6.53	4.66	4.97
Vehicles	18.08	1.06	2.57	16.57	12.24	2.22	1.98	12.48	5.84	4.09
<b>Total</b>	<b>479.57</b>	<b>127.88</b>	<b>56.51</b>	<b>550.94</b>	<b>215.06</b>	<b>33.38</b>	<b>8.98</b>	<b>239.46</b>	<b>264.51</b>	<b>311.48</b>
<b>Footnotes</b>										
a) Building includes the cost of 12 shares (Previous year 12 Shares) in Fortuna Services Limited amounting to ₹ 4773 (Previous Year ₹ 4723)										
b) Capitalised Borrowing Cost-										
The amount of borrowing cost capitalised during the year ended March 31, 2021 was INR NIL Crore (previous year: 1.42 crore). INR NIL crore (previous year: INR 1.42) is capitalised in Machinery. Specific funds were borrowed for qualifying asset and the borrowing cost eligible for capitalisation was determined at actual borrowing cost incurred during the period less investment income earned on temporary investments of the borrowing.										
PARTICULARS	GROSS BLOCK - AT COST			Total as at 31-03-2021	DEPRECIATION			NET BLOCK		
	As at 01-04-2020	Additions during the year	Deductions/Reclassification during the year		As at 01-04-2020	During the year	Deductions and/or Reclassification	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021
<b>2 (ii) Leased Assets</b>										
Leased Land	33.18	0.01	-	33.19	0.86	0.72	-	1.58	32.32	31.61
Building	3.18	0.80	-	3.98	1.37	1.39	-	2.76	1.81	1.22
<b>Total</b>	<b>36.36</b>	<b>0.81</b>	<b>-</b>	<b>37.17</b>	<b>2.23</b>	<b>2.11</b>	<b>-</b>	<b>4.34</b>	<b>34.13</b>	<b>32.83</b>
<b>2(a) Capital Work in Progress</b>										
									31.48	4.56
<b>Grand Total</b>	<b>515.93</b>	<b>128.69</b>	<b>56.51</b>	<b>588.11</b>	<b>217.29</b>	<b>35.49</b>	<b>8.98</b>	<b>243.80</b>	<b>330.12</b>	<b>348.87</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS											
Note 2: Property, Plant and Equipment											
PARTICULARS	GROSS BLOCK - AT COST						DEPRECIATION			NET BLOCK	
	As at 01-04-2019	Additions during the year	Deductions/Reclassification during the year	Total as at 31-03-2020	As at 01-04-2019	During the year	Deductions and/or Reclassification	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	Amount in Crores
<b>2(i) Owned Assets</b>											
Land - Freehold	26.17	0.78	-	26.95	-	-	-	26.17	-	26.95	
Buildings	139.10	8.13	17.08	130.15	25.07	4.58	1.18	28.47	114.03	101.68	
Plant & Machinery	217.46	52.21	2.27	267.40	136.06	16.36	2.27	150.15	81.40	117.25	
Computer Installation	10.16	2.66	0.02	12.80	7.20	1.14	-	8.34	2.96	4.46	
Office Equipment	12.89	1.58	-	14.47	9.51	1.29	-	10.80	3.38	3.67	
Furniture & Fixture	7.87	2.13	0.28	9.72	4.09	1.07	0.10	5.06	3.78	4.66	
Vehicles	18.01	1.39	1.32	18.08	11.16	2.37	1.29	12.24	6.85	5.84	
<b>Total</b>	<b>431.66</b>	<b>68.88</b>	<b>20.97</b>	<b>479.57</b>	<b>193.09</b>	<b>26.81</b>	<b>4.84</b>	<b>215.06</b>	<b>238.57</b>	<b>264.51</b>	
<b>Footnotes</b>											
a) Building includes the cost of 12 shares (Previous year 12 Shares) in Fortuna Services Limited amounting to ₹ 473 (Previous Year ₹ 473)											
b) Capitalised Borrowing Cost											
The amount of borrowing cost capitalised during the year ended March 31, 2020 was INR 1.42 Crore (for the year ended March 31, 2019: 1.54 crore). INR 1.42 crore (previous year: Nil) is capitalised in Machinery. Nil (Previous year INR 0.13 Crore) is capitalised in Building and Nil (Previous year: INR 1.41 Crore) is lying in Capital Work in Progress. Specific funds were borrowed for qualifying asset and the borrowing cost eligible for capitalisation was determined at actual borrowing cost incurred during the period less investment income earned on temporary investments on the borrowing.											
<b>2(ii) Leased Assets</b>											
Land	11.50	21.88	-	33.18	0.55	0.21	-	0.86	10.65	32.32	
Buildings	-	2.84	0.34	3.18	-	1.37	-	1.37	-	1.81	
	11.50	2.84	22.22	36.36	0.55	1.58	-	2.23	10.65	34.13	
<b>2(a) Capital Work in Progress</b>											
									12.02	31.48	
<b>Grand Total</b>	<b>442.96</b>	<b>2.84</b>	<b>91.10</b>	<b>515.93</b>	<b>193.74</b>	<b>28.39</b>	<b>4.84</b>	<b>217.29</b>	<b>261.24</b>	<b>330.12</b>	

LOHIA CORP LIMITED					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021					
3	Other Intangible Assets				Amount ₹ in Crores
	Gross Block	Technical Knowhow	Patents	System Software	Total
	As at 1st April, 2019	5.34	1.09	10.81	17.24
	Addition during the year	0.45	-	0.90	1.35
	<b>Balance as at 31st March, 2020</b>	<b>5.79</b>	<b>1.09</b>	<b>11.71</b>	<b>18.59</b>
	Addition during the year	-	-	0.24	0.24
	<b>Balance as at 31st March, 2021</b>	<b>5.79</b>	<b>1.09</b>	<b>11.95</b>	<b>18.83</b>
	<b>Accumulated Amortisation</b>				
	As at 1st April, 2019	5.34	1.04	9.05	15.43
	Amortisation during the year	0.06	0.05	0.52	0.63
	<b>Balance as at 31st March, 2020</b>	<b>5.40</b>	<b>1.09</b>	<b>9.57</b>	<b>16.06</b>
	Amortisation during the year	0.11	-	0.62	0.73
	<b>Balance as at 31st March, 2021</b>	<b>5.51</b>	<b>1.09</b>	<b>10.19</b>	<b>16.79</b>
	<b>Net Block as at 31st March, 2021</b>	<b>0.28</b>	<b>-</b>	<b>1.76</b>	<b>2.04</b>
	<b>Net Block as at 31st March, 2020</b>	<b>0.39</b>	<b>-</b>	<b>2.14</b>	<b>2.53</b>

LOHIA CORP LIMITED					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021					
Name of the Company	Face Value	Numbers as on		Amount as at (₹ in Crores)	
		31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>4 (i) NON CURRENT INVESTMENTS</b>					
<b>(i) Investment in equity instruments (fully paid-up)</b>					
<b>Unquoted Investments</b>					
<b>(a) Investment in Associate</b>					
(at cost)					
Plastics Machines and Solutions Inc.	PHP 1	-	20,00,000	-	0.27
				-	0.27
<b>(b) Investment in Joint Venture</b>					
(at cost)					
Carmenta Sociedad Anonima	Gs 5 00,00,000	50	50	0.74	0.74
Einbecker Kennzeichnungssysteme GmbH, Germany		50,002	50,002	2.01	2.01
				2.75	2.75
<b>(c) Investment in Subsidiary Companies</b>					
(at cost)					
Lohia Packaging Machines Ltd.	10	1,64,50,000	50,000	16.45	0.05
Lohia Sales & Services Ltd.	10	50,000	50,000	0.05	0.05
Lohia Filament Machines Ltd	10	4,32,50,000	50,000	43.25	0.05
Lohia Group Electricity Consumers Association	10	8,250	8,250	0.01	0.01
Lohia Engineering and Design Services Pvt. Ltd	10	-	90,00,000	-	9.00
Less: Provision for Diminution in Value of Investment		-	-	-	(9.00)
Indo Kenshu Services Private Limited	10	41,60,000	10,000	4.16	0.01
Sarjna Capfin Private Limited	10	20,00,000	5,00,000	19.12	4.12
Lohia Hong Kong Ltd	1HK\$	95,00,000	95,00,000	2.77	2.77
Less: Provision for Diminution in Value of Investment		-	-	(2.77)	(2.77)
L&S Light & strong Ltd		6,66,75,634	6,66,75,634	10.25	10.25
Lohia Aerospace Systems Private Limited	10	2,00,00,000	10,000	20.06	0.01
Lohia Injectoplast Private Limited	10	10,000	10,000	0.01	0.01
Leesona Corp, USA	\$ 1	15,00,000	15,00,000	10.43	10.43
SBI Mechatronik GmbH, Germany		35,000	35,000	0.27	0.27
Lohia Mechatronik private limited	10	-	10,000	-	0.01
Lohia Global Solutions Private limited	10	20,00,000	20,00,000	2.00	2.00
Nupur Real Estates Private Limited	10	1,45,00,000	-	14.50	-
Lohia Infra Developers Private Limited	10	99,00,000	-	9.90	-
Lohia Global Solutions FZE	AED 1000	500	-	1.00	-
Aditya Punj Traders Pvt Ltd	10	30,70,200	-	3.07	-
Galuner S.A., Uruguay	1 UYU	4,95,00,000	4,95,00,000	11.73	11.73
				166.20	89.00
<b>(d) Others</b>					
(Fair value through profit & loss)					
Plastics Machinery Manufacturers Association of India (PMMAI)	100	5	5	-	-
Ldb importacao E Exportacao Ltd.A	R\$1	63,680	63,680	-	-
Polywest Betelligungs GmbH, Germany	Eur 1	2,000	2,000	0.01	0.01
				0.01	0.01
<b>(ii) Investment in preference shares (fully paid-up)</b>					
<b>Unquoted Investments</b>					
<b>(a) Investment in Subsidiary</b>					
(at cost)					
Lohia Hong Kong Ltd-	1HK\$	1,00,00,000	1,00,00,000	6.34	6.34
5% Non Cumulative convertible redeemable preference shares					
Less: Provision for Diminution in Value of Investment				(6.34)	(6.34)
Leesona Corp, USA	\$ 1	15,00,000	15,00,000	10.43	10.43
SBI Mechatronik GmbH, Germany				9.88	9.88
Galuner S.A., Uruguay	1 UYU	4,80,00,000	4,80,00,000	11.24	11.24
				31.55	31.55
<b>Aggregate amount of Unquoted investments</b>				200.51	73.58
<b>Non Current Investments (Total)</b>				200.51	73.58
<b>Investment in Unquoted Instruments</b>					
<b>Aggregate Carrying Value</b>				200.51	73.58

