

Built on **Legacy** Advancing through **Innovation**

Annual Report 2024-25





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Theme Introduction

Built on Legacy, Advancing Through Innovation

The Company takes pride in its strong legacy built over the last four decades with a deep focus on Integrity, Quality, and Value.

We have built a strong presence in the woven plastic machinery segment, by engineering reliability and functional excellence. Over the years, our machines have reached markets across the globe.

Our commitment to providing integrated solutions for the Woven Raffia industry is supported by sustained investment in research and development, along with continuing exploration to improve processes, enhance performance, and address evolving industry needs through thoughtful innovation.

Key Highlights for FY25

The Company's performance in FY25 underscores its focus on innovation-led growth. Increased R&D investment, a healthy revenue trajectory, and several productivity and efficiency patents to its credit highlights commitment to advancing engineering productivity and efficiency.

₹13,101.04 million
*Revenue

₹2,201.05 million
*EBITDA

₹1,186.25 million
*Profit After Tax

**figures are as per standalone financial statements.*

Corporate Overview

About Lohia Corp Limited

Who We Are

Lohia is one of the leading global manufacturers of machinery and equipment for the technical textile industry, especially woven plastic fabrics and sacks. With presence in about 100 countries, we serve key sectors such as packaging, agriculture, construction and geotextiles, helping industries operate smarter, faster, and more sustainably.

What We Do

We design and manufacture machines that combine performance, innovation, and compliance with global standards. Supported by an R&D centre recognised by the Department of Scientific and Industrial Research and backed by over 60 patents, we continue to advance technology for the woven raffia industry.

Our Digital Innovation Centre (DIC) in Bengaluru integrates IoT and AI into systems, while the Technical Training and Research Centre (TTRC) strengthens practical skills and nurtures a workforce equipped for the industry's future.

Where We Create Value

Our technology is designed not only for efficiency but also for delivering meaningful impact. Through our new recycling machines, we promote a circular economy and reduce energy consumption. We lead with purpose, delivering solutions that create value for our customers, our industry, and our environment.



Our Vision

To be the World's No.1 in plastic woven fabric machinery and allied businesses through innovative solutions.

What Defines Us

We are defined by our commitment to engineering reliable solutions for the woven plastic fabric industry, our deep-rooted focus on R&D and digital transformation, and our drive to enable a sustainable future. We strive to deliver tangible value by enhancing productivity, building capabilities, and promoting circularity across industries and geographies.



Integrity

Integrity is at the core of our being. It is what keeps us rooted. For us, integrity means much more than sound morals, ethical beliefs, and essential honesty. Integrity is all about doing the right thing for the right reasons at the right time.



Quality

We believe that if anything is worth doing, it is worth doing well. We define quality as 'excellence in every interaction.' At Lohia Corp, quality is a way of life. We strive to live it every day through our people, processes, and outcomes.



Value

We are in the business of enhancing value by creating products, services, and solutions that deliver superior performance, heightened experiences, and better results for our customers, partners, and communities.

Our Journey

From Foundation to Future

Over the last 40+ years, we have consistently worked on transforming our vision into action.

1981–1985

- ◆ Lohia Starlinger Limited was incorporated as a joint venture between Lohia and Austria-based Starlinger & Co. for manufacturing circular looms and winders for the Raffia industry.
- ◆ Collaborated with German-based Windmüller & Hölscher for technical know-how for the Tape Extrusion line.

1986–1990

- ◆ Our in-house R&D facility centre received official recognition from the Government of India in 1988.

2001–2005

- ◆ Launched the LSL 6, a 6-shuttle circular loom with 900 ppm weft insertion and a capacity of 720 bobbins, advancing industry efficiency.

2011–2015

- ◆ Established the Technical Training and Research Centre (TTRC) – for building technical capabilities.
- ◆ Lohia Starlinger Limited changed its name to Lohia Corp Limited, consequent to the exit of "Starlinger & Co." altogether, as a shareholder.

2006–2010

- ◆ Introduced an automatic bag conversion line, automating fabric-to-bag production.
- ◆ Developed Duotec, a revolutionary dual-stage stretching technology, setting new global benchmarks for flat film production.

2016–2020

- ◆ Launched Autoroto, a high-speed automatic switch-over precision winder.
- ◆ Acquired a 125-year-old company in North Carolina, America - 'Leesona Corp', an expert in winding technology.
- ◆ Lohia Packaging Solutions (LPS) was set up as a "live experience centre" for prospective customers to learn and interact with the latest technology in Raffia production.

2021–2025

- ◆ Sundarlam Industries Private Limited (SIPL) was set up for the manufacturing of Extrusion coating and lamination machines in Bengaluru.
- ◆ Formed OMGM Extrusientechnik S.r.L. in Italy, a joint venture with OMGM S.a.S., to manufacture extrusion plants for technical monofilament, straps, and ropes.
- ◆ Acquired J.J. Jenkins Inc. in the USA through our subsidiary Leesona Corp, expanding our presence in synthetic fibre, monofilament yarn, and film technology segments.

Note:

As part of a strategic restructuring, a scheme of demerger was implemented pursuant to the Scheme of Arrangement approved by the Hon'ble NCLT, Allahabad, vide its order dated 16th April 2024, between Lohia Corp Limited (now renamed as 'Lohia Trade Services Limited') and Kanpur Packaging Machines Limited (now renamed as 'Lohia Corp Limited'), which resulted in vesting of the technical textile machine business, along with all related properties, assets, investments, liabilities, and licences, with us.

Product Portfolio

Inspired by Insight, Built on Innovation

The Company's consistent focus on understanding the needs of our clients who require expert machinery to craft woven fabric has enabled us to deliver complete machine solutions.

We are a customer-focused company, delivering comprehensive, end-to-end solutions backed by advanced technology and deep domain expertise. Through continuous innovation and close collaboration, we empower our partners to optimise their production processes and maintain a competitive edge in a dynamic market.

Setting new standards in the Technical Textile and Plastic Woven Fabric Machinery



Concept to Commission

From initial design and engineering to manufacturing, installation, testing, and commissioning, ensuring integration and performance.



Skilled Workforce and Technical Training

The Company's commitment to workforce development through in-house technical training and skill-building ensures excellence in execution and product quality.



Global Leadership in Raffia Machinery

We are one of the global leaders in the raffia industry, serving customers in nearly 100 countries with high-performance machinery. With decades of expertise, a strong R&D foundation, and a trusted brand, we deliver reliable solutions, train professionals, and continue to be the preferred partner worldwide.

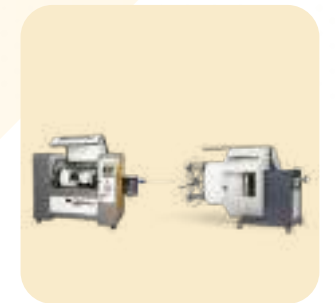
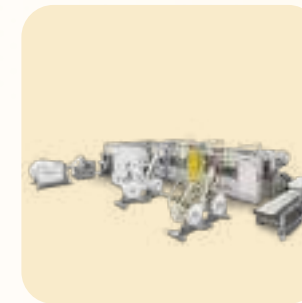
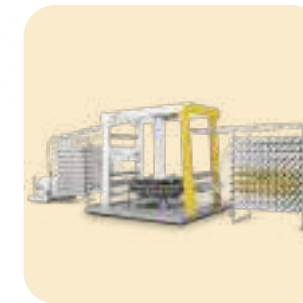
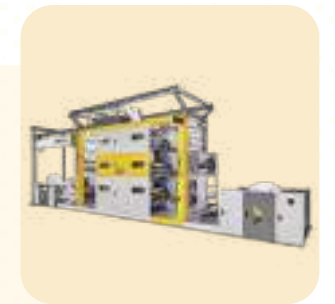
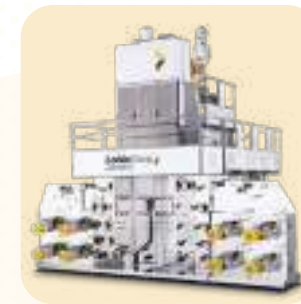


End-to-End Integrated Solutions

We deliver comprehensive support from pre-sales consultation to post-sales service. Our offerings include expert installation, technical assistance, and a dedicated spare parts division. Backed by a global network and remote tools, our team ensures timely and efficient solutions, keeping customer operations seamless and uninterrupted worldwide.

Our Product Portfolio

We manufacture Tape Extrusion Lines (*Lorex, Duotec, CoEx*), Winders (*Precision Winder, Step Precision Winder, Autoroto, Heavy Duty Winder, Twister*), Circular Looms (*LSL, Nova, LENO, Venti*), Converting Machines (*BCS, BCS Liner, Blokomatic, LM 650, Valvomatic, FIBC Conversion*), Extrusion Coating/Laminating Lines (*Lamicoat Classic, Lamicoat Prime*), and Flexographic Printing Machines (*Prismaflex, Soloprint*). We also manufacture machinery for Multifilament solutions (*Lofil, Lofil Duo HS*) and Recycling Machinery (*ReclaMax, ReclaPro*).



Product Applications

Strengthening Industries, Advancing Progress



Agrotex

Agro-textiles are playing an important role in the fields of agriculture, horticulture, animal husbandry, and fishing. The wide-width fabrics play a crucial role in protecting crops and livestock from environmental stressors while enhancing yields and sustainability.



Buildtex

This comprises a wide variety of products and solutions, such as tarpaulin, roof underlayment, scaffolding fabric, that are engineered for strength and durability to meet specific demands of construction and building applications.



Geotex

Geo-textiles are durable and permeable wide-width fabrics designed for use in civil engineering and geotechnical applications such as road construction, embankments, retaining walls, erosion control, and soil contamination prevention. They are known for their usage such as road construction, airfields, rail roads, embankment retaining structures, reservoirs, canals, dams & embankments, prevents soil erosion, helps in soil stabilization etc.



Packtex

A key category, it offers flexible packaging, storage, and protection solutions, with capacities ranging from 5 kg to 2,000 kg for a wide range of industrial, agricultural, and consumer products. The favourable weight-to-capacity ratio ensures that minimal weight is added while securing goods. Reinforced with UV additives and inner liners/coatings, the woven fabrics are built for outdoor storage, and are water- and dust-proof.



Special Applications

This category encompasses high-performance solutions engineered for unique and demanding applications across various industries. These include dunnage and silage bags for secure cargo packaging and protection, carpet backing and jute replacement yarn for enhancing flooring and textile applications, and ropes/twines and VCI (corrosion inhibitors) fabrics for versatile solutions in construction and corrosion prevention; examples include ropes, sewing yarns, container lids, furniture, damage bags, carpet backing, and lumber covers, etc.



Geographical Presence

Rooted Locally, Respected Globally

Built on a strong foundation of innovation and trust, Lohia has earned the respect of partners and partners and customers in around 100 countries, proving that local values can drive global excellence.



 *Manufacturing Locations

Manufacturing Locations:

- ♦ India — Kanpur, Bengaluru
- ♦ Italy — Como
- ♦ USA — Burlington, North Carolina

Disclaimer:

This map is a creative representation designed to illustrate our presence and reach. It is intended for visual depiction and may not reflect precise geographical boundaries.

Global Presence:

Afghanistan | Algeria | Angola | Argentina | Azerbaijan | Bangladesh | Bhutan | Bolivia | Brazil | Bulgaria | Burkina Faso | Burundi | Cameroon | Canada | Chile | China | Colombia | Dominican Rep. | DRC | Ecuador | Egypt | El Salvador | Estonia | Ethiopia | Georgia | Germany | Ghana | Greece | Guatemala | Guinea | Guyana | Honduras | India | Indonesia | Iraq | Côte d'Ivoire | Japan | Jordan | Kazakhstan | Kenya | Kuwait | Kyrgyzstan | Lebanon | Liberia | Libya | Lithuania | Madagascar | Malawi | Malaysia | Mali | Mauritania | Mauritius | Mexico | Morocco | Mozambique | Myanmar | Nepal | Nicaragua | Nigeria | Oman | Pakistan | Paraguay | Peru | Philippines | Poland | Portugal | Qatar | Romania | Rwanda | Saudi Arabia | Senegal | Serbia | South Africa | South Korea | Spain | Sri Lanka | Sudan | Eswatini | Syria | Tanzania | Thailand | Togo | Tunisia | Türkiye | Turkmenistan | UAE | Uganda | Ukraine | USA | Uzbekistan | Venezuela | Vietnam | Yemen | Zambia | Zimbabwe.





Rooted in
Integrity,



Shaped by
Values

Managing with purpose and accountability, we inspire confidence and aim to deliver excellence that stands the test of time.

From the Chairman and Managing Director's Desk



FY25 has been a year of focused consolidation for Lohia. In an environment marked by both opportunities and challenges, we have relied on our core strengths while endeavouring to adapt with agility.

Dear Shareholders,

I present to you Lohia Corp's Annual Report for FY24-25, post successful implementation of the Scheme of Arrangement.

This year's theme of the Report **"Built on Legacy, Advancing through Innovation"**, recognises our legacy and our thrust to lead by innovation.

Lohia Corp has become a name synonymous with *Integrity, Quality & Value*. We stand today on a strong foundation laid by decades of resilience and performance. While we cherish our legacy, we are conscious that legacy alone is not enough in a global market that's constantly evolving. We continue to invest in and focus on innovation - in our people, processes, and products; without losing sight of our core values.

During FY25, our consolidated revenue from operations reached ₹13,768.72 million, EBITDA stood at ₹2,286.02 million and profit after tax was ₹1,178.41 million. These results reflect our continued focus on operational efficiency and delivering value across our businesses.

We are expanding our product portfolio with a focus on recycling machines, resulting from our commitment to innovation and sustainability.

By embracing digital transformation and building organisational agility, we are confident of navigating global uncertainties and unlocking long-term value for all the stakeholders.

On behalf of the Board, I would like to express heartfelt gratitude to our employees, customers, bankers, statutory authorities and all the business partners whose support and trust continue to inspire us to aim higher and lead with purpose.

With regards,

Raj Kumar Lohia
Chairman and Managing Director

Our Visionary Leaders

With strong and experienced leadership at the helm, we uphold robust governance policies that ensure transparency, accountability, and integrity.

Board of Directors



Mr. Raj Kumar Lohia
Chairman and Managing Director

C M M



Mr. Paritosh Kumar Mukherjee
Whole-time Director



Mr. Rajendra Kumar Arya
Whole-time Director

M



Mr. Gaurav Lohia
Whole-time Director and
Chief Operating Officer



Mr. Ujjal De
Non-Executive Director

M



Mr. Gaurav Swarup
Independent Director

C



Mr. Dinesh Kumar Mittal
Independent Director

C M



Mr. Basant Seth
Independent Director

C M M M



Ms. Keith Reddy Padmaja Reddy
Independent Director

M



Mr. Naresh Kumar Gupta
Independent Director

C M M

Key Managerial Personnel (KMP)



Mr. Anupam Agarwal
Chief Financial Officer

M



Ms. Shikha Srivastava
Company Secretary and
Compliance Officer

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholder Relationship Committee
- C Chairman
- M Member

Our Training Institute

TTRC - The Academy of Technical Textiles

Shaping Skills, Empowering Growth

TTRC (Technical Training and Research Centre) was established in 2012 with a vision to bridge the skill gap in the Technical Textile industry. Today, TTRC stands as a testament to excellence.

TTRC not only supports industry-led skill development initiatives but also provides customers with in-depth technical knowledge on material testing.