LOHIA CORP LIMITED						
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021						
	Name of the Company	Face Value	Numbers as on		Amount as at (₹ in Crores)	
			31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>4 (ii)</b>	<b>CURRENT INVESTMENTS</b>					
(i)	Investment in equity Instruments (fully paid-up)					
	Quoted Investments					
	(Fair value through Profit & Loss)					
	TAAL Enterprises Limited*	10	25	25	-	-
	Majesco Limited	5	19,700	-	0.13	-
	<b>Total (i)</b>				<b>0.13</b>	<b>-</b>
(ii)	Investments in Debenture					
	(Fair value through Profit and Loss)					
	IFIL Market linked Non Convertible Debentures-IECP series III	1,00,000	2,000	2,000	23.48	22.13
	<b>Total (ii)</b>				<b>23.48</b>	<b>22.13</b>
(iii)	Investments in Mutual Funds (Unquoted)					
	(Fair value through Profit and Loss)					
	Birla Sunlife Dynamic Bond Fund Direct - (G)		30,30,374	30,30,374	10.94	10.05
	Birla Sunlife Dynamic Bond Fund Direct - (G) (Segregated Portfolio-1)		30,30,374	30,30,374	0.44	0.46
	Franklin India Low Duration Fund - (G)		21,65,934	57,73,850	5.03	11.91
	Franklin India Low Duration Fund Retail (Segregated Portfolio-1 Vodafone Idea)		-	57,73,850	-	-
	Franklin India Low Duration Fund Retail (Segregated Portfolio-2 Vodafone Idea)		53,15,984	57,73,850	-	-
	Franklin India Ultra Short Bond Fund Super Institutional Plan - (G)		-	95,50,000	-	26.27
	Franklin India Ultra Short Bond Fund Super Institutional Plan - (G) (Segregated Portfolio-1 Vodafone Idea)		-	95,50,000	-	-
	UTI Short Term Income Fund - (G)		-	59,43,936	-	12.86
	Birla Sun Life Dynamic Bond Fund - Retail - (G)		40,91,218	40,91,218	14.11	13.04
	Birla Sun Life Dynamic Bond Fund - Retail - (G) (Segregated Portfolio-1)		40,91,218	40,91,218	0.57	0.59
	Franklin India Short Term Income - Retail Plan - (G)		39,800	43,418	15.89	16.64
	Franklin India Short Term Income Retail (Segregated Portfolio-1 Vodafone Idea)		-	43,418	-	-
	Franklin India Short Term Income Retail (Segregated Portfolio-2 Vodafone Idea)		39,975	43,418	-	-
	Franklin India Short Term Income Retail (Segregated Portfolio-3 Yes bank)		43,418	43,418	-	-
	Franklin India Income Opportunities Fund - (G)		-	77,14,345	-	17.29
	Franklin India Income Opportunities Fund Retail (Segregated Portfolio-1 Vodafone Idea)		-	77,14,345	-	-
	Franklin India Income Opportunities Fund Retail (Segregated Portfolio-2 Vodafone Idea)		71,02,598	77,14,345	-	-
	Franklin India Credit risk Fund-Direct-(G)		43,25,311	57,79,779	9.54	11.45
	Franklin India Credit Risk Fund Direct (Segregated Portfolio-1 Vodafone Idea)		-	57,79,779	-	-
	Franklin India Credit Risk Fund Direct (Segregated Portfolio-2 Vodafone Idea)		53,21,442	57,79,779	-	-
	Franklin India Credit Risk Fund Direct (Segregated Portfolio-3 Yes Bank)		57,79,779	57,79,779	-	-
	Franklin India Dynamic Accrual Fund-Direct - (G)		49,90,649	82,67,560	37.65	58.72
	Franklin India Dynamic Accrual Fund Direct (Segregated Portfolio-1 Vodafone Idea)		-	82,67,560	-	-
	Franklin India Dynamic Accrual Fund Direct (Segregated Portfolio-2 Vodafone Idea)		76,11,943	82,67,560	-	-
	Franklin India Dynamic Accrual Fund Direct (Segregated Portfolio-3 Yes Bank)		82,67,560	82,67,560	-	-
	Birla Sun Life Credit Risk Fund - Direct Plan-(G)		1,50,50,834	1,50,50,834	24.36	22.14
	Birla Sun Life Credit Risk Fund - Direct Plan-(G) (Segregated Portfolio-1)		1,50,50,834	1,50,50,834	0.63	0.65
	ICICI Pru Credit Risk Fund - Direct Plan-(G)		77,07,446	77,07,446	19.48	17.34
	Kotak Medium Term Fund - Direct Plan- (G)		1,00,12,750	1,00,12,750	18.49	17.21
	DSP Arbitrage Fund Direct (G)		1,66,89,477	-	19.99	-
	ICICI Pru Ultra Short Term Fund Direct Plan (G)		1,31,16,220	-	30.01	-
	ICICI Pru Arbitrage Fund Direct (G)		35,64,198	-	10.00	-
	NIPPON INDIA OVERNIGHT FUND - DIRECT (G)		10,86,271	-	12.00	-
	<b>Total (iii)</b>				<b>229.13</b>	<b>237.12</b>
	<b>Current Investments Total (i+ii+iii)</b>				<b>252.74</b>	<b>259.25</b>
i)	Investment in Quoted Instruments					
(a)	Aggregate Carrying Value				0.13	-
(b)	Aggregate Market Value				0.13	-
ii)	Investment in Unquoted Instruments					
(a)	Aggregate Carrying Value				252.61	259.25

\* Fair value of Taal Enterprises Limited as on 31.03.21 and 31.03.20 ₹ 11,544 and ₹ 2541 respectively

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		As at 31st March, 2021	As at 31st March, 2020
		₹ in Crores	₹ in Crores
<b>5</b>	<b>LOANS</b>		
<b>i</b>	<b>Non-Current</b>		
	Loans to Employees	0.26	0.20
	Security Deposits	4.50	4.13
	Loans to Related Parties (Refer note no. 43)	9.93	22.56
	Loans to Others		
	Considered Good	1.91	1.72
	Considered Doubtful	-	1.31
	Less: Allowance for Doubtful loans	-	(1.31)
		16.60	28.61
	<b>Breakup for Loan receivable:</b>		
	Loans Receivables considered good - Unsecured;	16.60	28.61
	Loans Receivables which have significant increase in Credit Risk;	-	1.31
	Less: Impairment for Loan	-	(1.31)
		16.60	28.61
<b>ii</b>	<b>Current</b>		
	Loans to Employees	0.34	0.37
	Security Deposits to Related Parties (Refer note no. 43)	1.82	1.82
	Loans to Related Parties (Refer note no. 43)		
	Considered Good	7.28	46.99
	Considered Doubtful	1.08	-
	Less: Allowance for Doubtful loans	(1.08)	-
	Loans to Others		
	Considered Good	8.37	-
	Considered Doubtful	1.31	-
	Less: Allowance for Doubtful loans	(1.31)	-
		17.81	49.18
	<b>Breakup for Loan receivable:</b>		
	Loans Receivables considered good - Unsecured;	17.81	49.18
	Loans Receivables which have significant increase in Credit Risk;	2.39	-
	Less: Impairment for Loan	(2.39)	-
		17.81	49.18
<b>6</b>	<b>OTHER NON-CURRENT FINANCIAL ASSETS</b>		
	In Fixed Deposits*		
	a) More than 12 Months	-	0.25
	Share Application Money**	3.69	-
		3.69	0.25
	* It consist of FD with Bank held as security against the borrowings, guarantees.		
	** Share application money represents amount paid to wholly owned subsidiary Galuner S.A.		
<b>7</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Capital Advances	27.04	12.78
	Prepaid Expenses	1.05	1.26
	Advance to Trade Suppliers	4.21	3.13
	Gratuity Fund (Refer note no. 42)	-	2.13
		32.30	19.30



LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		As at 31st March, 2021 ₹ in Crores	As at 31st March, 2020 ₹ In Crores
<b>8</b>	<b>INVENTORIES</b>		
	(Valued at lower of cost or net realisable value)		
	Raw Materials	152.98	117.75
	Work-in-Progress	73.70	56.37
	Finished goods	12.01	11.15
	Consumable Stores and Spares	10.52	7.29
	<b>Goods in transit</b>		
	Raw Materials	8.12	6.03
	Finished goods	11.57	8.72
		268.90	207.31
<b>9</b>	<b>TRADE RECEIVABLES</b>		
	(A) Trade Receivables considered good - Unsecured;	69.36	59.56
	(B) Trade Receivables which have significant increase in Credit Risk;	2.15	1.42
	Less: Impairment for Trade receivable	(2.15)	(1.42)
		69.36	59.56
<b>10</b>	<b>CASH AND CASH EQUIVALENTS</b>		
<b>i</b>	Balances with banks		
	In Current accounts	14.11	30.17
<b>ii</b>	Cash on hand	0.27	0.47
		14.38	30.64
<b>11</b>	<b>OTHER BANK BALANCES</b>		
	Bank balances other than mentioned in Note No 10		
	Earmarked balances with banks	0.96	0.83
	Fixed Deposits*		
	a) More than 3 to 12 Months	1.25	-
		2.21	0.83
	* It consist of FD with Bank held as security against the borrowings, guarantees.		
<b>12</b>	<b>OTHER CURRENT FINANCIAL ASSETS</b>		
	(Unsecured , Considered good )		
	Interest Accrued on Deposit	0.05	0.12
	Derivative Assets (Net)	6.03	-
	Others	2.27	0.29
		8.35	0.41
<b>13</b>	<b>CURRENT TAX ASSET (NET)</b>		
	Income Tax Refund	7.08	8.61
	Advance Income Tax Paid	41.30	15.53
	Tax Provision	(40.50)	(11.50)
		7.88	12.64

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		As at 31st March, 2021 ₹ in Crores	As at 31st March, 2020 ₹ in Crores
<b>14</b>	<b>OTHER CURRENT ASSETS</b>		
	Advances to employees	0.68	1.10
	Prepaid Expenses	6.70	5.85
	Good and Service Tax/Cenvat/Service Tax/VAT Recoverable	17.92	14.19
	Export Incentives Recoverable	7.44	8.00
	Claims recoverable	0.11	0.11
	Advances to trade suppliers	47.12	40.00
	Others*	-	1.83
		79.97	71.08
	* Others Include Duty Credit Scrips amounting ₹ 22,930 (₹ PY 1.83 Cr)		
<b>15</b>	<b>ASSETS HELD FOR SALE</b>		
	Group of Assets held for sale		
	Building	1.69	14.94
	Furniture	-	-
		1.69	14.94
	Note: During the year, the company had indentified Building of Rs 1.69 crores (previous year-14.94 crores (NBV: 15.91 crores ) Furniture of Rs 0 crores (NBV: 0.19 crores )) which has been moved from Property, Plant & Equipment to assets held for sale. The company expects to dispose off assets over the course of next 12 months and had disposed off assets identified in last year during this year.		
<b>16</b>	<b>SHARE CAPITAL</b>		
	The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each as follows :		
	<b>AUTHORISED</b>		
	1,20,00,000 Equity Shares of ₹ 10/- each	12.00	12.00
	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>		
	45,50,000 (Previous Year 48,50,000) Equity Shares of ₹ 10/- each fully paid	4.55	4.85
		4.55	4.85
<b>a</b>	<b>Reconciliation of number of shares (Equity) :</b>		
	<b>Particulars</b>	<b>Number of Shares</b>	<b>Amount</b>
	Outstanding at 1st April 2019	48,50,000	4.85
	Equity Shares issued/(bought back) during the year	-	-
	Outstanding at 31st March 2020	48,50,000	4.85
	Equity Shares issued/(bought back) during the year	(3,00,000)	(0.3)
	Outstanding at 31st March 2021	45,50,000	4.55
<b>b</b>	<b>Rights, Preferences and restriction attached to shares</b>		
	The 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		

LOHIA CORP LIMITED				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021				
			As at	As at
			31st March,2021	31st March,2020
		%	No of Shares	No of Shares
<b>c</b>	<b>Shareholders holding more than 5 % shares</b>			
	Shree Holdings Limited	89.54%	40,74,000	84.00%
				40,74,000
			As at	As at
			31st March,2021	31st March,2020
			₹ in Crores	₹ in Crores
<b>d</b>	<b>Details of Shares Held by Holding Company :</b>			
	40,74,000 (Previous Year 40,74,000) Equity Shares held by		4.07	4.07
	Shree Holdings Limited			
<b>e</b>	<b>Note: Equity shares extinguished on Buy Back</b>			
(i)	The Board of Directors at its meeting held on 26th 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 ₹ 26 Cr from the open market. Pursuant to the aforesaid buyback offer, the company has bought back and extinguished 104,000 Equity Shares of ₹ 10 each during the year 2018-19.			
(ii)	The Board of Directors at its meeting held on 11th January, 2020 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 ₹ 99 Cr from the open market. Pursuant to the aforesaid buyback offer, the company has bought back and extinguished 300,000 Equity Shares of ₹ 10 each during the year 2020-21.			

LOHIA CORP LIMITED				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021				
			As at	As at
			31st March, 2021	31st March, 2020
			₹ in Crores	₹ in Crores
<b>16(a)</b>	<b>OTHER EQUITY</b>			
	Securities Premium		-	0.58
	General Reserve		-	28.60
	Capital Redemption Reserve		0.41	0.11
	Retained Earnings		540.33	512.70
	Remeasurement of defined benefit plans		3.41	5.74
	Hedging Reserve		5.96	(7.84)
	Remeasurement in fair value of Assets held for sale		-	(0.87)
			<b>550.11</b>	<b>539.02</b>
<b>a</b>	<b>Securities Premium</b>			
	Balance at the beginning of the year		0.58	0.58
	Less:- Utilised towards Buyback of equity shares		(0.58)	-
	Balance at the end of the year		-	0.58
<b>b</b>	<b>General Reserve</b>			
	Balance at the beginning of the year		28.60	28.60
	Less:- Utilised towards Buyback of equity shares		(28.60)	-
	Balance at the end of the year		-	28.60
<b>c</b>	<b>Capital Redemption Reserve</b>			
	Balance at the beginning of the year		0.11	0.11
	Add: Transfer from retained earnings		0.30	-
	Balance at the end of the year		0.41	0.11
<b>d</b>	<b>Retained Earnings</b>			
	Balance at the beginning of the year		512.70	472.67
	Add:- Net Profit for the year		123.91	48.81
	Less:- Transfer to capital reserve		(0.30)	-
	Less:- Utilised towards Buyback of equity shares		(69.52)	-
	Less:- Dividend on equity shares		(3.41)	(7.28)
	Less:- Distrib Tax on Equity Dividend/Buyback		(23.05)	(1.50)
	Balance at the end of the year		540.33	512.70
<b>e</b>	<b>FVTOCI Reserve</b>			
<b>e1</b>	<b>Remeasurement of defined benefit plans</b>			
	Balance at the beginning of the year		5.74	0.61
	Addition during the year (net of tax)		(2.33)	5.13
	Balance at the end of the year		3.41	5.74
<b>e2</b>	<b>Hedging Reserve</b>			
	Balance at the beginning of the year		(7.84)	6.98
	Addition during the year (net of tax)		13.80	(14.82)
	Balance at the end of the year		5.96	(7.84)
<b>e3</b>	<b>Remeasurement in fair value of Assets held for sale</b>			
	Balance at the beginning of the year		(0.87)	-
	Add / (Less) : Movement during the year		1.16	(1.16)
	Income Tax Related to Above		(0.29)	0.29
	Addition during the year (net of tax)		0.87	(0.87)
	Balance at the end of the year		-	(0.87)

LOHIA CORP LIMITED				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021				
		As at		As at
		31st March, 2021		31st March, 2020
		₹ in Crores		₹ in Crores
<b>17</b>	<b>BORROWINGS</b>			
	Secured			
	Term Loans from Bank	125.00		130.72
	(-) Current Maturities of Long Term Debts	(4.57)		-
		120.43		130.72
a)	Long term borrowing includes (i) Term Loan of ₹ 85 crores (sanctioned amount ₹ 110 crores) from HDFC Bank carrying interest rate at 6.9% p.a. payable monthly. Principal amount being repayable in first 4 quarterly instalments starting from 30th June, 21 of ₹ 0.10 crores each (presented under current maturities) and thereafter remaining 16 quarterly instalments from 30th June, 22 of ₹ 5.29 crores each. In April 2021, term loan of ₹ 85 crores have been swapped into EURO through a INR to EURO currency swap at fixed EURIBOR. (ii) Term Loan of ₹ 15 crores from Citi Bank N.A. carrying interest at 3 month T-Bill rate (reset every 3 months) +285bps. Principal amount being repayable after 2 years from the date of drawdown, i.e. on 19th July, 2022 and interest is payable at monthly intervals. (iii) Project Term Loan of ₹ 25 crores (Sanctioned amount ₹ 45 crores) from HDFC Bank for financing of project for manufacturing of plastic woven fabrics/bags, carrying interest rate of 7.95% p.a. (reset every year). Principal amount being repayable in 24 quarterly instalments of ₹ 1.04 crores each starting from June 2021. Instalments falling due within a year amounting to ₹ 4.17 crores are considered as short term and classified accordingly. (iv) External Commercial Borrowing (ECB) of USD 15 million from HSBC, carrying interest at Libor+100 bps payable quarterly. The principal amount of USD 10 million is repaid during current year and USD 5 million is repayable on 28th June, 2021 (presented under current maturities). (v) Term Loan of 19 crores from Kotak Mahindra Bank Limited carrying interest at RBI Repo rate (reset every 3 months) +235bps. Principal amount has been repaid during current year and interest is paid at monthly intervals.			
b)	(i) Term Loan from HDFC bank of ₹ 85 crores is against security of specific plant & machinery and extension of property already mortgaged to HDFC bank for project Term Loan of ₹ 45 crores, documents for the facility are pending for execution. (ii) Loan Against Security from Citi Bank N.A. is secured by lien over specified investment in Mutual Fund Units. (iii) Project term loan from HDFC Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the project Lohia Packaging Solutions. (iv) ECB is secured by way of first charge on all unencumbered plant & machinery at Panki and Chaubepur unit of the company 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 company. (v) Loan Against Security from Kotak Mahindra Bank was secured by lien over specified investment in Mutual Fund Units.			
<b>18</b>	<b>OTHER FINANCIAL LIABILITIES</b>			
	Lease Liability	0.56		0.50
		0.56		0.50
<b>19</b>	<b>PROVISIONS</b>			
	<b>NON-CURRENT</b>			
	Provision for employee benefits (Refer note no. 42A)			
	Leave encashment	1.77		0.15
	Gratuity	0.46		-
		2.23		0.15
<b>20</b>	<b>Deferred Tax</b>			
	Deferred Tax Liabilities	23.08		20.64
	Deferred Tax Assets	4.57		10.22
	<b>Total</b>	<b>18.51</b>		<b>10.42</b>

LOHIA CORP LIMITED				
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st March, 2021				
	As at		As at	
	31st March, 2021		31st March, 2020	
	(₹)		(₹)	
<b>20 (i) DEFERRED TAX LIABILITIES (NET)</b>				
<b>A</b> The balances comprises temporary differences attributable to:				
<b>Deferred tax liabilities</b>				
Property plant and Equipment	11.57		6.38	
Investment in Mutual Funds/Equity Shares	8.88		12.24	
Cash flow Hedges	1.48		-	
ECB Finance charges	0.01		0.09	
Employee benefits Plans	1.14		1.93	
<b>Total Deferred Liabilities</b>	<b>23.08</b>		<b>20.64</b>	
<b>Deferred tax Assets</b>				
Unabsorbed depreciation and Losses	0.32		1.19	
Trade receivables/Doubtful Advance/Loan	1.14		0.68	
Investment in Mutual Funds & Equity Share	2.32		4.24	
Cash Flow Hedge	-		3.17	
Lease Liabilities	0.02		0.03	
Remeasurent in fair value of Assets held for sale	-		0.29	
Others	0.77		0.62	
<b>Total Deferrad tax Assets</b>	<b>4.57</b>		<b>10.22</b>	
	<b>18.51</b>		<b>10.42</b>	
	As at	Recognised	Recognised	As at
	31st March, 2020	in P&L	in OCI	31st March, 2021
	(₹)	(₹)	(₹)	(₹)
<b>B Movement in Deferred Tax Balances</b>				
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation and Losses	1.19	0.87	-	0.32
Trade receivables/Doubtful Advance/Loan	0.68	(0.46)	-	1.14
Investment in Equity Share (Unlisted)	4.24	1.92	-	2.32
Lease Liabilities	0.03	0.01	-	0.02
Remeasurent in fair value of Assets held for sale	0.29	-	0.29	-
Others	0.62	(0.15)	-	0.77
<b>Sub total (a)</b>	<b>7.05</b>	<b>2.19</b>	<b>0.29</b>	<b>4.57</b>
<b>Deferred Tax Liabilities</b>				
Property plant and Equipment	6.38	(5.19)	-	11.57
Investment in Mutual Funds/Equity Shares	12.24	3.36	-	8.88
Cash Flow Hedge	(3.17)	-	(4.65)	1.48
ECB Finance charges	0.09	0.08	-	0.01
Employee benefits	1.93	-	0.79	1.14
<b>Sub total (b)</b>	<b>17.47</b>	<b>(1.75)</b>	<b>(3.86)</b>	<b>23.08</b>
<b>Net Deferred Tax Liabilities (b)-(a)</b>	<b>10.42</b>	<b>(3.94)</b>	<b>(4.15)</b>	<b>18.51</b>
	As at	Recognised	Recognised	As at
	31st March, 2019	in P&L	in OCI	31st March, 2020
	(₹)	(₹)	(₹)	(₹)
<b>B Movement in Deferred Tax Balances</b>				
<b>Deferred Tax Assets</b>				
Unabsorbed depreciation and Losses	2.58	1.39	-	1.19
Trade receivables/Doubtful Advance/Loan	0.95	0.27	-	0.68
Investment in Equity Share (Unlisted)	4.24	-	-	4.24
Cash Flow Hedge	(2.91)	-	(6.08)	3.17
Lease Liabilities	-	(0.03)	-	0.03
Remeasurent in fair value of Assets held for sale	-	-	(0.29)	0.29
Others	0.71	0.09	-	0.62
<b>Sub total (a)</b>	<b>5.57</b>	<b>1.72</b>	<b>(6.37)</b>	<b>10.22</b>
<b>Deferred Tax Liabilities</b>				
Property plant and Equipment	13.15	6.77	-	6.38
Investment in Mutual Funds/Equity Shares	12.87	0.63	-	12.24
ECB Finance charges	0.22	0.13	-	0.09
Employee benefits	0.33	-	(1.60)	1.93
<b>Sub total (b)</b>	<b>26.57</b>	<b>7.53</b>	<b>(1.60)</b>	<b>20.64</b>
<b>Net Deferred Tax Liabilities (b)-(a)</b>	<b>21.00</b>	<b>5.81</b>	<b>4.77</b>	<b>10.42</b>