The Centre also has a lab which is NABL-accredited as per ISO 17025: 2017, a BIS-recognised testing laboratory for all kinds of plastic woven sack products as per BIS & ISO Standards.

TTRC is also actively involved in developing new product applications on the machines manufactured by the Company.

NABL Accreditation by NABL (India)

Under ISO 17025:2017

ILAC (International Laboratory Accreditation Co-operation)

for Testing and Quality Control

The Raffia Apprenticeship Programme – Building Talent for Tomorrow

The programme covers a comprehensive curriculum with modules and course qualification packs as part of the Government of India's National Skill Mission. From Loom and Tape Winder Operators to Extrusion Line Technicians, trainees gain hands-on training, knowledge, and confidence to operate complex Raffia machinery and take on industry roles with competence.

Through formal apprenticeships, we create employment-ready talent while also offering companies in the Raffia sector access to a skilled workforce.

300 (as of 31st March 2025)
Engineers and Supervisors Trained

3,500
Operators Trained



Collaborative Growth through Strategic Alliances

Our MoU with CIPET (Central Institute of Petrochemicals Engineering and Technology) strengthens our commitment to sector-wide training initiatives. In parallel, NDAs with leading petrochemical and Raffia companies enable us to pursue advanced R&D and product development projects.

Certification and Beyond

As an accredited certifying body, TTRC not only trains but also certifies apprentices, delivering a complete solution from learning to recognition.

Expanding Horizons

Beyond the Raffia sector, we support organisations looking to launch apprenticeship programmes, guiding them through setup, structure, and incentives. Our goal is to be a trusted partner in workforce development, no matter the industry.

MTTC (Manufacturing Technology Training Centre)

Established in 2019, the Manufacturing Technology Training Centre (MTTC) is a dedicated in-house training facility aimed at generating skilled manpower to meet our internal manufacturing requirements.

The MTTC offers courses based on German Dual Vocational Education training, which involves a combination of theoretical and practical learning. The Centre offers a structured **two-year technical training programme** for internal staff and new recruits.

The curriculum includes hands-on training and classroom instruction for key roles such as:

- ◆ Assembly Fitters
- ◆ Precision Machinists
- ◆ Electrical Assembly Fitters
- ◆ Sheet Metal Fabrication Technicians

TTRC in the News



We marked a key milestone with the successful execution of the SASMIRA-TTRC project on polyester yarn weaving (geo-textiles), supported by the National Technical Textiles Mission (NTTM), Ministry of Textiles, Government of India.

On 9th January 2025, our CMD, Shri Raj Kumar Lohia, was felicitated by Mr. Sanjay Savkare, Hon'ble Cabinet Minister of Textiles, Maharashtra, for his leadership in advancing technical textile machinery in India.

The event also witnessed the launch of the SASMIRA-Lohia Corp™ Circular Weaving Technology – a breakthrough solution for manufacturing high-strength, seamless tubular geo-textiles.

Research and Development

Evolving Through Innovation

In the Technical Textile industry, where performance, durability, and cost-efficiency are critical, research and development (R&D) play a pivotal role in ensuring competitive advantage. Evolving customer needs, sustainability demands, and rapid technological advancements require companies to continuously innovate across materials, machinery, and manufacturing processes. At Lohia, R&D plays a strategic role in delivering smarter, more reliable, and future-ready solutions for this industry.

Recognised R&D Excellence

Our R&D capabilities are officially recognised by the Government of India, reinforcing our reputation as a trusted innovator in the manufacturing sector. We focus on developing proprietary systems and technologies that drive advanced process optimisation, productivity, and material efficiency across the value chain.

Patent Portfolio & Global Innovation Footprint

Our robust innovation efforts are reflected in our growing intellectual property base.

~60

Patents Granted in India

~28

Additional Patents Undergoing Approval Processes

~55

International Applications Filed under the Patent Cooperation Treaty (PCT), extended to over 40 countries

Dedicated Research Infrastructure

The Hargovind Bajaj Research and Development Centre (HBRDC) is a dedicated facility spanning 6,000 square metres that supports all our research and innovation endeavours. Our R&D team brings deep domain expertise, with several members holding PhDs and advanced technical qualifications.

234

Employees in the R&D Department

13.48%

Of the Workforce Engaged in R&D

Integrating Technology in Business

Our Digital Innovation Centre (DIC) in Bengaluru, Karnataka focuses on advancing IoT and Artificial Intelligence to enhance existing machines and develop new digital products for emerging markets. With a mission to digitise manufacturing processes, DIC reduces rework, improves efficiency, and enhances product quality, aligned with Industry 4.0 principles.

Specialised teams in smart machines, embedded systems, sales, marketing, and culture collaborate to deliver innovative digital solutions. DIC's platforms enable real-time plant monitoring, seamless data integration, and instant remote assistance.

Through these innovations, DIC empowers clients to optimise operations, minimise downtime, and leverage advanced analytics—reinforcing our Company's commitment to continuous innovation and sustainable growth.

In line with this vision, the DIC team in Bengaluru recently launched an enhanced version of its mobile app, designed to revolutionise machine data monitoring.

The upgraded app now enables users to monitor machines across various sites in real time. New features include access to historical data and custom reports, an improved user interface, and faster, more stable performance, empowering users with greater flexibility, insight, and control.

Future-Ready Digital Roadmap

As we look ahead, our pioneering innovations are set to enhance operational efficiency, ensure long-term growth, and extend our impact beyond the technical textile industry.

Key focus areas include:

♦ Adopting a Distributed IoT Architecture:

We are transitioning to a distributed architecture for our IoT systems to enhance responsiveness and minimise latency. This shift will help prevent data loss, predict equipment downtime, and monitor machine health more effectively.

♦ Establishing a Robust Asset Monitoring Framework:

We aim to implement a comprehensive asset monitoring system that ensures optimal performance and efficiency across all operations.

♦ Enhancing Predictive Maintenance with AI and Analytics:

By leveraging advanced data analytics and artificial intelligence, we will strengthen our predictive maintenance capabilities, reducing unplanned downtimes and operational costs.

♦ Optimising Overall Equipment Effectiveness (OEE):

Through the integration of digital tools, we are committed to continuously assessing and improving plant efficiency by tracking and optimising OEE metrics.

♦ Developing Smart Troubleshooting and Defect-Tracking Tools:

We are focused on creating intuitive diagnostic and defect-tracking solutions to accelerate issue resolution and uphold the highest quality standards.

♦ Conducting Energy and Digital Audits for Sustainability:

In alignment with our sustainability goals, we will conduct detailed energy and digital audits to uncover opportunities for optimisation and support greener operations.

Our Customers

Supporting Customers with One-Stop Solutions

We provide significant support through a unified platform that simplifies sourcing, enhances equipment uptime, and streamlines maintenance for Raffia machinery.

Customer Services

We are committed to delivering a seamless experience through end-to-end, cost-effective, and real-time solutions. Our goal is to enhance our customers' operational efficiency and partner with them in running a profitable business.

To support this, our dedicated Service Team offers a competitive edge through swift response time and effective issue resolution, enabled by a robust hub-based network.

With 15 experienced service technicians, a skilled Process and Plant Engineering team, and 24/7 access to service experts, we provide comprehensive support across the machine's entire lifecycle from installation to maintenance and repairs.

Our round-the-clock global service ensures the seamless and efficient operation of our customers' manufacturing processes. Through phone support, remote diagnostics, or on-site technician visits, we are committed to minimising downtime and keeping production running smoothly.

Delivering Innovative Solutions to

~100 Countries

Across the Globe

Trusted by a Growing International
Customer Base of

2,000+ Customers



Remote and
Digital Services



Training and
Performance
Optimisation



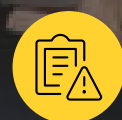
System
Upgrades and
Retrofits



Installation
and Setup



Technical
Expertise and
Support



Audits and
Safety Checks

Spare Parts

We take pride in being a one-stop solution for all spare parts and accessories for machinery in the Technical Textile Industry. Backed by a customer-centric approach, we deliver aftermarket solutions and supply genuine parts focused on operational efficiency and advanced value propositions.

Designed, manufactured, and validated by the same experts who built the equipment, these parts ensure perfect compatibility for seamless integration and unmatched reliability that meets and exceeds industry standards. Their enhanced durability helps minimise breakdowns and guarantees consistent uptime, while delivering long-term value through high-performing, cost-effective components.

Benefits of High-Quality Components

- ◆ Improves operational reliability and reduces breakdowns
- ◆ Increases productivity with smoother performance
- ◆ Lowers production costs per unit
- ◆ Extends equipment lifespan
- ◆ Enhances overall product quality

The background is a lush green field with a globe centered in the middle. A diagonal grey band runs from the top-left to the bottom-right. On the left side of this band, there are two yellow abstract shapes, one pointing up-right and one pointing down-right, each with a trail of small yellow squares behind it. The text 'Sustainable through' is written in white on the left side of the grey band.

Sustainable through

Growth Responsible **Practices**

Our commitment to sustainable growth is anchored in environmental responsibility, social inclusivity, and strong governance, ensuring long-term value for our business, communities, and the planet. Guided by a well-defined ESG framework and purposeful Corporate Social Responsibility initiatives, we strive to achieve meaningful, holistic progress across every aspect of our operations.

Environmental, Social, and Governance Initiatives

Governed by Principles, Guided by Purpose

At Lohia, our commitment to Environmental, Social, and Governance (ESG) principles is integral to how we operate and grow. We recognise that long-term business success is inseparable from our responsibility to the environment, the communities we serve, and the standards by which we govern ourselves.

A Deep Focus on Preserving Environmental Integrity

Energy Efficiency Initiatives

We have implemented several measures and continue to focus on reducing our energy consumption across our manufacturing units.

Modernisation efforts include the upgrade of air compressors, installation of Variable Frequency Drives (VFDs), and the deployment of high-efficiency chillers. These upgrades are complemented by a real-time visual monitoring system that helps optimise energy use during DG set operations.

In a major move toward smart energy use, all conventional lighting has been replaced with LED systems, leading to substantial savings through their lower power consumption and longer lifespan. Further optimisation was achieved by reducing compressed air usage and installing valve booster systems, boosting overall efficiency while minimising energy loss.

Additionally, load detection alarm systems have been introduced to automatically identify high energy usage and shut down non-essential equipment, ensuring energy is used only where it is needed. All these initiatives have led to a significant reduction in our energy consumption.

To foster a culture of awareness and accountability, we also conduct regular safety and energy training programmes, empowering employees to contribute to sustainability goals.

Harnessing Renewable Energy



We have installed a 2,000 kWp solar power system at the Chaubepur plant (Uttar Pradesh), while an additional 775 kWp solar installation powers operations at the LPS, Panki (Uttar Pradesh) unit.

These initiatives have already yielded impressive results, enhancing both sustainability and operational efficiency.

A People-First Organisation

Our approach to human capital is designed to go beyond traditional HR practices by focusing not just on productivity, but on the overall well-being, development, engagement, and recognition of every individual.

Prioritising Well-being

Our WeCare sessions cover both physical and emotional wellness, ranging from Yoga and Desk Yoga to expert talks by health specialists on various issues. Regular health check-up camps and blood donation drives further encourage proactive health management. These efforts not only promote physical resilience but also help employees adopt healthier, informed lifestyle choices.

Digital-First HR

iLearn SAATHI marks a significant milestone in our digital learning journey, giving employees flexible access to 50+ bite-sized e-learning courses aligned with our competency framework with modules ranging from 2–10 minutes, and total course durations of 30–60 minutes. Learning fits effortlessly into daily work. Managers can assign targeted courses, linking individual development with business goals. Complemented by classroom sessions and iLearn PAL, the platform fosters a collaborative, self-driven learning culture, empowering every employee to grow personally and professionally.

Celebrating Excellence

Through our Annual Rewards and Recognition programmes, we ensure that exceptional efforts are publicly celebrated and rewarded. These moments of recognition spark motivation, build confidence, and reinforce a performance-driven environment where employees feel proud of their contributions.



Aarambh Induction Programme

Our 4-day induction, Aarambh, provides new employees with a comprehensive overview of Lohia's values, functions, and facilities, laying the groundwork for a meaningful and connected start to their journey with us.

Our Robust Governance Framework

Our governance framework is built on the principles of transparency, accountability, and ethical conduct. We are committed to upholding the highest standards of corporate governance, ensuring that all decisions are guided by integrity and aligned with the long-term interests of our stakeholders.

Our Board of Directors, bringing diverse sets of expertise and experience, provides strategic oversight while fostering a culture of responsibility and compliance across the organisation. Through well-defined policies, internal controls, and regular disclosures, we strive to maintain trust and deliver sustainable value. We remain committed to enhancing our governance practices in line with evolving regulatory expectations and global best practices.



Communities

Legacy of Care, Vision for Impact

We are committed to driving meaningful change through our Corporate Social Responsibility initiatives, aligning our business purpose with the socio-economic well-being of the communities we touch.

Advancing Access to Healthcare

We believe that access to quality healthcare is a basic right for every individual. Through our Arogya Project, we are working to make this a reality by providing essential medical services across communities.

Our growing healthcare network comprises around 50 Homeopathic Clinics, a Dental Care Clinic, Physiotherapy Centre, and an Allopathic Polyclinic, all focused on delivering accessible and affordable care.



Building Sustainable Communities

We are committed to creating lasting value for society through impactful initiatives, including clean drinking water projects, installation of bio-toilets, tree plantation drives, rural electrification, and the development of environmental parks. Each effort reflects our dedication to environmental sustainability and community well-being.



Education for Empowerment

Alongside healthcare, we are committed to fostering education as a means of empowerment.

In partnership with the Ekal Vidyalaya movement of Bharat Lok Shiksha Parishad, we have adopted 150 schools across 150 underprivileged villages, aiming to create a lasting impact through education.


Our holistic approach not only supports learning but also addresses health needs through regular camps focused on ENT, diabetes, eye care, oral hygiene, and check-ups for women and children.

By empowering local teachers with specialised training, we enhance the quality of education and build capacity within communities. This initiative nurtures healthier, more informed, and future-ready generations.

Stakeholder Engagement

Engaging with Stakeholders, Enriching Progress

Transparent engagement with stakeholders ensures that sustainability goals are aligned, collective action is encouraged, and long-term, responsible growth is achieved.