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		As at 31st March, 2021	As at 31st March, 2020
		₹ in Crores	₹ in Crores
<b>21</b>	<b>OTHER NON-CURRENT LIABILITIES</b>		
	Deferred Government Grant*	10.03	4.38
		10.03	4.38
<p>*The Company has recognised grant in respect of duty saved on procurement of capital goods under EPCG scheme of central Government. Under EPCG Scheme the 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 company expects to meet its export obligations in future years which stands at ₹ 64.35 Cr as on 31.03.21 (₹ 23.34 crores as on 31.3.20)</p>			
<b>22</b>	<b>BORROWINGS</b>		
	Loan repayable on demand (Secured)		
	- From banks		
	-From Consortium of Banks	-	100.53
	-From HSBC Ltd	-	115.39
		-	215.92
<p>Loans from consortium of banks constitute cash credit and export credit accounts secured by hypothecation of whole of the Current Assets namely, stock-in-trade, consumables, stores and spares, book-debts, and all other movables, both present and future. Further secured by equitable mortgage of specified Land &amp; Building owned by the Company at Lohia Industrial Complex, Chaubepur Kanpur and a charge on specified fixed assets as collateral security. Loan Against Security from HSBC Ltd. is secured by lien over specified investments in Mutual Fund Units.</p>			
<b>23</b>	<b>TRADE PAYABLES</b>		
	(A) total outstanding dues of micro enterprises and small enterprises;	20.20	11.60
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	111.49	89.15
		131.69	100.75
<p>Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.</p>			
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	20.20	11.60
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

LOHIA CORP LIMITED				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021				
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.		-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.		*	*
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.		-	-
* ₹ 0.09 Crores (Previous year ₹ 0.08 crores) is interest accrued and payable on demand by the creditors				
			<b>As at</b>	<b>As at</b>
			<b>31st March, 2021</b>	<b>31st March, 2020</b>
			<b>₹ in Crores</b>	<b>₹ in Crores</b>
<b>24</b>	<b>OTHER FINANCIAL LIABILITIES</b>			
	Current Maturities of Long term debt		40.79	-
	Employee Payables		10.71	8.45
	Derivative Liabilities (Net)		-	12.65
	Accrued Interest		0.28	0.88
	Lease Liability		0.74	1.44
	Others#		0.71	0.67
			<b>53.23</b>	<b>24.09</b>
# Includes ₹ 0.67 Crores (PY ₹ 0.67 Crores ) towards liability to Shareholders on Capital Reduction.				
<b>25</b>	<b>OTHER CURRENT LIABILITIES</b>			
	Advances received from customers		413.91	102.48
	Advance for sale of Assets held for sale		2.75	7.48
	Statutory liabilities		5.31	5.00
	Capital creditors		10.95	12.01
			<b>432.92</b>	<b>126.97</b>
<b>26</b>	<b>PROVISIONS</b>			
	Provision for Warranties		3.04	2.46
			<b>3.04</b>	<b>2.46</b>



LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		For the Year ended 31st March, 2021 ₹ in Crores	For the year ended 31st March, 2020 ₹ in Crores
<b>27</b>	<b>REVENUE FROM OPERATIONS</b>		
a	Sale of Products	1,149.48	946.77
b	Sale of Services	1.87	2.95
c	Other Operating Revenues	22.21	31.46
		<b>1,173.56</b>	<b>981.18</b>
<b>28</b>	<b>OTHER INCOME</b>		
a	Interest Income from financial assets	8.10	5.38
b	Dividend income from Investments measured at fair value through profit or loss	3.02	-
c	Net Fair value gain on financial Assets measured at fair value through profit or loss	10.98	7.24
d	Profit on sale of current Investment (net)	7.37	1.75
e	Gain/(Loss) on sale/discard of Assets (net)	0.13	0.63
f	Other Misc. Income	1.50	1.69
g	Gain/(Loss) on foreign currency translation (net)	6.89	7.08
		<b>37.99</b>	<b>23.77</b>
	<b>Interest Income comprises of :-</b>		
	Interest on bank deposits	0.08	0.07
	Interest on Inter corporate deposits	7.58	4.21
	Other Interest	0.44	1.10
		<b>8.10</b>	<b>5.38</b>
<b>29</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS</b>		
	<b>CLOSING STOCKS :</b>		
	Work in progress	73.70	56.37
	Finished Goods	23.58	19.87
		<b>97.28</b>	<b>76.24</b>
	<b>OPENING STOCKS :</b>		
	Work in progress	56.37	63.82
	Finished Goods	19.87	17.23
		<b>76.24</b>	<b>81.05</b>
		<b>(21.04)</b>	<b>4.81</b>
<b>30</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Wages	114.14	116.13
	Contribution to P.F. & other funds	13.45	14.76
	Welfare expenses	5.05	4.41
		<b>132.64</b>	<b>135.30</b>
<b>31</b>	<b>FINANCE COSTS</b>		
	Interest expenses	9.57	17.26
	Interest on Lease Liability	0.11	0.21
	Exchange difference regarded as an adjustment to borrowing costs	-	3.49
		<b>9.68</b>	<b>20.96</b>
<b>32</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
	Depreciation on tangible assets	35.49	28.39
	Amortisation on intangible assets	0.73	0.63
		<b>36.22</b>	<b>29.02</b>

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		For the Year ended	For the Year ended
		31st March, 2021	31st March, 2020
		₹ in Crores	₹ in Crores
<b>33</b>	<b>OTHER EXPENSES</b>		
a)	<b>Manufacturing Expenses</b>		
	Stores and spares consumed	13.18	9.63
	Power and fuel	18.53	15.14
	Repairs & Maintenance to -		
	Machinery	14.13	9.50
	Buildings	5.07	3.64
		50.91	37.91
b)	<b>Administration, Selling and Other Expenses</b>		
	Repairs Other	6.96	6.72
	Rent	3.50	3.13
	Rates and taxes	0.49	1.26
	Insurance	1.53	1.32
	Travelling & conveyance	4.25	19.78
	Telecommunication Expenses	1.22	1.28
	Vehicle running & maintenance	2.38	2.74
	Commission on sales	24.89	42.27
	Miscellaneous expenses	32.71	34.42
	Donation	1.02	0.32
	Corporate Social Responsibility	2.35	0.95
	Auditor's Remuneration-		
	Audit fee	0.09	0.09
	Exhibition Expenses	0.70	13.57
	Freight & cartage outward	23.04	20.27
	Fees for Technical Services	8.28	18.29
	Provision for Doubtful Debts & Advances	1.81	-
	Bank charges	1.44	1.55
		116.66	167.96
		167.57	205.87
<b>33 (i)</b>	<b>Expenditure incurred on Corporate Social Responsibilities</b>		
	Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule III are as below:		
	<b>Particulars</b>		
<b>1</b>	Gross amount required to be spent by the Company during the year	2.35	3.07
<b>2</b>	<b>Amount spent during the year</b>		
(i)	Construction/Acquisition of any Asset	2.06	0.48
(ii)	On Purposes other than (i) above	0.29	0.47
	<b>Total</b>	2.35	0.95

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
<b>34</b>	<b>A- INCOME TAX RECOGNISED IN PROFIT &amp; LOSS</b>		
	<b>Current Tax</b>		
	In respect of the Current Year	40.50	11.50
	In respect of the Earlier Years	2.25	(0.58)
		<b>42.75</b>	<b>10.92</b>
	<b>Deferred Tax</b>		
	In respect of the Current Year	3.94	(5.81)
		<b>3.94</b>	<b>(5.81)</b>
		<b>46.69</b>	<b>5.11</b>
	<b>The income tax expenses for the year can be reconciled to the accounting profits as follows:</b>		
	<b>Profit before tax</b>	<b>170.60</b>	53.92
	Computed expected Tax Expense @ 25.168% (2020: 25.168%)	42.94	13.57
	Exempted Income	-	-
	Expenses Disallowed	0.87	0.21
	Other Adjustments	(3.31)	(2.28)
	Income tax Relating to Prior Years	2.25	(0.58)
	<b>Current Tax Provision (A)</b>	<b>42.75</b>	<b>10.92</b>
	Incremental Deferred Tax Liability on account of Property, Plant and Equipment and other items	1.75	(7.53)
	Incremental Deferred Tax Liability/(Assets) on account of financial Assets and other Items	2.19	1.72
	<b>Deferred Tax Provision (B)</b>	<b>3.94</b>	<b>(5.81)</b>
	Income tax expenses recognised in profit and loss	<b>46.69</b>	<b>5.11</b>
	The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.		
	<b>B- INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>		
	<b>Arising on income and expense recognised in other comprehensive income</b>		
	Remeasurement of defined benefit obligation	0.79	(1.60)
	Net gain on designated portion of hedging instruments in cash flow hedges/remeasurement of fair value of assets held for sale	(4.94)	6.37
		<b>(4.15)</b>	<b>4.77</b>
	<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
	Items that will be reclassified to profit or loss	(4.94)	6.37
	Items that will not be reclassified to profit or loss	0.79	(1.60)
		<b>(4.15)</b>	<b>4.77</b>
<b>35</b>	<b>EARNINGS PER SHARE</b>		
	Total profit/ (loss) for the year	<b>123.91</b>	48.81
	Weighted average number of equity shares of ₹ 10/- each	<b>48,20,411</b>	48,50,000
	EPS - Basic (₹)	<b>257.05</b>	100.64
	EPS - Diluted (₹)	<b>257.05</b>	100.64

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
		As at 31st March, 2021	As at 31st March, 2020
		₹ in Crores	₹ in Crores
<b>36</b>	<b>Contingent Liabilities, contingent assets and commitments :</b>		
[a]	Claims against the Company not acknowledged as debts	4.33	3.80
[b]	Demand of Income Tax ,Central Excise & Service Tax which the company has not admitted and is contested .	0.36	0.72
[c]	Estimated amount of contracts remaining to be executed on capital account and not provided for	30.18	21.33
[d]	Corporate Guarantees given	30.19	-
	(The company has issued corporate guarantee aggregating ₹ 35 crores as at 31st March, 2021 on behalf of its subsidiary Lohia Aerospace Systems Private Limited. Liabilities outstanding in the books for which corporate guarantee has been issued aggregates ₹ 30.19 crores as at 31st March,2021)		
<b>37</b>	<b>Obligation towards operating leases</b>		
	<b>Non- cancellable operating lease obligation</b>		
	Total of future minimum lease payment under operating leases for each of the following periods :	As at 31st March, 2021	As at 31st March, 2020
		₹ in Crores	₹ in Crores
	not later than one year	0.02	0.65
	later than one year and not later than five years	0.02	0.40
	later than five years	-	-
	Lease payment recognised in the statement of Profit and Loss	3.91	3.47
	The weighted average incremental borrowing rate applied to lease liabilities recognised on transition to Ind As 116 "Leases" was 8%.		
	During the year ended March 31, 2021, the company recognised expenses in respect of short-term leases and leases of low-value assets ₹ 3.90 crores (previous year ₹ 3.46 crores) and ₹ 0.01 crores (previous year 0.01 crores) respectively.		
	During the year ended March 31, 2021, total cash outflow in respect of leases amounted to ₹ 4.65 crores (previous year ₹ 4.92 crores)		
	<b>Maturity analysis of Lease liabilities</b>	₹ in Crores	₹ in Crores
	not later than one year	0.74	1.44
	later than one year and not later than five years	0.56	0.50
<b>38</b>	Sale includes own manufactured items worth ₹ 13.11 crores (Previous year ₹ 7.65 crores) capitalised during the year.		
<b>39</b>			
[a]	Operating Income Includes Export Incentives ₹ 11.89 Crores (Previous Year ₹ 20.44 Crores).		
[b]	Exhibition expenses includes travelling ₹ Nil (Previous Year ₹ 1.89 Crores).		
[c]	Misc Expenses includes ₹ 0.18 Crores (Previous Year ₹ 0.18 Crores) paid to Non Executive Directors for sitting fees & Commission.		
[d]	Exceptional Loss of ₹ 3.81 crores is towards Loss on sale of Building.		

LOHIA CORP LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021			
40	Some Income/Expenditure and provision have been shown after netting off respective expenditure/income and current assets. The details are as under:		
[a]	Profit on sale/discarded assets is net of loss of ₹ 0.29 Crores , (Previous Year ₹ 0.05 Crores).		
[b]	Raw material and components are net of trade discount of ₹ 0.74 Crores (Previous Year ₹ 1.11 Crores).		
[c]	Advance Tax is net of Provision of Taxes of ₹ 40.5 Crores (Previous year ₹ 11.5 Crores)		
[d]	Rent is net of rent received of ₹ 0.41 Crores (Previous Year ₹ 0.34 Crores)		
[e]	Misc Income is inclusive of Lease rent on machinery amounting to ₹ 0.07 Crores (Previous Year ₹ 0.13 Crores)		
[f]	Repair to Plant and Machinery includes ₹ 3.96 Crores (Previous Year ₹ 3.15 Crores) towards software maintenance.		
41	Provision For Contingencies	As at 31st March, 2021	As at 31st March, 2020
		₹ in Crores	₹ in Crores
	Opening Balance	2.46	2.03
	Add: Amount provided during the year	3.04	2.46
	Less: Amount utilised against provision	2.46	2.03
	Closing Balance	3.04	2.46

42	<b>Employee Benefits:</b>				
	<b>The Company contributes to the following post-employment</b>				
(i)	<b>Defined Contribution Plans:</b>				
	The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.				
		<b>For the year ended</b>		<b>For the year ended</b>	
		<b>31-Mar-21</b>		<b>31-Mar-20</b>	
		<b>(₹ In Crores)</b>		<b>(₹ In Crores)</b>	
	Contribution to Government Provident Fund & Family Pension Fund	6.23		6.93	
	Contribution to Superannuation Scheme	0.12		0.19	
	Contribution to National Pension Scheme.	1.04		1.56	
		7.39		8.68	
(ii)	<b>Defined Benefit Plans</b>				
	The Company 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 and the 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 31st March 2021. 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.				
	Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Leave Encashment Plan and Gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:				
	<b>Movement in net defined benefit (asset) liability</b>				
	<b>Particulars</b>	<b>31st March, 2021</b>		<b>31st March, 2020</b>	
		<b>(₹ In Crores)</b>		<b>(₹ In Crores)</b>	
		<b>Gratuity Funded</b>	<b>Leave Encashment</b>	<b>Gratuity Funded</b>	<b>Leave Encashment</b>
			<b>Funded</b>		<b>Funded</b>
<b>A</b>	<b>I. Change in present value of obligation during the year</b>				
	Present value of obligation at the beginning of the year	29.58	14.32	31.00	14.70
	<b>Included in profit or loss:</b>				
	Current service cost	2.98	2.23	2.92	2.06
	Interest cost	1.91	0.93	2.11	1.00
	Past service cost	-	-	-	-
	Actuarial Gain/(Loss)	-	-	-	-
	<b>Included in OCI:</b>				
	Actuarial losses/ (gains) arising from:				
	Experience adjustments	2.70	(0.69)	(0.99)	0.05
	Financial assumptions	0.91	0.37	(3.87)	(1.82)
	<b>Others</b>				
	Benefits paid	(3.70)	(2.76)	(1.59)	(1.67)
	<b>Present value of obligation at the end of the year</b>	<b>34.38</b>	<b>14.40</b>	<b>29.58</b>	<b>14.32</b>
	<b>II. Change in Fair Value of Plan Assets during the year</b>				
	Plan Assets at the beginning of the year	31.71	14.17	31.00	14.70
	<b>Included in profit or loss:</b>				
	Expected Return on plan assets	2.09	0.89	2.06	0.95
	<b>Included in OCI:</b>				
	Actuarial (Loss)/ Gain on plan assets	0.12	0.05	0.08	0.02
	<b>Others:</b>				
	Employer's contribution	3.57	0.04	0.15	0.10
	Benefits paid	(2.81)	(0.95)	(1.58)	(1.60)
	<b>Plan Assets at the end of the year as per Actuary</b>	<b>34.68</b>	<b>14.20</b>	<b>31.71</b>	<b>14.17</b>
	Benefits pending reimbursement from LIC	(0.76)	(1.57)	-	-
	<b>Plan Assets at the end of the year</b>	<b>33.92</b>	<b>12.63</b>	<b>31.71</b>	<b>14.17</b>

Particulars	31st March, 2021		31st March, 2020	
	(` In Crores)		(` In Crores)	
	Gratuity Funded	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded
<b>III. Reconciliation of Present Value of Defined Benefit Obligation</b>				
1. Present Value of obligation as at year end	(34.38)	(14.40)	(29.58)	(14.32)
2. Fair Value of plan assets at year end	33.92	12.63	31.71	14.17
3. Funded status (Surplus/(Deficit))	(0.46)	(1.77)	2.13	(0.15)
<b>Net Asset/(Liability)</b>	<b>(0.46)</b>	<b>(1.77)</b>	<b>2.13</b>	<b>(0.15)</b>
<b>IV. Expenses recognised in the Statement of Profit &amp; Loss</b>				
1. Current Service Cost	2.98	2.23	2.92	2.06
2. Interest Cost	1.91	0.93	2.11	1.00
3. Past Service Cost	-	-	-	-
4. Expected Return on plan assets	(2.09)	(0.89)	(2.06)	(0.95)
<b>Total Expense</b>	<b>2.80</b>	<b>2.27</b>	<b>2.97</b>	<b>2.11</b>
<b>V. Expenses recognised in the Statement of Other Comprehensive Income</b>				
1. Net Actuarial (Gain)/Loss	3.61	(0.32)	(4.86)	(1.77)
2. Expected Return on plan assets excluding interest income	(0.12)	(0.05)	(0.08)	(0.02)
<b>Total Expense</b>	<b>3.49</b>	<b>(0.37)</b>	<b>(4.94)</b>	<b>(1.79)</b>
<b>B Plan Assets</b>				
The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, whose pattern of investment is not available with the Company.				
<b>C Actuarial Assumptions:</b>				
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).				
	As at		As at	
	31st March, 2021		31st March, 2020	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1. Discount Rate	6.50%	6.50%	6.80%	6.80%
2. Expected Rate of Return on Plan Assets	6.50%	6.50%	6.80%	6.80%
3. Expected Rate of Salary Increase	7.00%	7.00%	7.00%	7.00%
4. Attrition Rate	3% to 1%	3% to 1%	3% to 1%	3% to 1%
5. Mortality Post-retirement	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)
<b>D Present Benefit Obligation at the end of the Year as per Schedule III to the Companies Act, 2013</b>				
Particulars	31st March, 2021		31st March, 2020	
	(` In Crores)		(` In Crores)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Liability (Amount due within one year)	3.05	2.27	1.90	2.10
Non-Current Liability (Amount due over one year)	31.33	12.13	27.68	12.22

E Sensitivity Analysis				
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below				
	As at 31st March, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
<b>Leave Encashment Fund</b>				
Discount rate (1% Movement)	(1.18)	1.41	(1.17)	1.40
Expected rate of future salary Increase (1% Movement)	1.39	(1.18)	1.38	(1.18)
<b>Gratuity Fund</b>				
Discount rate (1% Movement)	(2.89)	3.38	(2.54)	2.97
Expected rate of future salary Increase (1% Movement)	3.33	(2.90)	2.93	(2.56)
<b>Description of Risk Exposures:</b>				
Defined benefit plans expose the Company to actuarial risks such as: Interest rate risk, salary risk and Demographic Risk.				
(i) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits				
(ii) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.				
(iii) 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.				