Stakeholders	Stakeholder Needs	Why We Engage?	How We Engage?
 Customers	<ul style="list-style-type: none"> High-quality, reliable products Responsive service Innovative, cost-effective solutions 	To understand their evolving needs, improve satisfaction, co-create solutions, and build long-term loyalty	<ul style="list-style-type: none"> Regular product feedback and surveys After-sales service and technical support Product demonstrations and trials Customer visits, training, and onboarding sessions Digital platforms for real-time machine monitoring and service requests
 Employees	<ul style="list-style-type: none"> Career growth and learning opportunities Safe and inclusive workplace Recognition and well-being 	To build a motivated, skilled, and aligned workforce that drives innovation, quality, and operational excellence	<ul style="list-style-type: none"> WeCare sessions for employee well-being Learning and Development through digital platform iLearn SAATHI Performance evaluations and career progression frameworks Health and safety initiatives Annual rewards and recognition platforms
 Suppliers and Partners	<ul style="list-style-type: none"> Fair and transparent processes Timely payments Capability development and innovation support 	To ensure supply chain efficiency, uphold quality standards, and foster reliable, ethical partnerships	<ul style="list-style-type: none"> Transparent vendor selection and onboarding ZEEP (Zero Error Excellence Programme) for supplier improvement Collaborative development for process or material innovations Timely payments and clear contractual terms
 Communities	<ul style="list-style-type: none"> Skills development and employment Access to education and healthcare Inclusive development 	To contribute positively to society and nurture inclusive development in regions where we operate.	<ul style="list-style-type: none"> Skill development programmes (e.g., MTTC for youth) and placement programme in the Raffia industry CSR initiatives in education and health
 Government and Regulators	<ul style="list-style-type: none"> Regulatory compliance Industry collaboration Policy awareness and adherence 	To ensure full regulatory compliance, anticipate policy changes, and contribute to industry development	<ul style="list-style-type: none"> Statutory reporting and timely audits Participation in industry associations and government forums Adherence to environmental and labour laws Continuous internal reviews and compliance training
 Investors	<ul style="list-style-type: none"> Transparent reporting Financial performance and return Risk and governance updates 	To maintain confidence, ensure transparency, and deliver sustained financial performance	<ul style="list-style-type: none"> Timely disclosure through annual/integrated reports Governance updates and board communications Risk and compliance disclosures
 Environment	<ul style="list-style-type: none"> Reduced environmental impact Energy and resource efficiency Sustainable production practices 	To minimise environmental impact, promote responsible production, and support sustainable industry transformation	<ul style="list-style-type: none"> Energy Efficiency and Renewable Energy Initiatives Water Conservation Emission Monitoring and Compliance Responsible Waste Management

Corporate Information

Registered Office : D-3/A, Panki Industrial Estate, Kanpur - 208022

Corporate Office : Lohia Industrial Complex, Chaubepur, Kanpur - 209203

Statutory Auditor : M/s Walker Chandiok & Co LLP, Chartered Accountants
M/s Anil Pariek & Garg, Chartered Accountants

Internal Auditor : Forvis Mazars, LLP

Cost Auditors : M/s Rakesh Misra & Co., Cost Accountants

Secretarial Auditor : M/s Adesh Tandon & Associates, Company Secretaries

Bankers :

- HDFC Bank
- State Bank of India
- Axis Bank
- The Hongkong and Shanghai Banking Corporation

Manufacturing Units	Address
Kanpur	Lohia Industrial Complex, Chaubepur, Kanpur - 209203
	D-3/A, Panki Industrial Estate, Kanpur - 208022
	C-3 & C-4, Site-1, Panki Industrial Area, Kanpur - 208022
Bengaluru	486, C1, Peenya Industrial Area, 14 th Cross, Peenya IV Phase, Bengaluru - 560058
	Industrial Shed No. 37/38, Nadakerappa Industrial Estate, Peenya 2 nd Stage, Bengaluru - 560091
USA	Burlington, North Carolina, USA
Italy	Como, Italy

Notice of Annual General Meeting

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of the members of Lohia Corp Limited will be held at a shorter notice, on **Saturday, the 21st day of June 2025 at 12:00 P.M.** at its Head Office at Lohia Industrial Complex, Chaubepur, Kanpur, to transact the following business(es):

ORDINARY BUSINESS:

- To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

- "RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- "RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 and the reports of the Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

- To declare dividend on equity shares for the financial year ended March 31, 2025 and in this regard, consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT dividend at the rate of ₹1.75/- (Rupees One and Seventy-five paise only) per equity share of ₹1/- (Rupee One only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2025 and the same be paid out of the profits of the Company."

- To appoint Mr. Paritosh Kumar Mukherjee (DIN: 06467351), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Paritosh Kumar Mukherjee (DIN: 06467351), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

- Initial Public Offer of Equity Shares of the Company**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 23, 62(1)(c) and all other applicable provisions, if any, of

the Companies Act, 2013, as amended and the rules and regulations made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) (the **"Companies Act"**), and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956, and the rules made thereunder, as amended (**"SCRA"**), the Securities Contract (Regulation) Rules, 1957, as amended (**"SCRR"**), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **"SEBI Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI Listing Regulations"**) the Foreign Exchange Management Act, 1999, as amended (the **"FEMA"**) and the rules and regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, and any other applicable rules, regulations, guidelines, clarifications, press notes, circulars and notifications issued by the Government of India (**"GoI"**), the Department for Promotion of Industry and Internal Trade (**"DPIIT"**), the Reserve Bank of India (**"RBI"**), the Securities and Exchange Board of India (**"SEBI"**) and any other applicable laws, rules and regulations, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) (collectively, the **"Applicable Laws"**), and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Company and the uniform listing agreements to be entered into between the Company and the respective stock exchanges where the Equity Shares are proposed to be listed (the **"Stock Exchanges"**), and subject to any approvals, consents, permissions and sanctions as may be required from the Government of India (**"GoI"**), the Registrar of Companies, Uttar Pradesh at Kanpur (**"RoC"**), the SEBI, the RBI and all other appropriate statutory authorities and departments (collectively, the **"Regulatory Authorities"**) and any third parties, and subject to such governmental and regulatory conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as the **"Board"**) which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution), the consent and approval of the shareholders be and is hereby accorded for an initial public offering of equity shares of face value of ₹1/- each of the Company (the **"Equity Shares"**) which will comprise of an offer for sale of Equity Shares (**"Offer for Sale"**) by certain existing shareholders of the Company (the **"Selling Shareholders"**) in the Offer (the

"Offer"), for cash either at par or premium (with an option to the Company to retain an over-subscription to the extent of 1% of the net Offer, for the purpose of rounding off to the nearest integer to make allotment while finalizing the basis of allotment in consultation with the designated stock exchange), at a price to be determined, by the Company in consultation with the BRLMs, through the book building process in terms of the SEBI Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as permitted under Applicable Laws and as may be fixed and determined by the Company in consultation with the BRLMs in accordance with the SEBI Regulations, who may or may not be the shareholder(s) of the Company as the Board may, decide, including anchor investors, if any, or qualified institutional buyers, each as defined under the SEBI Regulations, one or more of the members of the Company, eligible employees (through a reservation or otherwise), Hindu undivided families, registered foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, registered alternative investment funds, venture capital funds, foreign venture capital investors, non-resident Indians, state industrial development corporations, insurance companies, provident funds with minimum corpus of twenty five Crore rupees, pension funds with minimum corpus of twenty five Crore rupees registered with the Pension Fund Regulatory and Development Authority, National Investment Fund, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, trusts/societies registered under the Societies Registration Act, 1860, as amended, development financial institutions, systemically important non-banking financial companies, Indian mutual funds, Indian public, bodies corporate, companies (private or public) or other entities (whether incorporated or not), authorities, and to such other persons including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof and/or any other category of investors as may be permitted to invest under Applicable Laws by way of the Offer in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer and on such terms and conditions as may be finalised by the Board in consultation with the BRLMs through an offer document, prospectus and/or an offering memorandum, as required, and that the Board in consultation with the BRLMs may finalise all matters incidental thereto as it may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Law, including without limitation, eligible employees (the **"Reservation"**) or to provide a discount to the Offer price to retail individual bidders or eligible employees (the **"Discount"**), at the discretion of the Board; and to take any and all actions in connection with any Reservation or Discount as the Board

may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.

RESOLVED FURTHER THAT the Board may invite the existing shareholders of the Company to participate in the Offer by making an Offer for Sale in relation to such number of Equity Shares held by them, and which are eligible for the Offer for Sale in accordance with the SEBI Regulations, as the Board may determine in consultation with the BRLMs, subject to the receipt of consent of SEBI, GoI, RBI, the RoC and/or such other approvals, permissions and sanctions of all other concerned statutory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined by the book building process in terms of the SEBI Regulations, for cash at such premium per share as may be fixed and determined by the Company in consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI Regulations or other Applicable Laws, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer in accordance with the terms of any agreements executed with the Selling Shareholders and the BRLMs and/or underwriters and/or other advisors appointed for the Offer, and subject to Applicable Law and to such category of investors as may be permitted under Applicable Law.

RESOLVED FURTHER THAT the Equity Shares to be transferred pursuant to the Offer shall be listed on one or more recognized stock exchanges in India.

RESOLVED FURTHER THAT the Equity Shares to be transferred under the Offer (including any Reservation or green shoe option) shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company including rights in respect of dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any issue and transfer of Equity Shares pursuant to the Offer, the Board, or IPO Committee thereof, in consultation with the BRLMs, may determine the terms of the Offer including the class of investors to whom the Equity Shares are to be transferred, the number of Equity Shares to be transferred, Offer price, premium amount, discount (as allowed under Applicable Laws), listing on one or more stock exchanges in India as

the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and to negotiate, finalize and execute such deeds, documents agreements and any amendment thereto, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLMs, underwriters, escrow agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the Offer, transfer of the Equity Shares, and utilization of the Offer proceeds, if applicable and such other activities as may be necessary in relation to the Offer and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as it may, in its absolute discretion, deem fit and proper in the best interest of the Company and the Offer, without requiring any further approval of the shareholders, except as required under law, and that all or any of the powers conferred on the Board pursuant to these resolutions may be exercised by the Board or such committee thereof as the Board may constitute in its behalf.

RESOLVED FURTHER THAT subject to compliance with Applicable Laws such Equity Shares as are not subscribed may be disposed of by the Board in consultation with the BRLMs to such persons and in such manner and on such terms as the Board in its absolute discretion thinks most beneficial to the Company including offering or placing them with banks/ financial institutions/ investment institutions/ mutual funds/ bodies corporate/ such other persons or otherwise.

RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, and/or a duly constituted committee thereof, including the IPO committee, be and are hereby severally authorized to execute and deliver any and all other documents, papers or instruments, issue and provide certificates and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Offer; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.

RESOLVED FURTHER THAT all monies received out of the Offer shall be transferred to a separate bank account opened for the purpose of Offer referred to in Section 40(3) of the Companies Act, 2013, and application monies received pursuant to the Offer shall be refunded within such

time, as specified by SEBI and in accordance with applicable law, or the Company and/or the selling shareholders shall pay interest on failure thereof, as per applicable law and in consultation with the BRLMs.

RESOLVED FURTHER THAT the Board or IPO Committee thereof, be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any transfer and allotment of Equity Shares pursuant to the Offer, including but without limitation, the following:

- i. constituting a committee, or empowering the existing IPO Committee, for the purposes of issue, transfer, offer and allotment of Equity Shares, and other matters in connection with or incidental to the Offer, including the pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening date and bid / Offer closing date, determining the classes of investors to whom Equity Shares may be transferred, determining the anchor investor portion and allocating such number of Equity Shares to anchor investors in consultation with the BLRMs and in accordance with the SEBI ICDR Regulations and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;
- ii. making available for allocation, a portion of the Offer to any category(ies) of persons permitted under Applicable Laws, including without limitation, eligible employees of the Company (the "**Reservation**") and/or to provide a discount to the Offer price to any category(ies) of persons permitted under Applicable Laws, including without limitation, retail individual bidders and/or eligible employees (the "**Discount**") and to take any and all actions in connection with any Reservation or Discount as the Board or IPO committee thereof, in consultation with the BRLMs, may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board or duly constituted committee thereof may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing;
- iii. authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in

his/her/its absolute discretion may deem necessary or desirable in connection with the issue, transfer, offer and allotment of Equity Shares pursuant to the Offer;

- iv. giving or authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- v. to invite the existing shareholders of the Company to participate in the Offer to offer for sale Equity Shares held by them at the same price as in the Offer;
- vi. to open and operate bank account(s) of the Company in terms of the escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- vii. appointing the BRLMs in accordance with the provisions of the SEBI ICDR Regulations and other applicable laws;
- viii. taking on record the approval of the existing shareholder(s) who express their intention to participate in the Offer to offer their Equity Shares in the Offer for Sale;
- ix. seeking, if required, any approval, consent or waiver from the Company's lenders, industry data providers and / or parties with whom the Company has entered into various commercial and other arrangements / agreements including, without limitation, customers, suppliers, strategic partners of the Company, and / or any / all concerned governmental and regulatory authorities in India, including the RBI and SEBI and / or any other approvals, consents or waivers that may be required in connection with the issue, transfer, offer and allotment of Equity Shares and approving and issuing advertisements in relation to the Offer, and taking such actions or giving such directions as may be necessary or desirable and to obtain such approvals, consents or waivers, as it may deem fit;
- x. deciding in consultation with the BRLMs the pricing and terms of the Equity Shares, and all other related matters, including the determination of the minimum subscription for the Offer, in accordance with Applicable Laws;
- xi. approving the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**") and the prospectus ("Prospectus") (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient) in relation to the Offer as finalized in consultation with the BRLMs, in accordance with Applicable Laws;

- xii. withdrawing the DRHP or the RHP or not proceeding with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs;
- xiii. settling any questions, difficulties or doubts that may arise in relation to the Offer, in consultation with the BRLMs if the need so arises;
- xiv. approving suitable policies on insider trading, whistle blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- xv. seeking the listing and trading approval of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing and trading approval;
- xvi. appointing, in consultation with the BRLMs, the registrar, advertisement agency, monitoring agency and other intermediaries to the Offer, in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws, as well as legal counsels and banks or other agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries / agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries / agents;
- xvii. finalizing and arranging for the DRHP to be submitted to the SEBI and the Stock Exchanges for receiving comments, the RHP and the Prospectus to be filed with the Registrar of Companies, and any corrigendum, addendum, amendments or supplements thereto;
- xviii. authorizing of the maintenance of a register of holders of the Equity Shares;
- xix. finalizing of the basis of allotment of the Equity Shares in accordance with Applicable Laws;
- xx. issuing advertisements in such newspapers as it may deem fit and proper in accordance with the SEBI ICDR Regulations and other Applicable Laws;
- xxi. delegating its powers as may be deemed necessary and to the extent allowed under Applicable Laws to the committees of the Board or the officials of the Company;
- xxii. approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the offering, Offer, transfer and allotment of the Equity Shares,;

xxiii. accepting and appropriating of the proceeds of the Offer in accordance with Applicable Laws; and

xxiv. to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Offer.

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions."

5. Adoption of new set of Articles of Association of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended, and other applicable provisions, if any, and in order to align the articles of association of the Company (the **"Articles of Association"**) with the listing requirements of the stock exchanges where the Equity Shares of the Company are proposed to be listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, subject to the necessary approvals required, of the shareholders of the Company and that of the Registrar of Companies, Uttar Pradesh at Kanpur (**"RoC"**), and further subject to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by the RoC, and the Securities and Exchange Board of India and stock exchanges in connection with listing of equity shares, in accordance with the enabling provisions of the memorandum and articles of association and subject to the applicable provisions of any other applicable law the set of existing articles of association, as placed before the shareholders of the Company be and is hereby substituted with the amended set of articles of association placed before the shareholders of the Company and the same be approved and be adopted as articles of association, in total exclusion and substitution of the existing articles of association.

RESOLVED FURTHER THAT any of the directors, chief financial officer, company secretary of the Company, and such other persons as may be authorised by the board of directors of the Company be and are hereby severally authorised to issue certified true copies of these resolutions and the same may be forwarded to concerned authorities for necessary action and do all such acts, deeds, matters

and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Uttar Pradesh at Kanpur.

RESOLVED FURTHER THAT any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized by the Company to certify a copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any."