NOTES TO THE ACCOUNTS	
43	Disclosure in respect of related Parties pursuant to IndAS 24 :
A.	<u>Related party and their relationship.</u>
(a)	<u>Holding Company</u> Shree Holdings Ltd.
(b)	<u>Subsidiaries</u>
	<u>Domestic:</u>
	(i) Lohia Sales & Services Ltd.
	(ii) Lohia Packaging Machines Ltd.
	(iii) Lohia Filament Machines Ltd.
	(iv) Lohia Engineering and Design Services Private Limited. (ceased to be a subsidiary from 25.03.2021)
	(v) Lohia Group Electricity Consumers Association.
	(vi) Indo Kenshu Services Private Limited
	(vii) Sarjna Capfin Private Limited
	(viii) Lohia Aerospace Systems Private Limited
	(ix) Lohia Injectoplast Private Limited
	(x) Lohia Mechatronic Pvt Ltd. (ceased as subsidiary from 25.02.2021)
	(xi) Lohia Global Solutions Pvt Ltd.
	(xii) Aditya Punj Traders Private Limited (w.e.f. 27.02.2021)
	(xiii) Lohia Infra Developers Private Limited (w.e.f. 29.05.2020)
	(xiv) Nupur Real Estates Private Limited (w.e.f. 29.06.2020)
	<u>Foreign:</u>
	(i) Lohia Global Solutions FZE, UAE (w.e.f. 22.03.2021)
	(ii) L&S Light & strong Ltd, Israel
	(iii) Galuner S.A., Uruguay
	(iv) Tejidos Plasticos, Paraguay (Subsidiary of Galuner S.A, Uruguay)
	(v) Lohia Hong Kong Ltd, Hong Kong
	(vi) SBI Mechatronik GmbH, Austria
	(vii) Leasona Corp, USA
(c)	<u>Associate</u>
	(i) Plastics Machines and Solutions Inc., Philippines (ceased as Associate from 30.09.2020)
(d)	<u>Joint Venture</u>
	(i) Carmenta Sociedad Anonima, Paraguay
	(ii) Einbocker Kennzeichnungssysteme GmbH, Germany
(e)	<u>Other enterprises over which Key Management Personnel/Relative/Director exercise significant influence /control.</u>
	(i) Threads (India) Limited.
	(ii) LR Moulds Pvt Ltd.
	(iii) Industrial Yarns & Threads (India) Pvt Limited
	(iv) Muri Manohar Real Estates LLP
	(v) Saumya Real Estates Pvt Ltd.
	(vi) Aditya Punj Traders pvt ltd (subsidiary w.e.f 27.02.2021)
	(vii) Anther Vinmay Private Limited
	(viii) Shruti Finsec Private Limited
	(ix) Anjali Capfin Private Limited
	(x) Rachit Finsec Private Limited
	(xi) Lohfam Finsec LLP
(f)	<u>Key Management Personnel and relatives</u>
	<u>Key Management Personnel</u>
	(i) Shri. Raj Kumar Lohia
	(ii) Shri. Vinay Sah
	(iii) Shri Anurag Lohia
	(iv) Shri P.K Mukherjee
	(v) Shri K. G Gupta
	(vi) Shri Arvind Kumar Bhargava ( Company Secretary)
	(vii) Gopal Chandra Lohia
	(viii) Naresh Kumar Gupta
	(ix) Stuti Singhania Agarwal
(g)	<u>Relatives of Key Management Personnel</u>
	(i) Smt Neela Lohia
	(ii) Shri Amit Kumar Lohia
	(iii) Shri Gaurav Lohia
	(iv) Shri Alok Kumar Lohia
	(v) Ms Garima Lohia
	(vi) Smt Anuja Lohia
	(vii) Shri Jitendra Kumar Lohia
	(viii) Smt Mansi Lohia
	(ix) Smt Radha Devi Lohia
	(x) Shri Ajay Lohia
	(xi) Shri Vijay Lohia
(h)	<u>Post employment benefit Plans</u>
	Lohia Corp Limited Employees Group Gratuity Trust.
	Lohia Corp Limited Employees Superannuation Fund

B. Transactions with the related parties	Holding Company		Subsidiaries		Associate		Joint Ventures		Other Enterprises over which KMP/Relatives exercise significant influence /control		Key Management Personnel		Relatives	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Purchase of Goods/Services/Asset**	8.45	4.57	0.11	0.16	-	-	-	-	2.10	2.56	-	-	4.95	5.64
2(a) Sale of Goods/Services/Asset	48.81	31.49	-	-	-	-	0.07	-	1.28	1.35	-	-	33.77	-
3(a) Miscellaneous Receipts/Concessions	-	-	-	-	-	-	-	-	-	-	-	-	8.54	15.50
(b) Dividend Paid	5.11	-	-	-	-	-	-	-	-	-	-	-	0.19	0.48
(c) Amount paid on Bill back	-	-	-	-	-	-	-	-	-	-	-	-	38.07	-
4(a) Finance/Security Deposit Given	24.50	57.78	-	-	-	-	-	-	43.42	4.25	-	-	-	-
(b) Interest Earned	4.57	3.90	-	-	-	-	-	-	0.53	0.11	-	-	-	-
(c) Receipts towards Loss / Interest Repayment & Adjustments	371.06	41.58	-	-	-	-	-	-	44.37	4.03	-	-	-	-
(d) Closing Balance	15.81	51.42	-	-	-	-	-	-	2.47	1.78	-	-	-	-
(e) Provision for doubtful debts	2.18	-	-	-	-	-	-	-	-	-	-	-	-	-
5(a) Loan taken**	87.35	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Interest charged	0.16	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Interest Repayment	87.83	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Closing Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6(a) Investments	201.87	40.84	-	-	-	-	-	-	-	-	-	-	-	-
(b) Investments sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Corporate Guarantee	35.90	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Amount Payable for Goods & Services**	0.34	0.25	-	0.10	-	-	-	-	-	-	-	-	-	-
9 Amount Receivable for Goods & Services, *In FY 2019-20, Purchase of goods from United Trade (Nagaland) Private Limited Indore since 17.10.2019 **In FY 2019-20, Amount payable to United Trade (Nagaland) Private Limited is of 17.10.2019 ***Transactions with Achin Pump Private Limited and Lohia Mechanical Pvt Ltd are covered under subcategory in FY 2021	1.64	10.81	-	-	-	-	-	-	0.24	0.37	-	-	-	-
C. Outstanding Loans and Advances to Related Parties:														
(a) Long term loans and advances														
(b) Loans from Group Limited														
(c) Currents/Accounts Payable														
(d) Loans from Group Limited														
(e) Loans from Group Limited														
(f) Long Term Security Deposit														
(g) Loans from Group Limited														
(h) Association														
D. Other Current Assets														
(a) Short term loans and advances														
(b) Loans from Group Limited														
(c) Loans from Group Limited														
(d) Loans from Group Limited														
(e) Loans from Group Limited														
(f) Loans from Group Limited														
(g) Loans from Group Limited														
(h) Loans from Group Limited														
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(q) Loans from Group Limited														
(r) Loans from Group Limited														
(s) Loans from Group Limited														
(t) Loans from Group Limited														
(u) Loans from Group Limited														
(v) Loans from Group Limited														
(w) Loans from Group Limited														
(x) Loans from Group Limited														
(y) Loans from Group Limited														
(z) Loans from Group Limited														

During the year ended March 31, 2021, the company has contributed ₹ 81 Crores (2020-21: ₹ 524 Crores) to set up/expand/boost/upgrade the projects, amount receivable from said-entities/asset limited is ₹ 1,077 Crores (March 31, 2020: ₹ 1,118 Crores) as per the company's records.

LOHIA CORP LIMITED						
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021						
44	<b>Capital Risk Management</b>					
The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.						
			As at March 31, 2021	As at March 31, 2020		
Particulars						
Borrowings			161.22	346.64		
Less: Cash and cash equivalents including bank balance			14.35	30.64		
Less: Current Investments			252.74	259.25		
Net debt			(105.87)	56.75		
Equity			554.66	543.87		
Capital and Net debt			448.79	600.62		
Gearing Ratio			NA	9%		
45	<b>FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT</b>					
<b>Financial assets</b>						
Particular		Note	Fair Value Hierarchy	As at March 31, 2021	As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount
						Fair Value
1	Financial assets designated at fair value through profit and loss					
a)	Investment					
i)	In mutual funds and others	B	Level-1	229.13	229.13	237.12
ii)	Investment in Equity shares (Listed Share)	C	Level-1	0.13	0.13	-
iii)	Investments in Equity Shares (Unlisted Share)	D	Level-3	0.01	0.01	0.01
iv)	Investment in Debentures(Unlisted)	E	Level-2	23.48	23.48	22.19
2	Financial assets designated at amortised cost					
Derivatives - not designated as hedging instruments						
		A		0.15	0.15	-
Other non-current financial assets						
Loans				3.69	3.69	0.25
Trade receivables*				16.60	16.60	28.61
Cash and cash equivalents*				69.36	69.36	59.56
Bank Balances other*				14.38	14.38	30.64
Loans (Current)*				2.21	2.21	0.83
Other current financial assets*				8.20	8.20	4.41
3	Investment in subsidiary companies and joint venture					
		F		200.50	200.50	73.57
				585.65	585.65	502.31
<b>Financial liabilities</b>						
Particular		Note	Fair Value Hierarchy	As at March 31, 2021	As at March 31, 2020	
				Carrying Amount	Fair Value	Carrying Amount
						Fair Value
1	Financial liability designated at fair value through profit and loss					
2	Financial liability designated at amortised cost					
Derivatives - not designated as hedging instruments						
Borrowings		A		-	-	0.08
Other financial liabilities*		G		120.43	120.43	130.72
Short term borrowings*				-	-	215.92
Trade payables*				131.69	131.69	100.75
Other non current financial liabilities*				0.56	0.56	0.50
Other current financial liabilities*				53.23	53.23	24.01
				305.91	305.91	471.98
The fair value of financial assets and 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 sale.						
The following methods and assumptions were used to estimate the fair values.						
A -> The fair values of derivatives are on MTM as per Bank						
B -> Company has opted to fair value its mutual fund investment through profit & loss						
C -> Company has opted to fair value its quoted investments in equity share, held for trading through profit and loss.						
D -> Cost of unquoted equity has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.						
E -> Company has opted to fair value its Debenture investment through profit & loss						
F -> As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.						
G -> Company has adopted effective rate of interest for calculating interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.						
* The carrying amounts are considered to be the same as their fair values due to short term nature.						
<b>Fair value hierarchy</b>						
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities						
Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).						

46	<b>Financial risk management Objectives &amp; Policies</b>						
	The Company has exposure to the following risks arising from financial instruments:						
	- Credit risk;						
	- Liquidity risk;						
	- Market Risk						
	<b>Risk Management framework</b>						
	The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.						
	The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.						
	The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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.						
ii	<b>Credit Risk</b>						
	Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.						
	<b>Trade and other receivables</b>						
	The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, 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 Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sales limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.						
	The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.						
	Ageing Analysis of trade receivables are as under:-						
							₹ In Crores
	<b>Particulars</b>		<b>Less than 6 months</b>	<b>6-12 Months</b>	<b>More than 12 months</b>		<b>Total</b>
	<b>Unsecured</b>						
	As at 31.03.2021		53.99	11.10	6.42		71.51
	Allowance for doubtful debts		-	-	2.15		2.15
	<b>Net Balance</b>		<b>53.99</b>	<b>11.10</b>	<b>4.27</b>		<b>69.36</b>
	<b>Unsecured</b>						
	As at 31.03.2020		52.32	4.56	4.10		60.98
	Allowance for doubtful debts		-	-	1.42		1.42
	<b>Net Balance</b>		<b>52.32</b>	<b>4.56</b>	<b>2.68</b>		<b>59.56</b>
iii	<b>Liquidity risk</b>						
	Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.						
	The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.						
							₹ In Crores
							<b>Contractual cash flows</b>
			<b>Carrying Amounts</b>	<b>Total</b>	<b>Less than 1 Year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
			<b>31st March 2021</b>				
	<b>Financial liabilities</b>						
	Borrowings (as per note no 17)		120.43	120.43	-	120.43	-
	Other non current financial liabilities		0.56	0.56	-	0.56	-
	Trade payables		131.69	131.69	131.69	-	-
	Other current financial liabilities		53.23	53.23	53.23	-	-
	<b>Total Financial liabilities</b>		<b>305.91</b>	<b>305.91</b>	<b>184.92</b>	<b>120.99</b>	<b>-</b>
							<b>Contractual cash flows</b>
			<b>Carrying Amounts</b>	<b>Total</b>	<b>Less than 1 Year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
			<b>31st March 2020</b>				
	<b>Financial liabilities</b>						
	Borrowings (as per note no 17)		130.72	130.72	-	130.72	-
	Other non current financial liabilities		0.50	0.50	-	0.50	-
	Short term borrowings		215.92	215.92	215.92	-	-
	Trade payables		100.75	100.75	100.75	-	-
	Other current financial liabilities		24.09	24.09	24.09	-	-
	<b>Total Financial liabilities</b>		<b>471.98</b>	<b>471.98</b>	<b>340.76</b>	<b>131.22</b>	<b>-</b>
	The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.						