6. Approval of Employee Stock Option ("ESOP 2025") Scheme 2025

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the **"Act"**) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (**"Rules"**) and other applicable provisions, if any, of the Act, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**"SEBI SBEB & SE Regulations"**) (once applicable), pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**), the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (**"FEMA Regulations"**) and other applicable provisions for the time being in force and as may be amended from time to time, and subject to other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred to herein as the **"Applicable Laws"**), the memorandum of association and articles of association of Lohia Corp Limited (**"Company"**), and subject to any other approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as the **"Board"**, which shall include the nomination and remuneration committee (**"NRC"**), the approval of the members be and is hereby accorded for the adoption of the LCL Employee Stock Option Scheme 2025 (**"ESOP 2025"**) for the benefit of the eligible employees of the Company, the salient features of which are furnished in the explanatory statement to this notice.

RESOLVED FURTHER THAT, the approval of the members of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot in one or more tranches under ESOP 2025, at any time to or for the benefit of the eligible employees of the Company, such number of employee stock options (**"Options"**) be exercisable into not more than 50,00,000 (Fifty Lakh) equity shares (subject to adjustments), at such price and on such terms and conditions as may be fixed or determined by the NRC in accordance with Applicable Laws as may be prevailing at that time.

RESOLVED FURTHER THAT, the equity shares allotted pursuant to the exercise of the Options, as the case may be, shall rank pari-passu in all respects with the existing fully paid-up equity shares of the Company.

RESOLVED FURTHER THAT, in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation or sale of division/undertaking or other re-organization etc., the number of above-mentioned employee stock options in ESOP 2025 shall be appropriately adjusted.

RESOLVED FURTHER THAT, the Board be and is hereby severally authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the terms and conditions of ESOP 2025, in accordance with the terms of ESOP 2025 and subject to Applicable Laws prevailing from time to time, as it may deem fit.

RESOLVED FURTHER THAT, for the purpose of bringing into effect and implementing ESOP 2025 and generally for giving effect to these resolutions, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

7. Approval of LCL Employee Stock Option Scheme 2025 ("ESOP 2025") for eligible employees of Company's subsidiary company(ies)

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the **"Act"**) and read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (**"Rules"**) and other applicable provisions, if any, of the Act, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**"SEBI SBEB & SE Regulations"**) (once applicable), and pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**), the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (**"FEMA Regulations"**) and other applicable provisions for the time being in force and as may be amended from time to time, and subject to other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred to as **"Applicable Laws"**), the memorandum of association and articles of association of Lohia Corp Limited (**"Company"**), and subject to any other approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while

granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (hereinafter referred to as the **"Board"**, which shall include the nomination and remuneration committee (**"NRC"**), the approval of the members of the Company be and is hereby accorded to the adoption of the LCL Employee Stock Option Scheme 2025 (**"ESOP 2025"**), for the benefit of the eligible employees of the Company's holding or subsidiary company under ESOP 2025, the salient features of which are furnished in the explanatory statement to this notice.

RESOLVED FURTHER THAT, the approval of the members of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot in one or more tranches under ESOP 2025, at any time to or for the benefit of the eligible employees of the holding company and subsidiary company, such number of employee stock options (**"Options"**) (as the case may be) exercisable into not more than 50,00,000 (Fifty Lakh) equity shares (subject to adjustments), at such price and on such terms and conditions as may be fixed or determined by the NRC in accordance with Applicable Laws as may be prevailing at that time.

RESOLVED FURTHER THAT, the equity shares allotted pursuant to the exercise of the Options, as the case may be, shall rank pari-passu in all respects with the existing fully paid-up equity shares of the Company.

RESOLVED FURTHER THAT, in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation or sale of division/undertaking or other re-organization etc. the number of above-mentioned employee stock options in ESOP 2025 shall be appropriately adjusted.

RESOLVED FURTHER THAT, the Board be and is hereby severally authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the terms and conditions of ESOP 2025, in accordance with the terms of ESOP 2025 and subject to Applicable Laws prevailing from time to time, as it may deem fit.

RESOLVED FURTHER THAT, for the purpose of bringing into effect and implementing ESOP 2025 and generally for giving effect to these resolutions, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

8. Increase in investment limits for Non-Resident Indians and Overseas Citizens of India

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, subject to the approval of the shareholders of the Company and pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, as amended (**"FEMA"**), Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, Master Direction – Foreign Investment issued by the Reserve Bank of India, as amended, the Consolidated FDI Policy Circular of 2017, as amended and the Companies Act, 2013, as amended, and the rules and regulations notified thereunder (collectively referred to as the **"Companies Act"**) and subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India (**"RBI"**), the Ministry of Finance, the Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions which may be agreed to by the Board, the limit of investment by Non-Resident Indians (**"NRI"**) and Overseas Citizens of India (**"OCI"**) in the equity shares of the Company, including, without limitation, by subscription in the initial public offering in accordance

with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended is increased from 10% to 24% of the paid-up equity share capital of the Company.

RESOLVED FURTHER THAT to give effect to the above resolutions, Mr. Anupam Agarwal, Chief Financial Officer and Ms. Shikha Srivastava, Company Secretary & Compliance Officer, be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, Uttar Pradesh at Kanpur. and the RBI to effectively implement this resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary is authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action."

By order of the Board of Directors
for Lohia Corp Limited

Shikha Srivastava
Company Secretary & Compliance Officer
ACS 22406

Kanpur, June 19, 2025



Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members, **if any**, intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the General Meeting.
3. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the Annual General Meeting as set out in the Notice, is enclosed hereto and forms part of the Notice.
4. Members are requested to notify immediately any change in their address quoting their Folio No./Client ID & DP ID to Company or to R & T Agents.
5. Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund and no payment shall be made in respect of any such claims by the Fund. Pursuant to the aforesaid provisions of the Companies Act, 2013, no amount is due for transfer to the Investor Education and Protection Fund.
6. Members desiring any information as regards the Annual Accounts are requested to write to the Company at least 2 days before the date of the meeting, so as to enable the management to keep the information ready.

7. Copies of Annual Report:

Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting. The copies of Annual Reports shall not be made available at the venue of the Meeting.

8. Attendance Slip:

Members / Proxies attending the Meeting should bring the Admission Slip, duly filled, for handing over at the venue of the meeting.

9. Registrar and Transfer Agents:

The address of Registrars and Transfer Agents of the Company is as follows:

MUFG INTIME INDIA PVT. LTD.
C101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai – 400 083
Contact No.: (022) 49186000 Fax No.: (022) 49186060

10. Route Map showing Directions to reach to the venue of the Meeting is given at the end of this Notice.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out the material facts relating to Item Nos. 4 to 7 of the accompanying Notice.

Item No. 4

The Company proposes to undertake an initial public offering of equity shares of face value of ₹1/- each of the Company ("**Equity Shares**") which shall comprise of an offer for sale of Equity Shares by certain existing shareholders ("**Offer**"). The Company intends to at the discretion of the board of directors of the Company ("**Board**"), undertake the Offer and list its Equity Shares at an opportune time in consultation with the book running lead managers ("**BRLMs**") and other advisors and subject to applicable regulatory approvals and other approvals, to the extent necessary.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, 2013 ("**Companies Act**"), the approval of the shareholders of the Company is required through a special resolution.

The Company proposes to undertake an Offer for Sale by certain existing shareholders, on such terms and at such price or prices and at such time as may be considered appropriate by the Company in consultation with the BRLMs, to the various categories of permitted investors who may or may not be the shareholder(s) of the Company in the initial public offer by way of the book building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). The Equity Shares offered and allotted pursuant to the Offer shall rank in all respects pari passu with the existing Equity Shares of the Company. As this is an Offer for Sale, the Company will not receive any proceeds from the Offer, and all proceeds will be received by the selling shareholders. The details of the selling shareholders will be disclosed in the draft red herring prospectus, red herring prospectus, and the prospectus.

None of the directors, key managerial personnel or senior managerial personnel of the Company, or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution in Item No. 4 of the accompanying Notice for your approval as special resolution.

Item No. 5

The Company is proposing to undertake an initial public offer of the equity shares of face value of ₹1/- each ("**Equity Shares**") of the Company comprising of an offer for sale of Equity Shares by certain existing shareholders ("**Offer**") and list the Equity Shares on one or more of the stock exchanges.

The Articles of Association are required to be amended in view of the proposal of the Company to undertake the Offer and list the Equity Shares on one or more of the recognised stock exchanges

in India. The Company therefore proposes to adopt a new set of Articles of Association that shall conform to the requirements and directions provided by the stock exchanges prior to filing of the draft red herring prospectus with the SEBI and the relevant stock exchanges and contain such other articles as required by a public limited company under applicable laws (including the Companies Act, 2013).

The copies of the existing and proposed altered Articles of Association of the Company are available for inspection by the members at the registered office of the Company on all working days, during business hours up to the date of the meeting and will also be made available at the meeting.

None of the directors, key managerial personnel, senior management of the Company or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolutions, except to the extent of their shareholding in the Company.

The Board recommended the passing of the resolution at Item No. 5 of the notice as a special resolution.

Item No. 6 & 7

Lohia Corp Limited ("**Company**") values employees who are committed to building a successful organization and in order to incentivize, induce, reward and motivate the employees to contribute effectively towards the future growth and profitability of the Company, the nomination and remuneration committee ("**NRC**") and the board of directors ("**Board**") of the Company in their meeting(s) held on, June 18, 2025, have recommended and approved, LCL Employee Stock Option Scheme ("**ESOP 2025**") in terms of the Companies Act, 2013 along with the rules and regulations made thereunder, each as amended ("**Act**"). The ESOP 2025 shall be administered by the NRC constituted by the Company.

The Company intends to implement ESOP 2025 to reward eligible employees for their association, dedication and contribution to the goals of the Company. The Company also intends to use ESOP 2025 to attract and retain key talents by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability of the Company. The Company views employee stock options ("**Options**") as instruments that would enable employees to get a share in the value, they create for the Company in the years to come.

In terms of rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 ("**Share Capital Rules**"), for issue of equity shares to the employees of the Company, the approval of the existing members by way of special resolution is required. Further, as per rule 12(4)(a) of the Share Capital Rules, separate special resolution is also required to be passed for grant of Options to the employees of the subsidiary(ies) company.



The resolutions contained at Items No. 6 and 7 seeks to obtain the members' approval to authorize the NRC to create, grant, issue, offer and allot shares, from time to time, to the employees of the its subsidiary company(ies) under ESOP 2025 and undertake such action as may be necessary for the administration of the Options.

The salient features and other details of ESOP 2025, as required under rule 12(2) of the Share Capital Rules are as under:

(a) Brief Description of ESOP 2025:

The objective of ESOP 2025 is to reward the eligible employees for their association, dedication and contribution to the goals of the Company. The Company also intends to use the ESOP 2025 to attract and retain key talents by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability of the Company. The Company views Options as instruments that would enable the employees to get a share in the value, they create for the Company in the years to come.

(b) Total number of employee stock options to be granted:

A maximum of 50,00,000 (Fifty Lakh) employee stock options ("**Options**") in aggregate may be offered or granted to the eligible employees under the ESOP 2025, which on exercise would not entitle more than 50,00,000 (Fifty Lakh) equity shares (subject to adjustments as may be required due to any corporate action), at such price as may be fixed or determined by the NRC in accordance with applicable laws as may be prevailing at that time and on such terms and conditions as set out in the ESOP 2025.

(c) Identification of classes of employees entitled to participate in ESOP 2025:

The following classes of employees (present and future employees) shall be entitled to participate in ESOP 2025:

Prior to listing:

- (i) a permanent employee of the Company who has been working in India or outside India; or
- (ii) a director of the Company, whether a whole time director or not but excluding an independent director;
- (iii) an employee as provided for in sub-clause (i) or (ii), of a subsidiary(ies) in India or outside India, or of a holding company of the Company.

but does not include:

- (i) an employee who is a promoter or a person belonging to the promoter group; or
- (ii) a director who either himself / herself or through his or her relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the company.

Post listing:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a whole-time director or not, including a non-executive director, who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii) above, of a group company including subsidiary (ies) or its associate company, in India or outside India, or of a holding company of the Company:

but excludes—

- (i) an employee who is a promoter or belongs to the promoter group;
- (ii) director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.

(d) The appraisal process for determining the eligibility of employee for the ESOP 2025:

The appraisal process for determining the eligibility of the employees shall be decided from time to time by the NRC. The broad criteria for appraisal and selection may include parameters like tenure of association, performance during the previous years, potential contribution towards strategic growth, contribution to team building and succession and such other criteria as may be decided from time to time.

(e) Requirements of vesting and period of vesting:

Requirements of vesting: Options granted under the ESOP 2025 shall vest not earlier than statutory minimum vesting period of 1 (one) year (except in events of occurrence of death or permanent incapacity while in employment) and not later than 5 (five) years commencing from the date of grant of such options.

However, in cases where Options are granted by the Company under ESOP 2025 in lieu of Options held by an employee under a similar scheme in another company ("**Transferor Company**") which has merged or amalgamated with the Company, the period during which the Options granted by the Transferor Company were held by the employee shall be adjusted against the minimum vesting period.

Vesting of Options would be subject to continued employment or service, subject to the condition that the option grantee is not serving any notice of resignation or termination. Further, the NRC may prescribe achievement of any performance condition(s) for vesting as deemed appropriate. Unless the eligibility criteria factors-in

performance of the option grantees for the purposes of the grant, the NRC shall endeavor to impose mandatory performance vesting conditions for all or a part of the vesting of Options. The specific vesting schedule and vesting conditions subject to which vesting would take place would be outlined in the letter of grant issued to the option grantee.

The vesting of Options granted to the employees may expire or lapse or forfeit (as the case maybe) in the following circumstances:

- (i) In the event that a show cause notice or an enquiry is being or has been initiated against the option grantee by the Company (whether during the employment or post termination of employment), then all options (unvested options and vested options) granted to the option grantee shall be kept in abeyance.
- (ii) In case where an option grantee is found in breach of confidentiality clause, the Company has undisputed right to terminate any agreement, and all unexercised Options shall stand cancelled immediately.
- (iii) In the event of termination of employment of an employee with the Company on account of the following circumstances:
 - a. Resignation or termination of an option grantee for reasons other than due to misconduct: All unvested Options on the date of submission of resignation or notice of termination shall expire with effect from that date.
 - b. Termination due to misconduct: All unvested Options or vested Options (which were not exercised at the time of such termination) shall expire with effect from the date of such termination.
 - c. Retirement: Prior to listing, all the unvested options as on the date of retirement shall expire with effect from that date. Post listing, all the unvested options as on the date of retirement would continue to vest in accordance with the original vesting schedule even after retirement.
 - d. Death or permanent incapacity: All unvested options as on the date of death or permanent incapacity (as the case may be) shall vest immediately.
 - e. Separation for other reasons apart from those mentioned above: All the unvested options as on the date of separation shall expire with effect from that date unless otherwise required under applicable law.

Period of vesting: Options granted under the ESOP 2025 shall vest not earlier than statutory minimum vesting period of 1 (one) year (except in events of death or permanent incapacity) and not later than 5 (five) years commencing from the date of grant of such options.

(f) Maximum period within which the Options shall be vested:

Subject to clause (e) above, the maximum vesting period of any Option granted to an option grantee shall not be later than 5 (five) years commencing from the date of grant of such options.

(g) The exercise price or the formula for arriving at the same:

The exercise price of the Options shall be as follows:

- (i) **For Options granted prior to listing**: Subject to the accounting policies and pricing regulations required to be followed under applicable law, including regulation 15 and 17 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB & SE Regulations**"), the exercise price per such Option shall be subject to 40% (Forty percentage) discount to the initial public offer price.
- (ii) **For Options granted post listing**: Subject to the accounting policies and pricing regulations required to be followed under applicable law, including Regulation 15 and 17 of SEBI SBEB & SE Regulations, the exercise price per such Option shall be such as may be determined by the NRC subject to a maximum discount:
 - (a) up to 40% (Forty percentage) of initial public offer price, in case grant is made within first 6 (six) months of listing; and
 - (b) up to 40% (Forty percentage) of market price as on date of grant, in case grant is made after first 6 (six) months of listing.

(h) The exercise period and process of exercise:

- (i) Exercise period: The exercise period shall be maximum period of 5 (five) years from the date of respective vesting or such other

shorter period as may be decided by the NRC from time to time.

- (ii) Process of exercise: The Options shall be deemed to have been exercised when an employee makes an application in writing to the Company complete in all respects or by any other means as decided by the NRC, for the issue of shares against the Options vested in him.

(i) Lock-in period, if any:

Not applicable

(j) Maximum number of Options to be granted per employee and in aggregate:

A maximum of 50,00,000 (Fifty Lakh) Options may be offered or granted under the ESOP 2025, which on exercise would not entitle more than 50,00,000 (Fifty Lakh) equity shares (subject to adjustments as may be required due to any corporate action), at such price and on such terms and conditions as may be fixed or determined by the NRC in accordance with applicable laws as may be prevailing at that time.

The maximum number of Options that may be granted to any specific employee shall vary depending upon the designation and the appraisal / assessment process, but it shall not exceed 2,00,000 (Two Lakh) Options per employee. However, the NRC reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to an employee within this ceiling.

(k) The method which the Company shall use to value its Options:

The method of valuation of the options shall be determined in accordance with the applicable accounting standards, as prescribed from time to time.

(l) The conditions under which option vested in employees may lapse:

The vested Options may expire or lapse or forfeit (as the case maybe) in the following circumstances:

- (i) All Options which are vested with an option grantee while in employment but are not exercised within the specific exercise period, shall automatically lapse.
- (ii) In case where an option grantee is found in breach of confidentiality clause, the Company has undisputed right to terminate any agreement, and all unexercised Options shall stand cancelled immediately.

- (iii) **In case of resignation or termination of an option grantee for reasons other than due to misconduct**: While all the vested Options as on date of submission of resignation or notice of termination may be exercised by the option grantee within 3 (three) months from the date of resignation or termination, however if not exercised, shall lapse.

- (iv) **In case of termination for misconduct**: All the vested options (to the extent such options are not exercised at the time of such termination) shall expire with effect from the date of such termination.

- (v) **In case of retirement**: All vested Options can be exercised by the option grantee within 12 (twelve) months from the date of retirement, and if not exercised within such period, shall lapse.

- (vi) **In case of death or permanent incapacity while in employment**: All Vested Options as on the date of death or permanent incapacity (as the case may be) may be exercised by the option grantee / deceased option grantee's nominee / legal heir immediately after, but in no event later than 12 (twelve) months from the date of death or permanent incapacity (as the case may be). Vested Options not exercised in this period shall lapse.

- (vii) **In case of occurrence of permanent incapacity while in employment**: All vested Options as on date of death or permanent incapacity (as the case may be) may be exercised by the option grantee / nominee / legal heir (as the case may be), immediately after, but in no event later than 12 (twelve) months from the date of such death or incapacity. If not exercised, such vested options will lapse.

(m) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee shall be as provided for below, in the following circumstances:

- (i) **In case of resignation or termination for reasons other than due to misconduct**: All the vested Options as on date of submission of resignation or notice of termination may be exercised by the option

grantee within 3 (three) months from the date of resignation or termination.

- (ii) In case of retirement: All the vested Options as on date of retirement can be exercised by the option grantee within 12 (twelve) months from the date of retirement. Post listing, all the unvested options as on the date of retirement would continue to vest in accordance with the original vesting schedule even after retirement and may be exercised within 12 (twelve) months of vesting.
- (iii) In case of death or permanent incapacity while in employment: All vested Options as on the date of death or permanent incapacity (as the case may be) may be exercised by the option holder / deceased option grantee's nominee / legal heir immediately after, but in no event later than 12 (twelve) months from the date of death or permanent incapacity (as the case may be).
- (iv) In case of separation for other reasons apart from those mentioned above: The NRC shall decide whether vested Options as on the date of separation can be exercised by the option grantee or not, and such decision shall be final.
- (n) A statement to the effect that the Company shall conform to the applicable accounting standards:
The Company shall conform to the applicable accounting standards.
Accordingly, the resolutions set as Items No. 6 and 7 are being placed for the approval of members of the Company.

Pursuant to Section 102 of the Act, the Board do hereby confirm that none of the directors and key managerial personnel (as defined under the Act) and their immediate relatives is concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company or to the extent of Options that be granted to them, in accordance with the applicable law.
The Board thereby recommends the passing of the proposed resolution stated in Items No. 6 and 7 of the notice of meeting for approval of members as a special resolution.

Item No. 8
In terms of Foreign Exchange Management Act, 1999, as amended ("FEMA"), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended (the "FEMA Rules"), Master Direction – Foreign Investment issued by the Reserve Bank of India, as amended, and the Consolidated FDI Policy Circular of 2020 dated 15th October 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India as amended (together with the FEMA and FEMA Rules, the "FEMA Laws"), the Non-resident Indians ("NRIs") and Overseas Citizens of India ("OCIs"), together, can acquire and hold up to an aggregate limit of 10% of the paid up equity share capital of an Indian company. The FEMA Laws further provide that the limit of 10% can be further increased up to 24%, by passing a special resolution to that effect by the shareholders and followed by necessary filings with Reserve Bank of India. Considering the proposal of intending to get the equity shares of the Company listed, the Board may consider, to increase the foreign investment limit of NRIs and OCIs, together from 10% to 24% of the paid-up equity share capital of the Company.

The board of directors of the Company recommends the resolutions set out at Item No. 8 of the accompanying Notice for your approval as special resolutions.

By order of the Board of Directors
for Lohia Corp Limited
Shikha Srivastava
Company Secretary & Compliance Officer
ACS 22406

Kanpur, 19 June 2025

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]

CIN: U28261UP2023PLC183476
Name of the Company: Lohia Corp Limited
Registered Office: D-3/A, Panki Industrial Estate, Kanpur – 208022

Form fields: Name of the member (s), Registered address, E-mail Id, Folio No/Client Id, DP ID: N/A

I/we, being the member (s) of the above-named Company, holding _____ Equity shares, hereby appoint:

- 1. Name:
Address:
E-mail Id:
Signature: ; or failing him
- 2. Name:
Address:
E-mail Id:
Signature: ; or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2nd Annual General Meeting of the Company to be held on Saturday, the 21st day of June 2025 at 12:00 P.M. at its Head Office at Lohia Industrial Complex, Chaubepur, Kanpur, and at any adjournment thereof in respect of such resolutions as are indicated in the Notice of the meeting enclosed herewith.

Signed this _____ day of _____ 2025.

Signature of Shareholder
Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: 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.

ATTENDANCE SLIP

DP ID.		FOLIO NO.	
CLIENT ID		NO. OF SHARES	

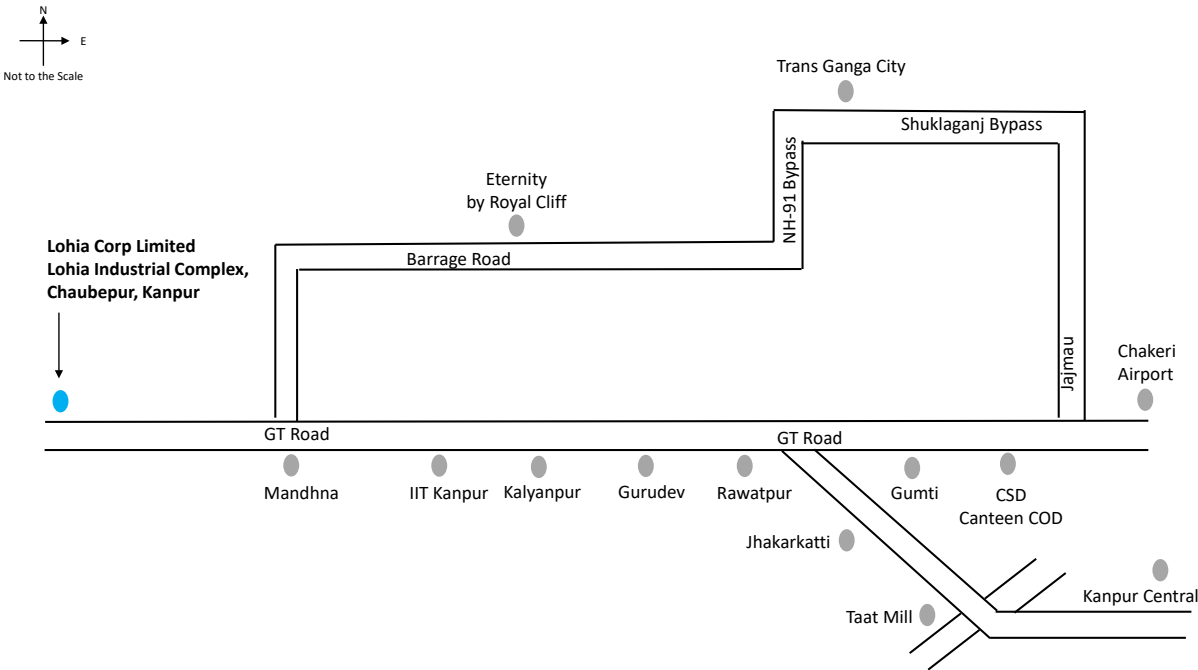
Name & Address of Shareholder / Proxy holder:

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 2nd Annual General Meeting of the Company held on Saturday, the 21st day of June 2025 at 12:00 P.M. at its Head Office at Lohia Industrial Complex, Chaubepur, Kanpur.

Member's / Proxy's Signature

Note: Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall.

ROUTE MAP





Directors' **Report**



DIRECTORS’ REPORT

Dear Shareholders,
Your Directors are pleased to present the 2nd Annual Report and Audited Statement of Accounts of the Company for the year ended March 31, 2025.

FINANCIAL SUMMARY AND HIGHLIGHTS

Financial performance of the Company for the year is summarized below:

Table with 3 columns: Particulars, Standalone Results, Consolidated Results. Rows include Revenue from operations, EBITDA, Profit / (Loss) Before Tax (PBT), Profit / (Loss) After Tax (PAT) (A), and Total Comprehensive Income (A+B).

Material Changes and Commitments, if any, affecting the Financial Position

In the financial year 2023-24, a Scheme of Arrangement (“Scheme”) was filed before the Hon’ble National Company Law Tribunal, Allahabad Bench (“NCLT”), involving Lohia Trade Services Limited (formerly known as Lohia Corp Limited) (“LTSL”) and Lohia Corp Limited [formerly known as Kanpur Packaging Machines Limited] (“LCL”).

Performance and Outlook of Future:

During the year under review, the Company reported a consolidated Revenue from Operations of ₹13,768.72 million with an EBITDA of ₹2,286.02 million, while the standalone Revenue from Operations stood at ₹13,101.04 million with an EBITDA of ₹2,201.05 million.

The performance during the year under review was driven by operational efficiency, streamlined cost structure and continued focus on customer-centric solutions across geographies.

Following the successful implementation of the Scheme, the Company is well-positioned for long-term growth with focus on Core Business. As a leading end-to-end solution provider for the entire eco-system of woven plastics, offering services from concept to commissioning, your Company continues to strengthen its market position backed by global sales network.

Dividend

The Board of Directors have recommended a final dividend of ₹1.75/- (One rupee and seventy-five paise only) per equity share of ₹1/- (Rupees One only) each fully paid-up of the Company for the Financial year 2024-2025.

Initial Public Offering

The Company proposes to make an initial public offer by way of offer for sale, by existing shareholders, in accordance with the (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) on such terms, in such manner, at such time and at a price to be determined by the book building process in accordance with applicable laws.

Share Capital

At the beginning of the financial year, the Company’s authorised share capital was ₹10,00,000 (Rupees Ten Lakhs only), comprising 10,00,000 equity shares of ₹1 (Rupee One only) each.

During the year under review, the Capital Clause of Memorandum of Association of the Company was altered by increase of authorised share capital of the Company vide Special Resolution passed in the Extra-Ordinary General meeting dated 15th May, 2024 from ₹10,00,000 (Rupees Ten Lakhs) divided into 10,00,000 equity shares of ₹1 each to ₹12,60,00,000 [Rupees Twelve Crores Sixty Lakhs] divided into 12,60,00,000 equity shares of ₹1/- each.

Further, pursuant to the terms of the Scheme of Arrangement, an amount of ₹12,50,00,000 (Rupees Twelve Crores Fifty Lakhs only), representing 12,50,00,000 equity shares of ₹1 each, was transferred from the authorised share capital of LTSL to the authorised share capital of the Company, without any further act or deed. Accordingly, as on March 31, 2025, the authorised share capital of the Company stands at ₹25,10,00,000 (Rupees Twenty-Five Crores Ten Lakhs only), comprising 25,10,00,000 equity shares of ₹1 each.

Crisil Rating

The credit rating assigned by CRISIL for the Company’s various bank facilities is ‘AA-/Stable/A1+’, reflecting its strong market position, robust operating efficiency, and healthy financial profile.

Quality Standards

Your Company is accredited with the ISO 9001:2015 certification by Det Norske Veritas, Netherlands, confirming that its Quality Management System complies with ISO 9001:2015 standards.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 (“the Act”) read with Ind AS 110-Consolidated Financial Statements, Ind AS 28-Investments in Associates and Joint Ventures and Ind AS 31-Interests in Joint Ventures, the consolidated audited financial statement forms part of this Annual Report.

Subsidiary, Joint Venture and Associate Companies

The Company has one Indian and three overseas wholly owned subsidiaries, as well as one Indian and one overseas joint venture. Details of which are provided in a statement in Form AOC-1, containing salient features of the financial statement of subsidiaries and joint venture as on March 31, 2025 forms part of the consolidated financial statements in the Annual Report.

Secretarial Standards

The Company has followed the applicable Secretarial Standards, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Directors’ Responsibility Statement

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, the Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the annual accounts on a going concern basis.
- that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts or arrangements with Related Parties

All contracts/arrangements/ transactions entered by the Company with related parties were in the ordinary course of business and on arm’s length basis.

There were no materially significant transactions with Related Parties during the FY 2024-25 which were in conflict with the interest of the Company.

Suitable disclosures as required under Ind AS 24 have been made in the Notes to the Standalone financial statements.

Risk Management

The Company has a structured Group Risk Management Framework, designed to identify, assess and mitigate risks appropriately. The Risk Management Committee has been entrusted with the responsibility to assist the Board in:

- overseeing the Company’s enterprise wide risk management framework;
- ensuring that all material strategic and commercial risks including cybersecurity, safety and operations, compliance, control and financial risks have been identified and assessed; and
- ensuring that all adequate risk mitigation measures are in place to address these risks.

The Board of Directors reviewed the risk assessment and procedures involved in the Company and is of the opinion that there are no risks which may threaten the existence of the Company.