iv	Market risk					
	Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.					
	The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates. The Counter party is generally a bank.					
v	Currency risk					
	The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency ₹. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also take help from external consultants who form views on the currency rates in volatile foreign exchange markets.					
	Currency risks related to the principal amounts of the Company's foreign currency receivables have been partially hedged using forward contracts taken by the Company.					
	<b>Exposure to currency risk</b>					
	The summary quantitative data about the Company's exposure to currency risk as reported by the management of the Company is as follows:					
						FC In Millions
		USD	EUR	USD	EUR	
		31st March, 2021		31st March, 2020		
	Financial Assets					
	Trade Receivables	4.87	1.49	5.50	1.70	
	Cash & Cash Equivalents (EEFC Balances)	0.11	-	-	-	
	Loans	1.83	0.41	2.40	0.40	
		6.81	1.90	5.90	2.10	
	Financial Liabilities					
	Trade Payables	1.08	0.49	1.80	0.60	
	Borrowings in Foreign Currency (ECB, PCFC, Buyers Credit etc)	5.00	-	15.00	-	
		6.08	0.49	16.80	0.60	
	Net Statement of financial position exposure	0.73	1.41	(10.90)	1.50	
	The following significant exchange rates have been applied					
		Year and spot rates				
		31st March, 2021	31st March, 2020			
	USD	72.80	74.70			
	EUR	84.61	81.80			
	Sensitivity Analysis					
	A reasonably possible strengthening (weakening) of the ₹ against USD at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.					
						₹ In Crores
		Profit or loss		Equity, net of tax		
		Strengthening	Weakening	Strengthening	Weakening	
	31-03-2021					
	USD (1% movement)	(0.09)	0.05	(0.04)	0.04	
	EUR (1% movement)	(0.12)	0.12	(0.09)	0.09	
	31-03-2020					
	USD (1% movement)	0.81	0.81	0.60	0.60	
	EUR (1% movement)	(0.12)	0.12	(0.07)	0.07	
	<b>Foreign Exchange Derivatives Contracts</b>					
	The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business.					
	The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:					
		US\$/INR	EUR/INR			
	As at 31/03/2021					
	No of Contract	38	-			
	Nature of contract	Sold	-			
	Amount in Foreign Currency	3,22,80,000	-			
	Amount in Nominal ₹ In Crores	234.03	-			
	As at 31/03/2020					
	No of Contract	75	-			
	Nature of contract	Sold	-			
	Amount in Foreign Currency	4,75,28,888	-			
	Amount in Nominal ₹ In Crores	355.04	-			

vi	Interest Rate risk					
	The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2021 and 31 March 2020, the Company's borrowings at variable rate were denominated in Rupees. Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.					
	<b>Exposure to Interest rate risk</b>					
	The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:					
			Nominal Amount		₹ In Crores	
			31st March, 2021		31st March, 2020	
	<b>Fixed-rate Instruments</b>					
	Financial assets		80.39		71.20	
	Financial liabilities		86.38		215.02	
	<b>Net Assets/(Liability)</b>		<b>(56.00)</b>		<b>(144.72)</b>	
	<b>Variable-rate Instruments</b>					
	Financial assets		-		-	
	Financial liabilities		76.22		130.72	
	<b>Net Assets/(Liability)</b>		<b>(76.22)</b>		<b>(130.72)</b>	
	<b>Cash flow sensitivity analysis for variable-rate Instruments</b>					
	A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.					
			Profit or loss		Equity, net of tax	
			100 BP Increase	100 BP decrease	100 BP Increase	100 BP decrease
	31-03-2021					
	Variable rate Instruments		(0.76)	0.76	(0.57)	0.57
	Cash flow Sensitivity		(0.76)	0.76	(0.57)	0.57
	31-03-2020					
	Variable rate Instruments		(1.31)	1.31	(0.98)	0.98
	Cash flow Sensitivity		(1.31)	1.31	(0.98)	0.98

LOHIA CORP LIMITED			
47	Impact of COVID-19 on Going Concern Assumption		
	The current "second wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work options and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees. The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets.		
48	Estimation uncertainty relating to the global health pandemic on COVID-19		
	In assessing the recoverability of different assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.		
49	Previous year's figures have been re-grouped/re-arranged wherever necessary to correspond with the current year's classification / disclosure.		
50	INFORMATION U/S 186(4) OF THE COMPANIES ACT, 2013 IN RESPECT OF LOANS GIVEN, INVESTMENTS MADE OR GUARANTEES GIVEN OR SECURITY PROVIDED:		
	<b>A) LOANS GIVEN</b>		
	<b>NAME OF PARTY</b>	<b>O/S LOAN AMOUNT AS ON 31.03.2021</b>	<b>MAXIMUM O/S AMT</b>
			<b>PURPOSE OF LOAN GIVEN</b>
	Ldb Importacao E Exportacao Ltd A	1.68	1.68
	Lohia Hong Kong Limited	1.08	6.01
	Carmenta Sociedad Anonima	2.95	6.79
	L&S Light & Strong Limited	9.93	9.93
	Einbecker Kennzeichnungssystem	1.55	1.55
	Lohia Aerospace Systems P. Ltd.	1.31	36.26
	Lohia Global Solution FZE	1.47	1.47
	HCP Enterprises Limited	8.00	8.00
	Polywest Beteiligungs GMBH	1.91	1.91
	Lohia Group Electricity Consumers Association	1.82	1.82
			General Corporate Purpose
	<b>B) INVESTMENTS MADE</b>	Refer Note 4	
	<b>C) GUARANTEES GIVEN</b>	Refer Note 36(d)	
	<b>D) SECURITIES PROVIDED</b>	NIL	

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH  
COMPANY APPLICATION CA (CAA) NO. 18 / ALD / 2021**

In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) and their respective Shareholders and Creditors;

**SHREE HOLDINGS LIMITED**

(CIN:U65923UP1983PLC006136)

A Public Limited Company incorporated under the provisions of the Companies Act, 1956 having its Registered office at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.)

**Applicant / Transferor Company**

AND

**LOHIA CORP LIMITED**

(CIN: U29263UP1981PLC005446)

A Public Limited Company incorporated under the provisions of the Companies Act, 1956 having its Registered office at D-3/A, Panki Industrial Estate, Kanpur- 208022 (U.P.)

**Applicant / Transferee Company**

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**Lohia Corp Limited**

Regd. Off.: D-3/A, Panki Industrial Estate, Kanpur – 208 022, India | T: +91 512 2593499 | M: +91 9936294101 | F: +91 512 2593500 | E: [isl@lohiagroup.com](mailto:isl@lohiagroup.com)

HO: Lohia Industrial Complex, Chaubepur, Kanpur – 209 203, India | T: +91 512 2593100 | M: +91 9936294000 | F: +91 512 2593299

Sales Offices in India: Ahmedabad | Bengaluru | Delhi | Kolkata

Overseas Offices/Associates: Bangkok | Dubai | Manila | Miami | Moscow | Sao Leopoldo – Brazil

CIN: U29263UP1981PLC005446

[www.lohiagroup.com](http://www.lohiagroup.com)



**FORM NO. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<b>Name of Secured Creditor</b>	
<b>Address of Secured Creditor</b>	
<b>Email ID</b>	

I / We, being the Secured Creditor(s) of the abovenamed Company, hereby appoint

1. Name:  
Address:  
Email Id:  
Signature: \_\_\_\_\_, or failing him
2. Name:  
Address:  
Email Id:  
Signature: \_\_\_\_\_, or failing him
3. Name:  
Address:  
Email Id:  
Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my behalf at the National Company Law Tribunal convened Meeting of Secured Creditors of the Company to be held on **Saturday, 9<sup>th</sup> October, 2021 at 11.30 A.M. at the Head office and Works of the Company at Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.)** and at any adjournment thereof in respect of such resolutions as indicated below:-

<b>Resolution No.</b>	<b>Particulars of Resolution</b>
1.	Approval of Scheme of Amalgamation between Shree Holdings Limited (Transferor Company) and Lohia Corp Limited (Transferee Company) and their respective Shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with all applicable Rules issued thereunder in respect of Amalgamation of Shree Holdings Limited with Lohia Corp Limited.

Signed this.....day of .....2021

\_\_\_\_\_  
Signature of Secured Creditor(s)

\_\_\_\_\_  
Signature of Proxy Holder(s)

Affix Revenue Stamp of Re. 1/-
---

**Notes:**

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Proxy need not be Secured Creditor of the Company.
3. Appointing a proxy does not prevent a Secured Creditor from attending the National Company Law Tribunal (NCLT) convened meeting in person if he / she so wishes.
4. Alterations, if any, made in the Form of Proxy should be initialled.
5. Please affix appropriate revenue stamp before putting signatures.
6. In case of multiple proxies, the proxy later in time shall be accepted.
7. No person shall be appointed as Proxy who is a minor.

**Lohia Corp Limited**

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH  
COMPANY APPLICATION CA (CAA) No. 18 / ALD / 2021**

In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) and their respective Shareholders and Creditors;

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CIN: U29263UP1981PLC005446

## ATTENDANCE SLIP

**NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE SECURED CREDITORS OF LOHIA CORP LIMITED ON SATURDAY, 9<sup>TH</sup> OCTOBER 2021 AT 11:30 A.M. (IST).**

I / We hereby record my / our presence at the Meeting of **Secured Creditors of Lohia Corp Limited** convened pursuant to Order of Hon'ble National Company Law Tribunal, Allahabad Bench dated 26th August 2021 on **Saturday, 9<sup>th</sup> October, 2021 at 11.30 A.M. at the Head office and Works of the Company at Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.)** in the matter of 'Scheme of Amalgamation' of Shree Holdings Limited ("Transferor Company") with Lohia Corp Limited ("Transferee Company") and their respective Shareholders and Creditors under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with all other applicable rules issued thereunder.