Internal Control Systems

Given the nature of business and size of operations of Core Undertaking, your Company's Internal Control System were designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

During the year under review, the following changes took place in the composition of the Board of Directors and Key Managerial Personnel of the Company:

Name of Director/KMP	Nature	Effective Date	Designation	Shareholders' Approval Date
Mr. Raj Kumar Lohia	Change in Designation	May 01, 2024	Director → Chairman & Managing Director	June 03, 2024
Mr. Paritosh Kumar Mukherjee	Appointment	May 01, 2024	Whole time Director	June 03, 2024
Mr. Rajendra Kumar Arya	Appointment	May 01, 2024	Whole time Director	June 03, 2024
Mr. Ujjal De	Appointment	May 01, 2024	Whole time Director	June 03, 2024
Ms. Shikha Srivastava	Appointment	May 01, 2024	Company Secretary & Compliance Officer	Not Applicable
Mr. KG Gupta	Appointment	May 01, 2024	Chief Financial Officer	Not Applicable
Mr. Anupam Agarwal	Cessation	June 24, 2024	Director	Not Applicable
Mr. Kamal Kumar Kejriwal	Cessation	June 24, 2024	Director	Not Applicable
Mr. Alok Saxena	Cessation	June 24, 2024	Director	Not Applicable
Mr. Ujjal De	Change in Designation	June 30, 2024	Whole-time Director → Non-Executive Director	Not Applicable
Mr. Naresh Kumar Gupta	Appointment	September 21, 2024	Independent Director	November 29, 2024
Ms. Keith Reddy Padmaja Reddy	Appointment	September 21, 2024	Independent Director	November 29, 2024
Mr. Gaurav Swarup	Appointment	September 21, 2024	Independent Director	November 29, 2024
Mr. Dinesh Kumar Mittal	Appointment	September 21, 2024	Independent Director	November 29, 2024
Mr. Basant Seth	Appointment	September 21, 2024	Independent Director	November 29, 2024

Subsequent to the close of the financial year, the Board of Directors, based on the recommendations of the Nomination & Remuneration Committee and the Audit Committee, appointed Mr. Gaurav Lohia as Whole-time Director & Chief Operating Officer of the Company with effect from April 25, 2025. His appointment was duly approved by the shareholders on 27th May 2025.

Additionally, Mr. K.G. Gupta resigned from the position of Chief Financial Officer effective April 24, 2025. On the recommendation of the Nomination & Remuneration Committee and the Audit Committee, the Board appointed Mr. Anupam Agarwal as Chief Financial Officer with effect from April 25, 2025.

The Company has received declarations from all the Independent Directors of the Company confirming that:

The Internal Control System provides for well documented policies/ guidelines, authorisations and approval procedures. The Internal Auditors carry out periodic audits at all locations and functions and bring out deviation, if any, in the Internal Control procedures. The observations arising out of the audit were periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of implementation were submitted to the Audit Committee.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Paritosh Kumar Mukherjee, Director of the Company, retire by rotation at the ensuing Annual General Meeting. The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, have recommended his re appointment.

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- b) they have registered their names in the Independent Directors' Databank.

The Company has devised Nomination & Remuneration Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as independent directors of the Company.

The Company's remuneration policy is directed towards rewarding performance, based on review of achievements.

The remuneration policy is in consonance with existing industry practice. There has been no change in the policy during the year under review. The said policy is available on the Company's website and can be accessed at https://www.lohiagroup.com/investor-relations

Criteria For Making Payment to Non-Executive Directors

Your Company compensates its Non-Executive Director(s) by paying sitting fees for attending meetings of the Board, its committees, or any other meetings, in accordance with the limits prescribed under the Companies Act, 2013.

Auditors and Auditors' Report

Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No.: 001076N/N500013) and M/s Anil Pariek & Garg, Chartered Accountants, (Firm Registration No.: 01676C), were appointed as the Auditors of the Company for a term of 5 (five) consecutive years, at the 1st Annual General Meeting held on August 27, 2024. The Auditors have confirmed that they are not disqualified from continuing as the Auditors of the Company.

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report, are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under section 134 of the Act.

Cost Auditors

The Board had re-appointed M/s. Rakesh Misra & Co., Cost Accountants, for the FY 2025-26, as Cost Auditors for conducting the audit of cost records of products and services of the Company for various segments as per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

In accordance with the provisions of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records.

Secretarial Auditor

The Board has appointed M/s. Adesh Tandon & Associates, Practising Company Secretaries, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2025 is annexed and marked as **Annexure B** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Disclosures

Meetings of the Board

The Board of Directors met 7 (Seven) times during the year under review. The details of board meetings are provided below:

Sr. No.	Date of Board Meeting
1	01.05.2024
2	09.05.2024
3	02.06.2024
4	24.06.2024
5	01.08.2024
6	21.09.2024
7	15.01.2025

Furthermore, in accordance with the requirements of the Companies Act, 2013, a meeting of the Independent Directors was held to evaluate the performance of the Non-Independent Directors, the Board as a whole, and the Chairman & Managing Director of the Company.

Board Committees

The following committees were constituted during the year under review:

1. Audit Committee

Name of Director	Position on the Committee
Mr. Basant Seth	Chairman
Mr. Naresh Kumar Gupta	Member
Ms. Keith Reddy Padmaja Reddy	Member
Mr. Ujjal De	Member

2. Nomination & Remuneration Committee

Name of Director	Position on the Committee
Mr. Gaurav Swarup	Chairman
Mr. Naresh Kumar Gupta	Member
Mr. Ujjal De	Member
Mr. Raj Kumar Lohia	Member

3. Corporate Social Responsibility Committee

Name of Director	Position on the Committee
Mr. Raj Kumar Lohia	Chairman
Mr. Dinesh Kumar Mittal	Member
Mr. Ujjal De	Member

4. Risk Management Committee

Name of Director	Position on the Committee
Mr. Dinesh Kumar Mittal	Chairman
Mr. Basant Seth	Member
Mr. Rajendra Kumar Arya	Member
Mr. KG Gupta	Member

Subsequent to the closure of the financial year, the Board of Directors constituted the Stakeholders Relationship Committee and reconstituted the Nomination & Remuneration Committee, Risk Management Committee, and Audit Committee. The details of their composition are provided below:

1. Stakeholder Relationship Committee

Name of Director	Position on the Committee
Mr. Naresh Kumar Gupta	Chairman
Mr. Basant Seth	Member
Mr. Raj Kumar Lohia	Member

2. Nomination & Remuneration Committee

Name of Director	Position on the Committee
Mr. Gaurav Swarup	Chairman
Mr. Naresh Kumar Gupta	Member
Mr. Basant Seth	Member
Mr. Raj Kumar Lohia	Member

3. Risk Management Committee

Name of Director	Position on the Committee
Mr. Dinesh Kumar Mittal	Chairman
Mr. Basant Seth	Member
Mr. Rajendra Kumar Arya	Member
Mr. Anupam Agarwal	Member

4. Audit Committee

Name of Director	Position on the Committee
Mr. Basant Seth	Chairman
Mr. Naresh Kumar Gupta	Member
Ms. Keith Reddy Padmaja Reddy	Member

Vigil Mechanism and Whistle-blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

Prevention of Sexual Harassment at Workplace

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) and the Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The Company has constituted Internal Complaints Committee(s) (ICCs) to redress and resolve any complaints arising under the POSH Act. Training/awareness programme are conducted throughout the year to create sensitivity towards ensuring a respectable workplace.

Particulars of Loans, Investments, Guarantees and Securities

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security provided is proposed to be utilised by the recipient are disclosed in the Standalone Financial Statement.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure A to this Report.

Annual Return

As per the provisions of Section 134(3)(a) read with Section 92(3), copy of Annual Return of the Company shall be placed on its website once it is filed with the office of Registrar of Companies, Uttar Pradesh and can be accessed through the following link- https://www.lohiagroup.com/investor-relations

General

Your Directors confirm that no disclosure or reporting is required for the following matters, as there were no transactions, instances, or the provisions were not applicable during the year under review:

- Transfer to Reserves
- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any salary or commission from any of the subsidiaries of the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- Corporate Social Responsibility
- Particulars of employees and related disclosures

Acknowledgement

The Board places on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, customers, vendors, members during the year under review.

for and on behalf of the Board of Directors

Date: June 18, 2025
Place: Kanpur

Raj Kumar Lohia
Chairman & Managing Director

ANNEXURE-A
to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy:

(i) the steps taken or impact on conservation of energy:

The Company is committed to sustainable manufacturing and reducing its environmental footprint. As part of this commitment, the company has taken following steps for impactful measures to improve energy efficiency across its operations:

- a. conducted safety and energy efficiency awareness & training programs for employees.
- b. implemented alarm systems to detect high electrical loads and auto-shutdown of non-essential equipment.
- c. converted all conventional lighting to energy-efficient LED fixtures.
- d. upgraded air compressors and chillers; installed VFDs, for improved efficiency.

(ii) The steps taken by the company for utilizing alternate sources of energy:

The Company continues to explore and invest in energy-efficient technologies and renewable energy sources to further lower its carbon footprint.

As part of this initiative, roof mounted solar photovoltaic Power Plant has been installed at key locations:

- 2,000 KWP solar power system at the Chaubepur plant
- 775 KWP solar power system at C-3, C-4, Panki Industrial Estate.

These initiatives have already delivered measurable results, with the Chaubepur and Panki plants achieving up to a 17% and 17% reduction in total electricity (kWh) taken/consumed from the Government Grid respectively.

(iii) the capital investment on energy conservation equipment:

The investment incurred by the Company on installation of Solar Panels are ₹5.4 Crore and ₹1.94 Crore for Chaubepur and C-3, C-4 Panki Industrial Estate respectively.

B. Technology Absorption

(i) the efforts made towards Technology absorption:

Being a machine manufacturer, the Company consistently makes efforts towards efficient technology absorption, adaptation, and upgradation.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

Through effective technology absorption, the Company has enhanced product quality and performance, achieved better control over energy consumption and waste, and reduced product costs due to increased productivity.

(iii) in case of imported technology (imported during last 3 years reckoned from the beginning of the financial year):

NIL

(iv) The expenditure incurred on Research and Development:

(a) Specific areas in which R&D carried out by the Company

Research and Development activities were carried out by our R&D Centre, which is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology. These efforts focused on product and process improvements, the development of new products, and the creation of energy-efficient models of existing machines.

(b) Benefits derived as a result of the above Research & Development:

Improvement in existing products and processes and development of new products and processes, wastage reduction and cost control by value engineering.

(c) Expenditure on R&D:

Particulars	₹ in million
Capital	21.09
Recurring	350.04
Total	371.13

C. Foreign Exchange Earnings and Outgo:

Particulars	₹ in million
Foreign Currency Inflow	6600.61
Foreign Currency Outflow	1383.58

ANNEXURE-B
to the Directors' Report

FORM MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lohia Corp Limited (Formerly known as Kanpur Packaging Machines Limited)
D-3/A, Panki Industrial Estate,
Kanpur Nagar, Uttar Pradesh, 208022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lohia Corp Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under (Not applicable during the audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The Company is not listed on any stock exchange, therefore provisions of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and Rules and Regulations made thereunder, and Guidelines and Circulars issued thereunder are not applicable to the Company.

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on a test-check basis, there are no specific laws applicable to the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India (as amended from time to time);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, the changes in the composition of the Board of Directors that took place are in compliance with applicable provisions during the review period.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings have been carried out without dissent, as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.

We further report that:

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the Audit Period there were:

- (i) No instance of Public/Right/Preferential issue of shares/debentures/sweat equity etc;
- (ii) No instance of Redemption/buy-back of securities;
- (iii) No instance of Major decisions which were taken by the members in pursuance to section 180 of the Act;
- (iv) A Scheme of Arrangement ("Scheme") between Lohia Trade Services Limited (formerly Lohia Corp Limited) ("LTSL") and Lohia Corp Limited (formerly Kanpur Packaging Machines Limited) ("LCL") was sanctioned by

the Hon'ble National Company Law Tribunal, Allahabad Bench vide its Order dated 16 April, 2024 for demerger of 'Technical Textile Machinery Business' of LTSL along with all the estate, assets, liabilities, rights, title, claims, interest and authorities including accretions and appurtenances thereof and vesting the same as a going concern with LCL in accordance with the provisions of Sections 230 to 232 read with other relevant provisions of the Companies Act, 2013. The Appointed date for the Scheme was April 01, 2024, and was made effective from May 01, 2024 by filing e-form INC-28.

- (v) No instance of Foreign technical collaborations.

For ADESH TANDON & ASSOCIATES
Company Secretaries

Peer Review: 6778/2025
UDIN: F002253G000619496

Place: Kanpur
Date: 18.06.2025

(Adesh Tandon)
Proprietor
FCS No. 2253
C. P. No. 1121

Note: This Report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

‘Annexure - A’

To,
The Members,
Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited)

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ADESH TANDON & ASSOCIATES
Company Secretaries

Place: Kanpur
Date: 18.06.2025

(Adesh Tandon)
Proprietor
FCS No. 2253
C. P. No. 1121



Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ millions)

Sl. No.	Particulars	Details	Details	Details	Details	Details
	Name of the subsidiary	Sundaram Industries Private Limited	Lohia Global Solutions FZE, UAE	Ldb Importacao E Exportacao Ltda	Leesona Corporation, USA	Leesona Machinery Private Limited
1	The Date since when subsidiary was acquired	07-12-2021	22-03-2021	31-03-2022	26-06-2019	03-12-2024
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NO	NO	01-01-2023 to 31-12-2023	01-01-2023 to 31-12-2023	NO
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	AED 1 AED= ₹22.85	BRL 1 BRL= ₹13.84	USD 1 USD= ₹84.25	
4	Share capital	1.00	9.99	32.14	104.27	0.10
5	Reserves & surplus	36.63	(196.73)	(34.86)	(152.35)	(0.03)
6	Total assets	295.14	160.79	18.10	515.38	0.09
7	Total Liabilities	257.51	347.53	20.82	563.48	0.03
8	Investments	-	-	-	-	0.00
9	Turnover	352.94	118.67	7.38	738.97	0.00
10	Profit before taxation	57.24	(20.08)	(10.37)	(102.12)	(0.04)
11	Provision for taxation	10.04	-	1.18	0.00	0.01
12	Profit after taxation	47.20	(20.08)	(11.55)	(102.12)	(0.03)
13	Proposed Dividend	-	-	-	-	
14	% of shareholding	80%	100%	100%	100%	100%

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations-**
 - Leesona Machinery Private Limited
- Names of subsidiaries which have been liquidated or sold during the year-**
 - Lohia Global Solutions, Panama, S.A. (liquidated w.e.f. 31st December 2023)

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Ventures

(Amount in ₹ millions)

Not Applicable



Standalone **Financial Statements**



Independent Auditor's Report

To the Members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. 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 the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Scheme of Arrangement

4. We draw attention to note 48 to the accompanying standalone financial statements which describes that pursuant to the Scheme of Arrangement (the 'Scheme') between the Company and Lohia Trade Services Limited (formerly known as Lohia Corp Limited) ('LTSL'), Technical Textile Machinery Business ('Demerged Undertaking') of LTSL has been transferred to and merged with the Company with the appointed date of 01 April 2024 as per the accounting treatment prescribed in the Scheme

which has been approved by National Company Law Tribunal, Allahabad Bench ('NCLT') vide their order dated 16 April 2024.

Our opinion is not modified in respect of this matter.

Information other than the Standalone Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are 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 specified under section 133 of the Act 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 of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Independent Auditor's Report to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025 (cont'd)

7. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

9. 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 Standards on Auditing 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.
10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 control 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 with reference to financial statements 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 Board of Directors' 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; and

- 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.

11. 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.

Other Matter

12. The standalone financial statements of the Company for the year ended 31 March 2024 were audited by the current joint auditor, Anil Pariek & Garg, Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 24 June 2024.

Report on Other Legal and Regulatory Requirements

13. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
 - b) Except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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;

Independent Auditor’s Report to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025 (cont’d)

- c) The standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 15(b) above on reporting under section 143(3)(b) of the Act and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed unmodified opinion;

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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (‘the

intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46(f) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. As stated in note 49 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As stated in note 50 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2024, has used an accounting software is operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In absence of an ‘Independent Service Auditor’s Assurance Report on the Description of Controls, their

Independent Auditor’s Report to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025 (cont’d)

Design and Operating Effectiveness’ (‘Type 2 report’ issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions or whether there were any instances of audit trail feature being

tampered with at the database level. The audit trail has been preserved at the application level by the Company as per the statutory requirements for record retention. Further, due to absence of the Type 2 report, we are unable to comment on preservation of audit trail at the database level.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm’s Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 25507892BMNSMW2892

Place: Kanpur

Date: 18 June 2025

For **Anil Pariek & Garg**

Chartered Accountants

Firm’s Registration No.: 01676C

H.K. Pariek

Partner

Membership No.: 070250

UDIN: 25070250BMJBTE7667

Place: Kanpur

Date: 18 June 2025

Annexure A referred to in paragraph 15 of the Independent Auditor’s Report of even date to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment ,capital work-in-progress and relevant details of right-of-use assets under which the assets are physically

verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 2 to the standalone financial statements, are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

Description of property	Gross carrying value (₹ in Million)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land Freehold	117.08	Lohia Trade Services Limited (formerly known as Lohia Corp Limited)	No	1 April 2024	The Technical Textile Machinery Business ('Demerged Undertaking') of Lohia Trade Services Limited was demerged and transferred to the Company. The Company is in the process of getting this transferred in its own name

- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Companies (Auditor's Report) Order 2020, (hereinafter referred to as 'the Order') is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have been substantially confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

- (b) As disclosed in note 19 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 50.00 millions by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.

- (iii) The Company has not provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in and granted unsecured loans to companies during the year, in respect of which:

- (a) The Company has provided loan to Subsidiary during the year as per details given below:

Particulars	Loans (₹ in millions)
Aggregate amount provided/ granted during the year:	
Subsidiary	352.25
Balance outstanding as at balance sheet date:	
Subsidiary	178.50



Annexure A referred to in paragraph 15 of the Independent Auditor’s Report of even date to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025

- (b) The Company has not provided any guarantee or given any security or granted advances in the nature of loans, during the year. Further, the Company has made investment in three entities amounting to ₹61.13 millions (year-end balance ₹62.53 millions) and has granted loan to one entity, amounting to ₹352.25 millions (year-end balance ₹178.50 millions) in our opinion, and according to the information and explanations given to us, such investment made and the terms and conditions of the grant of loan are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has been stipulated and the repayments/ receipts of principal and interest are regular. However, in few cases the schedule of repayment of principal and the payment of the interest has not been stipulated accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.

- (f) The Company has granted loans which are repayable on demand, as per details below:

Particulars	All Parties (₹ in millions)	Related Parties (₹ in millions)
Aggregate of loans		
- Repayable on demand (A)	191.58	191.58
- Agreement does not specify any terms or period of repayment (B)	-	-
Total (A+B)	191.58	191.58
Percentage of loans to the total loans	66.32%	66.32%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantee and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company

- (d) There is no overdue amount in respect of loans granted to such companies. However in few cases, in the absence of stipulated schedule of repayment of principal and payment of interest in respect of certain loans or advances in the nature of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.
- (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year. However, in few cases, in respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated. According to the information and explanation given to us, such loans have not been demanded for repayment as on date.

pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Annexure A referred to in paragraph 15 of the Independent Auditor’s Report of even date to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025

- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹in Million)	Amount paid under Protest (₹in Million)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Act, 2017	Penalty u/s 122(1)(vii)	17.12	Nil	2017-2018 to 2018-2019	Commissioner Appeal, Thane Mumbai
Income-tax Act, 1961	Transfer Pricing	0.17	Nil	Assessment Year 2020-2021	Hon'ble Dispute Resolution Panel, Delhi

- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us and on overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

Annexure A referred to in paragraph 15 of the Independent Auditor’s Report of even date to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company.
- (xvii) The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to ₹ 0.09 millions in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Tarun Gupta
Partner
Membership No.: 507892

UDIN: 25507892BMNSMW2892
Place: Kanpur
Date: June 18, 2025

For **Anil Pariek & Garg**
Chartered Accountants
Firm's Registration No.: 01676C

H.K. Pariek
Partner
Membership No.: 070250

UDIN: 25070250BMJBTE7667
Place: Kanpur
Date: June 18, 2025

Annexure B to the Independent Auditor's Report of even date to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

1.

In conjunction with our audit of the standalone financial statements of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.
2.

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.
3.

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5.

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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6.

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 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 financial statements.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2.

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3.

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Annexure B to the Independent Auditor's Report of even date to the members of Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) on the standalone financial statements for the year ended 31 March 2025

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7.

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Tarun Gupta
Partner
Membership No.: 507892

UDIN: 25507892BMNSMW2892
Place: Kanpur
Date: June 18, 2025

Opinion

8.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the Guidance Note issued by the ICAI.

For **Anil Pariek & Garg**
Chartered Accountants
Firm's Registration No.: 01676C

H.K. Pariek
Partner
Membership No.: 070250

UDIN: 25070250BMJBTE7667
Place: Kanpur
Date: June 18, 2025

Standalone Balance Sheet as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3,219.96	-
(b) Right-of-use assets	3(a)	427.10	-
(c) Capital work-in-progress	4	126.72	-
(d) Intangible assets	5	10.74	-
(e) Intangible assets under development	5	4.51	-
(f) Financial assets			
(i) Investments	6	176.19	-
(ii) Loans	7	4.76	-
(iii) Other financial assets	8	77.13	-
(g) Non-current tax assets (net)	9	8.48	-
(h) Other non current assets	10	26.23	-
Total non-current assets		4,081.82	-
Current assets			
(a) Inventories	11	2,599.32	-
(b) Financial assets			
(i) Trade receivables	12	1,225.17	-
(ii) Cash and cash equivalents	13	243.60	0.00
(iii) Loans	7	185.18	-
(iv) Other financial assets	8	321.28	0.01
(c) Current tax assets (net)	9	123.26	-
(d) Other current assets	10	496.00	0.01
Total current assets		5,193.81	0.02
Total assets		9,275.63	0.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	105.65	0.10
(b) Other equity	15	3,813.84	(0.09)
Total equity		3,919.49	0.01
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	862.90	-
(ii) Lease liabilities	3(b)	124.03	-
(b) Deferred tax liabilities (net)	17	69.35	-
(c) Other non current liabilities	18	258.54	-
Total non-current liabilities		1,314.82	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	947.01	-
(ii) Lease liabilities	3(b)	38.13	-
(iii) Trade payables	20		
(a) Total outstanding dues of micro and small enterprises;		251.79	-
(b) Total outstanding dues of other than iii (a) above		809.14	0.01
(iv) Other financial liabilities	21	234.36	-
(b) Other current liabilities	18	1,646.32	-
(c) Provisions	22	89.63	-
(d) Current tax liabilities (net)	23	24.94	-
Total current liabilities		4,041.32	0.01
Total liabilities		5,356.14	0.01
Total equity & liabilities		9,275.63	0.02

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

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

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

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

Tarun Gupta
Partner
Membership No. 507892

H.K. Pariek
Partner
Membership No. 70250

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Rajendra Kumar Arya
Director
DIN: 09658071

Place : Kanpur
Date: June 18, 2025

Place : Kanpur
Date: June 18, 2025

Shikha Srivastava
Company Secretary
Membership No. A22406

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Place : Kanpur
Date: June 18, 2025

Standalone Statement of Profit and Loss for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	Notes	Year Ended 31 March 2025	For the period from 5 June 2023 to 31 March 2024
Income			
I Revenue from operations	24	13,101.04	-
II Other income	25	127.74	-
III Total Income (I+II)		13,228.78	-
IV Expenses			
Cost of materials consumed	26	6,403.49	-
Purchases of stock-in-trade		835.78	-
Changes in inventories of finished goods, work in progress and stock-in-trade	27	97.98	-
Employee benefits expenses	28	1,559.18	-
Finance costs	29	134.74	-
Depreciation and amortisation expenses	30	482.14	-
Other expenses	31	2,131.30	0.09
Total expenses (IV)		11,644.61	0.09
V Profit/(loss) before tax (III-IV)		1,584.17	(0.09)
VI Tax expense	32		
a) Current tax		444.77	-
b) Deferred tax		(46.85)	-
Total tax expense		397.92	-
VII Profit/(loss) for the year/period (V-VI)		1,186.25	(0.09)
VIII Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Gain/(loss) on defined benefit obligation		28.85	-
Income tax relating to above		(7.26)	-
(B) Items that will be reclassified to profit or loss			
Net gains on cash flow hedges		1.06	-
Income tax relating to above		(0.27)	-
Total other comprehensive income for the year/period		22.38	-
IX Total comprehensive income for the year/ period (VII+VIII)		1,208.63	(0.09)
X Earnings per equity share	33		
Basic earning per share (₹)		13.80	(0.90)
Diluted earning per share (₹)		13.80	(0.90)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

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

For Anil Pariek & Garg
Chartered Accountants
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For and on behalf of the Board of Directors of
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Company Secretary
Membership No. A22406

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Standalone Statement of Cash Flows for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
A. Cash flow from operating activities		
Profit/(loss) before tax	1,584.17	(0.09)
Interest income from financial assets	(27.91)	-
Unrealised foreign exchange differences (net)	(16.97)	-
Liabilities/provisions no longer required written back	(18.77)	-
Net gain on sale of current investments	(10.19)	-
Finance costs	134.74	-
Depreciation and amortisation expense	482.14	-
Net loss on disposal of property, plant and equipment	3.81	-
Provision for export incentive receivable	3.89	-
Bad debts written off	11.65	-
Provision for doubtful debts and advances	112.28	-
Provision for expected credit loss on trade receivables	17.72	-
Operating profit before working capital changes	2,276.56	(0.09)
Adjustments for movement in:		
Changes in inventories	37.03	-
Changes in trade receivables	(246.05)	-
Changes in loans	(1.81)	-
Changes in other financial assets	(139.48)	-
Changes in other assets	(206.02)	(0.02)
Changes in trade payables	189.37	0.01
Changes in other financial liabilities	0.03	-
Changes in other liabilities	(23.76)	-
Changes in provisions	30.79	-
Cash generated from/(used in) operating activities	1,916.66	(0.10)
Income tax paid	(435.45)	-
Net cash flows generated from/(used in) operating activities (A)	1,481.21	(0.10)
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods)	(229.22)	-
Proceeds from sale of property plant and equipment	27.09	-
Purchase of investments	(3,146.13)	-
Sale proceeds from investments	3,095.19	-
Loan given to related parties and others (net)	(82.10)	-
Lease receipts	7.17	-
Sales proceeds on disposal of net investment in lease in property, plant and equipment	5.06	-
Interest received	22.33	-
Net cash flows (used in) from investing activities (B)	(300.61)	-

Standalone Statement of Cash Flows for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
C. Cash flow from financing activities		
Proceeds from non-current borrowings	143.00	-
Proceed from issue of equity share capital	-	0.10
Repayment of non-current borrowings	(693.38)	-
Proceeds/(repayment) from current borrowings (net)	(320.16)	-
Payment of lease liabilities	(48.24)	-
Interest paid	(117.58)	-
Net cash flows (used in)/generated from financing activities (C)	(1,036.36)	0.10
Net increase in cash and cash equivalents (A+B+C)	144.24	0.00
Cash and cash equivalents at the beginning of the period	-	-
Transfer on account of scheme*	98.11	-
Effects of currency translation on cash and cash equivalents	1.25	-
Closing cash and cash equivalents (refer note 13)	243.60	0.00

*Refer note no. 48

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
- Negative figures have been shown in brackets.
- Refer note 34 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached.

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

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

For and on behalf of the Board of Directors of
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Place : Kanpur
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Shikha Srivastava
Company Secretary
Membership No. A22406

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Standalone Statement of Changes in Equity for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

A. Equity share capital

Table with 3 columns: Description, No. of Shares, Amount. Rows include Balance as at 05 June 2023, Add: Increase in the equity share capital during the period, Balance as at 31 March 2024, Add: Increase in the equity share capital during the year*, Less: Cancellation of the initial equity share capital during the year*, and Balance at the end of the year.

*Refer note no 48

B. Other equity

Table with 5 columns: Particulars, Reserve and surplus (Capital reserve, Retained earnings), Other comprehensive income (Cash flow hedging reserve), and Total. Rows include Balance as at 05 June 2023, Loss for the period, Total comprehensive income for the period, Balance as at 31 March 2024, Additions on account of Scheme*, Profit for the year, Other comprehensive income for the year (net of tax), Total comprehensive income for the year, and Balance as at 31 March 2025.

*Refer note no 48

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

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

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

For and on behalf of the Board of Directors of
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Place : Kanpur
Date : June 18, 2025

Place : Kanpur
Date : June 18, 2025

Shikha Srivastava
Company Secretary
Membership No. A22406

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Place: Kanpur
Date: June 18, 2025

Notes to the Standalone Financial Statements for the year ended 31 March 2025

1. Corporate information

Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) referred to as "the Company" is a public limited company domiciled in India incorporated on 5 June 2023 with its registered office located 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.)

The Company has four manufacturing units situated in at:

- a. D-3/A, Panki Industrial Estate, Kanpur
- b. Lohia Industrial Complex Chaubepur, Kanpur
- c. C-3 & C-4, Site 1, Panki Industrial Area, Kanpur and
- d. 486, C 1, Peenya Industrial Area, 14 Cross, Peenya IV Phase, Bangalore

Pursuant to the Scheme of Arrangement (the 'Scheme') between the Company and Lohia Trade Services Limited (formerly known as Lohia Corp Limited) ('LTSL') as approved by Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench vide their order dated 16 April 2024, the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Company with effect from the Appointed date of the Scheme being 01 April 2024.

The name of the Company has been changed from Kanpur Packaging Machines Limited to Lohia Corp Limited ('LCL') vide revised 'Certificate of Incorporation pursuant to change of name' dated 06 June 2024 as issued by Ministry of Corporate Affairs ('MCA').

The financial statement has been authorized for issue by the Board of Directors on 18 June 2025.

1.01Basis of preparation and presentation

(i) Compliance with Ind AS

The standalone financial statements (financial statements) comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.

- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Certain financial assets and liabilities at amortised cost.

(iii) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates, i.e., the functional currency, to be Indian Rupees (₹). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

(iv) Going concern

Going concern basis of accounting used for preparation of the accompanying standalone financial statements is appropriate with no material uncertainty.