<b>Name of Secured Creditor / Proxy</b>	
<b>Address of Secured Creditor</b>	
<b>Value of Debt (Rs.)</b>	
<b>Signature of the Secured Creditor / Proxy</b>	

**Note:** Secured Creditor / Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance venue of the Meeting.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH**  
**COMPANY APPLICATION CA (CAA) No. 18 / ALD / 2021**

In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of the Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) and their respective Shareholders and Creditors;

**SHREE HOLDINGS LIMITED**

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Registered office at D-3/A, Panki Industrial Estate,  
Kanpur- 208022 (U.P.)

**Applicant / Transferor Company**

AND

**LOHIA CORP LIMITED**

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A Public Limited Company incorporated under the provisions of the Companies Act, 1956

having its Registered office at D-3/A, Panki Industrial Estate,  
Kanpur- 208022 (U.P.)

**Applicant / Transferee Company**

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**Lohia Corp Limited**

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[www.lohiagroup.com](http://www.lohiagroup.com)

**POSTAL BALLOT FORM FOR NCLT CONVENED MEETING OF SECURED CREDITORS**  
**[Pursuant to the Companies Act, 2013 read with Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]**

Serial No. \_\_\_\_

1.	Name(s) of Secured Creditor(s) (in block letters)	
2.	Address of the Secured Creditor(s)	
3.	Value of Debt (Rs.)	

I / we hereby exercise my / our vote in respect of the resolution, to be passed at the NCLT convened Meeting of Secured Creditors of the Company scheduled to be held on **Saturday, 9th October, 2021 at 11:30 A.M.** at the Head office and Works of the Company at Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.) vide Order dated 26th August, 2021 of Hon'ble National Company Law Tribunal, Allahabad Bench as stated in the Notice of aforesaid meeting of the Company by sending my/our Assent (FOR) or Dissent (AGAINST) to the said Resolution by placing a tick mark (✓) at the appropriate box below:

Sl. No.	Brief Description of Resolution	I/ We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Approval of Scheme of Amalgamation between Shree Holdings Limited (Transferor Company) and Lohia Corp Limited (Transferee Company) and their respective Shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with all applicable Rules issued thereunder in respect of Amalgamation of Shree Holdings Limited with Lohia Corp Limited.		

Date:

Place:

(SIGNATURE OF SECURED CREDITOR)

Notes:-

1. Please read the instructions printed overleaf carefully before filling this Postal Ballot Form.
2. The last date for receipt of Postal Ballot Form by the Scrutinizer in physical mode or through e-mail is **Friday, the 8<sup>th</sup> October, 2021, 5.00 P.M. (IST).**

**INSTRUCTIONS**

1. Pursuant to Order dated 26th August, 2021 of the Hon'ble National Company Law Tribunal, Allahabad Bench, approval of **Secured Creditors of Lohia Corp Limited**, the Transferee Company is also sought through Postal Ballot Form for Scheme of Amalgamation of Shree Holdings Limited (Transferor Company) with Lohia Corp Limited (Transferee Company) at the NCLT convened meeting scheduled to be held on Saturday, **9th October, 2021 at 11:30 A.M.** at the Head office and Works of the Company at **Lohia Industrial Complex, Chaubepur, Kanpur – 209203 (U.P.)**.
2. A Secured Creditor desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form and send the duly completed Postal Ballot Form to the Scrutinizer at the under mentioned address or Scrutinizer's e-mail at [cs.ankitsingh22@gmail.com](mailto:cs.ankitsingh22@gmail.com) so as to reach the Scrutinizer on or before **Friday, 8th October, 2021, 5.00 P.M. (IST)** No other Form or photocopy of the Postal Ballot Form shall be permitted / accepted.

**The Scrutinizer,  
(NCLT Convened Meeting of Secured Creditors)  
LOHIA CORP LIMITED,  
D-3/A, Panki Industrial Estate,  
KANPUR - 208022 (U.P.)**

3. The Postal Ballot Form should be completed and signed by the Secured Creditor in person. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Form will be rejected. Postal Ballot Form bearing tick marks in both the columns will render the Postal Ballot Form invalid
4. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing tick mark (✓) in the appropriate column.

5. You are requested to carefully read these instructions and return the Postal Ballot Form duly completed, so as to reach the Scrutinizer on or before **Friday, 8th October, 2021, 5.00 P.M. (IST)**.
6. Postal Ballot Form received after 8th October, 2021, 5:00 P.M. (IST) will be strictly treated as if the reply from the Secured Creditor has not been received.
7. Postal Ballot Forms signed in a representative capacity must be accompanied by a requisite certified true copy of the Power of Attorney / Resolution of Board of Directors or any other valid authorization.
8. In case a Secured Creditor is desirous of obtaining a Duplicate Postal Ballot Form, he or she may send an e-mail to [cs@lohiagroup.com](mailto:cs@lohiagroup.com). However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified in instruction 5 above.
9. Voting rights shall be reckoned on the value of debt due in the name of the Secured Creditor on the cut-off date i.e. 31st March, 2021.
10. Secured Creditors are requested not to send any other paper along with the Postal Ballot Form except as specified in instruction 7 above and any extraneous paper would not be considered and destroyed by the Scrutinizer.
11. The Postal Ballot Form shall not be exercised by a Proxy.
12. Scrutinizer's decision on the validity of the Postal Ballot Form shall be final. The Scrutinizer will submit his report to the Chairperson after scrutiny of the Postal Ballots.

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#### Lohia Corp Limited

Regd. Off.: D-3/A, Panki Industrial Estate, Kanpur – 208 022, India | T: +91 512 2593499 | M: +91 9936294101 | F: +91 512 2593500 | E: [isl@lohiagroup.com](mailto:isl@lohiagroup.com)

HO: Lohia Industrial Complex, Chaubepur, Kanpur – 209 203, India | T: +91 512 2593100 | M: +91 9936294000 | F: +91 512 2593299

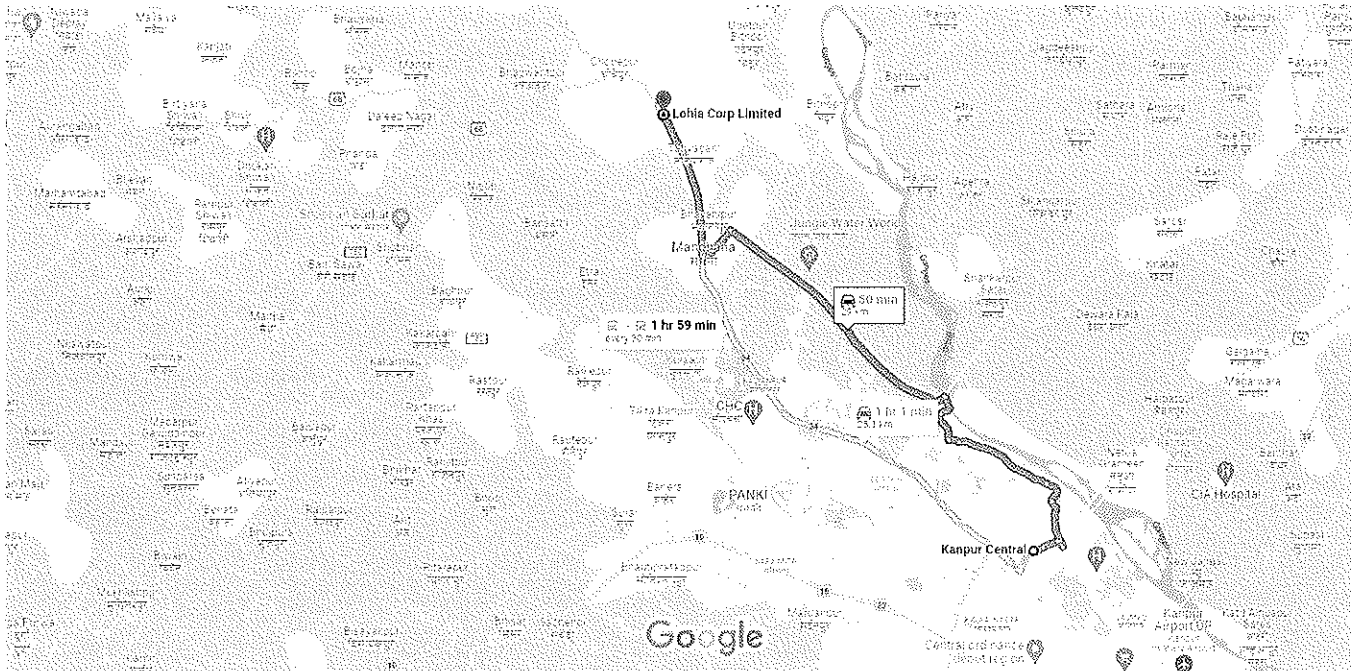
Sales Offices in India: Ahmedabad | Bengaluru | Delhi | Kolkata

Overseas Offices/Associates: Bangkok | Dubai | Manila | Miami | Moscow | Sao Leopoldo – Brazil CIN: U29263UP1981PLC005446

[www.lohiagroup.com](http://www.lohiagroup.com)



Google Maps Kanpur Central to Iohia industrial complex chaubepur Drive 29.0 km, 50 min



Map data ©2021 2 km


### Kanpur Central


Central Station,, Jaipuria Road, Rail Bazar, Harris Ganj, Mirpur, Kanpur, Uttar Pradesh 208004


- ↑ 1. Head east on Central Station Ln toward Jaipuria Rd  
52 s (90 m)


Drive along Parwati Bagla Rd, NH-91 Bypass and NH 34  
51 min (28.8 km)


- ↶ 2. Turn left onto Jaipuria Rd  
350 m
- ↷ 3. Slight left onto Kanpur Central Railway Station Flyover  
600 m
- ↷ 4. Slight left onto Jaipuria Rd  
110 m
- ↷ 5. Turn right onto Central Station Ln  
270 m
- ↶ 6. Sharp left onto Lala Ratanlal Rd/Mall Rd
  - Continue to follow Mall Rd
  - Pass by Karur Vyasa Bank (on the left in 1.4 km)
 1.9 km


-  7. Turn right onto Salman Farisi Ave


 Pass by State Bank of India, Main Branch (on the left)


1.0 km
-  8. Continue onto Parwati Bagla Rd


 Pass by Dayanand Anglo-Vedic College, D.A-V. College, Kanpur (on the left in 900 m)


3.9 km
-  9. Turn right onto NLK Ln


450 m
-  10. Turn right onto Ganga Barrage Rd


1.2 km
-  11. Turn right onto Sitapur - Kanpur Rd


 Pass by 200 MLD Water Treatment Plant (on the left in 650 m)


900 m
-  12. Slight left toward NH-91 Bypass


58 m
-  13. Turn left onto NH-91 Bypass


10.9 km
-  14. Turn left onto Mandhana - Bithoor Rd

 Pass by Dharmendra Book Stall & Gift Centre (on the right)

1.5 km
-  15. Sharp right at Shanker Auto Spares onto NH 34

 Pass by Karan Garnal Stor (on the right)

5.8 km
-  16. Turn right at Lohia Group

 Destination will be on the right

47 s (35 m)

## Lohia Corp Limited

NH-91, Lohia Industrial Complex, Choubepur Kalan, Uttar Pradesh 209203

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.