Amended Accounting Standards (Ind AS) and interpretations effective during the year

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. During the year ended 31 March 2025, MCA has notified following new standards or amendments to the existing standards applicable to the Company:

Lack of exchangeability - Amendments to Ind AS 21: The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 01 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments will not have a material impact on the Company's standalone financial statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

Notes to the Standalone Financial Statements for the year ended 31 March 2025

New and amended standard adopted by the Company

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 01 April 2024.

- Lease liability in a sale and leaseback (amendments to Ind AS 116): The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right-of-use assets it retains.
- Introduction of Ind AS 117 MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have impact on these financial statements.

1.02 Material accounting policy information

1.03 Critical accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most critical effect on the amounts recognised in the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to

the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

b) Provisions & contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses critical judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

c) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Refer note12 for methodology to estimate allowance for expected credit losses in respect of Company's trade receivables.

d) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Refer note 11 for disclosure of such allowance.

e) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain plant and equipments.

f) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Refer note 38 for key assumptions used in developing estimate of DBO.

g) Provision for warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

h) Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.04 Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Company’s normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Company’s normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.05 Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization / settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of profit and loss. Financial instruments designated as hedge instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in the statement of profit and loss.

1.06 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any. At the point, when asset is operating at management’s intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalised and disclosed separately under leasehold improvement.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. As per the assessment made by the management, property plant and equipment does not comprises any significant components with different useful life.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of profit and loss when such asset is derecognised.

Subsequent measurement

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to the Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Company have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant & equipments	5 to 15	5 to 15
Furniture and fixtures	5	10
Vehicles	5	6 to10
Office equipments	5	5
Computers	5	3

Freehold land is not depreciated.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

1.07 Intangible assets

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

De-recognition

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Subsequent cost

Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in Statement of profit and loss, as incurred.

Amortisation

Amortisation of intangible assest is calculated over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year. Amortisation has been charged based on the following useful lives;

Asset category	Useful life (in years)
Technical knowhow	4
Patents	4
Softwares	5

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

1.08 Leases

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lessor transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

1.09 Impairment of non-financial assets

The Company, at each balance sheet date, reviews carrying values of its non-financial assets and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount, being higher of fair value less costs of disposal and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount

is determined for the cash-generating unit (CGU) to which the asset belongs unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. For assets, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

1.10 Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

The Company pays contribution under provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme and part of the pension fund scheme for eligible employees. The Company recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Company has no obligations other than to make the specified contributions.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans are the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences

The liabilities for compensated absences that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The Compensated absences is a funded plan and the Company makes contributions to Group Leave Encashment Schemes administered by the LIC of India.

1.11 Revenue recognition

Sale of goods

Sales are recognised when control of the products is transferred, which happens when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the acceptance of the products by the customer.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts and incentive schemes and the revenue is only recognised to the extent that it is highly probable that a significant reversal in the revenue will not occur. Revenue is net of sales returns. The validity of assumptions used to estimate variable consideration and expected return of products is reassessed annually.

A receivable is recognised when the goods are delivered as this is the point in time when the consideration is unconditional because only passage of time is required before the payment is due.

Service revenue

Service income is recognised on accrual basis in the accounting period in which the services are rendered as per the contractual terms with the customers.

Sale of scrap

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Interest income

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

Export incentive

Export incentive is recognized when it is reasonably certain that the collection will be made.

1.12 Government grants

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Subsidy related to assets is recognized as deferred income which is recognized in the standalone statement of profit and loss on systematic basis over the useful life of the assets. Grants related to income are treated as other operating income in standalone statement of profit and loss subject to due disclosure about the nature of grant.

1.13 Inventories

Raw materials and stores, work in progress, stock-in-trade and finished goods

Raw materials and stores, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade comprises cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on a weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Spare parts including other items are carried on weighted average basis.

1.14 Provisions, contingent assets and liabilities

Provisions

Provisions for legal claims and warranties are recognised when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual

cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

I. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

II. Investments in mutual funds and other investments – Investments in mutual funds and other investments are subsequently measured at fair value through profit and loss (FVTPL).

III. Investments in equity instruments of subsidiaries, joint ventures and associates - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

IV. Trade receivables - Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the

effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

V. Cash and cash equivalents - Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets are measured at amortised cost e.g., loans, deposits and trade receivables
- Trade receivables under Ind-AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the

Notes to the Standalone Financial Statements for the year ended 31 March 2025

financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent

it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in



Notes to the Standalone Financial Statements for the year ended 31 March 2025

profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid as per the payment cycle of the Company. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Re-classification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.16 Measurement of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- Cost approach – Replacement cost method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable –inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

1.17 Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Equity or in Other Comprehensive Income.

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax:

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit

will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.18 Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.



Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

2 Property, Plant and Equipment

Particulars	Land freehold	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Gross carrying amount								
Balance as at 05 June 2023	-	-	-	-	-	-	-	-
Additions for the period	-	-	-	-	-	-	-	-
Disposals for the period	-	-	-	-	-	-	-	-
Balance as at 01 April 2024	-	-	-	-	-	-	-	-
Transfer on account of Scheme*	140.03	933.57	5,149.90	155.66	148.04	163.07	190.03	6,880.30
Additions for the year	-	6.65	79.70	1.52	10.66	6.22	12.45	117.20
Disposals for the year	-	-	(104.00)	(1.98)	(19.49)	(8.60)	(1.03)	(135.10)
Balance as at 31 March 2025	140.03	940.22	5,125.60	155.20	139.21	160.69	201.45	6,862.40
Accumulated depreciation								
Balance as at 05 June 2023	-	-	-	-	-	-	-	-
Additions for the period	-	-	-	-	-	-	-	-
Disposals for the period	-	-	-	-	-	-	-	-
Balance as at 01 April 2024	-	-	-	-	-	-	-	-
Transfer on account of Scheme*	-	340.82	2,545.00	109.31	100.00	109.81	106.76	3,311.70
Depreciation charge for the year	-	30.32	309.13	17.76	16.88	17.66	36.07	427.82
Disposal for the year	-	-	(71.49)	(1.91)	(14.73)	(8.13)	(0.82)	(97.08)
Balance as at 31 March 2025	-	371.14	2,782.64	125.16	102.15	119.34	142.01	3,642.44
Net carrying amount as at 31 March 2025	140.03	569.08	2,342.96	30.04	37.06	41.35	59.44	3,219.96
Net carrying amount as at 31 March 2024	-	-	-	-	-	-	-	-

- (i) See note 43 for information on Property, plant and equipment pledged as security by the Company.
- (ii) See note 35(c.) for disclosure of contractual commitment for the acquisition of Property, plant and equipments.
- (iii) Title deeds of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company are in the name of the Company, except for the following properties for which the Company's management is in the process of getting the registration in the name of the Company.

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land freehold	117.08	Lohia Trade Services Limited (formerly known as Lohia Corp Limited)	No	01 April 2024	The Technical Textile Machinery Business ('Demerged Undertaking') of Lohia Trade Services Limited was demerged and transferred to the Company. The Company is in the process of getting this transferred in its own name.

(iv) *Refer note no 48

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

3(a) Right-of-use assets

Particulars	Land^	Buildings	Total
Gross carrying amount			
Balance as at 05 June 2023	-	-	-
Additions for the period	-	-	-
Disposals for the period	-	-	-
Balance as at 01 April 2024	-	-	-
Transfer on account of Scheme*	344.23	158.11	502.34
Additions for the year	-	111.81	111.81
Disposals for the year	-	(54.67)	(54.67)
Balance as at 31 March 2025	344.23	215.25	559.48
Accumulated depreciation			
Balance as at 05 June 2023	-	-	-
Additions for the period	-	-	-
Disposals for the period	-	-	-
Balance as at 01 April 2024	-	-	-
Transfer on account of Scheme*	38.44	100.90	139.34
Amortisation for the year	7.54	40.17	47.71
Disposal for the year	-	(54.67)	(54.67)
Balance as at 31 March 2025	45.98	86.40	132.38
Net carrying amount as at 31 March 2025	298.25	128.85	427.10
Net carrying amount as at 31 March 2024	-	-	-

*Refer note no 48

^ Includes land specifically pledged for the borrowings taken for Lohia Packaging Solutions division, refer note 43 for details.

3(b) Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	124.03	-
Current	38.13	-
Total	162.16	-

The movement in Lease liabilities (non-current and current) are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the year/ period	-	-
Add: Transfer on account of demerger*	61.65	-
Add: Addition for the year/ period	139.80	-
Add: Interest expense on lease liabilities	8.95	-
Less: Rent expense (total cash outflow)	(48.24)	-
Balance as at the end of the year/ period	162.16	-

*Refer note no 48

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Disclosure of lease

The Company has leases for land and buildings. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of use asset and a lease liabilities.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset (ROU) can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over buildings, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must ensure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

i) The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Amortisation on right-of-use assets	47.71	-
Interest expense on lease liabilities	8.95	-
	56.66	-

ii) Lease payments not recognised as a liabilities

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Expenses relating to short term leases (included in other expenses)*	37.04	-
	37.04	-

*The Company has elected not to recognise a lease liabilities for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹37.04 (31 March 2024: Nil)

iii) The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one years	38.13	-
One to five years	112.99	-
More than five years	11.04	-
	162.16	-

iv) The lease table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of ROU assets leased	Range of remaining term (in years)	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
31 March 2025					
Buildings	9	3-6	3	9	9
Land leasehold	11	15-48	30	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

v) Extension and termination options

Extension and termination options are included in a number of properties leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

vi) No residual value guarantees in the lease contracts.

3(c) Net investment in sublease of right of use assets

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	29.05	-
Current	4.03	-
	33.08	-

Disclosure of sub lease

i) The following is the movement in the net investment in sublease in ROU asset:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	4.03	-
Addition during the year/ period	33.99	-
Interest income accrued during the year/ period	0.88	-
Lease receipts	(5.82)	-
Balance at the end of the year/ period	33.08	-

*Refer note no 48

ii) The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Finance income from sub lease	0.88	-
	0.88	-

iii) The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset:

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one years	4.03	-
One to five years	29.05	-
More than five years	-	-
Total	33.08	-

3(d) Net investment in lease of property, plant and equipment

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	-	-
Current	-	-
	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

Disclosure of lease

i) The following is the movement in the net investment in lease in property, plant and equipment:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	6.09	-
Interest income accrued during the year/ period	0.41	-
Lease receipts	(1.35)	-
Less: Disposal during the year/ period	(5.15)	-
Balance at the end of the year/ period	-	-

*Refer note no 48

ii) The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Finance income from lease	0.41	-
	0.41	-

iii) The table below provides details regarding the contractual maturities of net investment in lease of property, plant and equipment:

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one years	-	-
One to five years	-	-
More than five years	-	-
Total	-	-

4 Capital work-in-progress

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	15.36	-
Additions during the year/ period	170.59	-
Capitalisation during the year/ period	(59.23)	-
Total	126.72	-

Notes:

- Capital work-in-progress mainly comprises of plant and equipments as not yet installed (i.e. cost of assets not ready for use at year end).
- There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2025 and 31 March 2024.
- *Refer note no 48

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Ageing for capital work-in-progress as at 31 March 2025

Table with 6 columns: Project in process, Amount in capital work-in-progress for (Less than 1 year, 1-2 years, 2-3 years, More than 3 years), Total^

^Pursuant to scheme between the Company and the Lohia Trade Services Limited ('LTSL') the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Company with effect from the Appointed date of the Scheme being 01 April 2024, for detail refer note no 48.

5 Intangible assets

Table with 6 columns: Particulars, Technical knowhow, Patents, Software, Total, Intangible assets under development

Ageing for Intangible assets under development as at 31 March 2025

Table with 6 columns: Intangible assets under development, Amount in capital work-in-progress for (Less than 1 year, 1-2 years, 2-3 years, More than 3 years), Total^

Note: There is no project whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

6 Non current investments

Table with 8 columns: Name of the Company, Principal place of business, Proportion of ownership, Face value (₹, unless otherwise stated), Number of shares (As at 31 March 2025, As at 31 March 2024), Amount (As at 31 March 2025, As at 31 March 2024)

^Refer note no 48
#Pertains to LDB Importacao E Exportacao Ltda, Brazil

Table with 6 columns: Investment details, Amount (As at 31 March 2025, As at 31 March 2024)

^Refer note no 48
*As per the Scheme of arrangement between Lohia Trade Services Limited and the Company, the Company received a control over subsidiary namely "Lohia Global Solutions S.A., Panama" which has been dissolved during the year, therefore the provision related to the same has been written off.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

7 Loans

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Loans to related parties (refer note 39)	-	178.50	-	-
Loans to employees*	4.76	6.68	-	-
Credit impaired				
Loans to related parties (refer note 39)	97.28	13.08	-	-
Less: Impairment on loan	(97.28)	(13.08)	-	-
	4.76	185.18	-	-

*These loans given to employees are as per terms specified in policies of the Company.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Breakup for loan receivable:				
Loans receivables considered good - unsecured;	4.76	185.18	-	-
Loans receivables which have significant increase in credit risk;	-	-	-	-
Loans receivables - credit impaired	97.28	13.08	-	-
Less: Impairment on loan	(97.28)	(13.08)	-	-
	4.76	185.18	-	-

Note:

Loan are granted to promoter, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other persons, that are repayable on demand.

31 March 2025^

Type of borrower	Amount of loan outstanding	Percentage to the total loans
Promoter	-	-
Directors	-	-
KMP's	-	-
Related parties	191.58	66.32%

31 March 2024^

Type of borrower	Amount of loan outstanding	Percentage to the total loans
Promoter	-	-
Directors	-	-
KMP's	-	-
Related parties	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Terms of loans receivable as on 31 March 2025^

S no.	Name of the parties	Nature	Interest rate	Tenure of repayment	Purpose	Non- current	Current
1	Lohia Global Solutions FZE, UAE	Related party	7.50%	Repayable in FY 2027-2028	To meet operating expenditure requirements	97.28	-
2	LDB Importacao E Exportacao Ltda, Brazil	Related party	7.50%	Repayable on demand	To meet operating expenditure requirements	-	13.08
3	Sundarlam Industries Private Limited	Related party	10.00%	Repayable on demand	To meet the working capital requirements	-	178.50
						97.28	191.58

^ Amounts are before impairment for loan

8 Other financial assets

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
At amortised cost				
Security deposits	47.42	2.77	-	0.01
Bank deposits with more than twelve months maturity	0.66	-	-	-
Bank deposits with remaining maturity of less than 12 months (including interest accrued thereon)	-	4.95	-	-
Net investment in sublease of right of use assets (refer note 3(c))	29.05	4.03	-	-
Export incentives recoverable	-	299.39	-	-
Less: Loss allowance	-	(3.89)	-	-
Others*	-	14.03	-	-
	77.13	321.28	-	0.01

*Receivable from related party ₹10.39 (31 March 2024: Nil), refer note no. 39

9 Tax assets

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Income tax (net of provision)*	8.48	123.26	-	-
	8.48	123.26	-	-

*Includes ₹124.65 receivables from Lohia Trade Services Limited, pursuant to hon'ble NCLT order dated 16 April 2024 (further refer note no. 48 for details).

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

10 Other assets

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Capital advances				
Less: Provision for doubtful advances	26.30	-	-	-
Advance to trade suppliers	(2.60)	-	-	-
Less: Provision for doubtful advances	-	212.50	-	0.00
Advances to employees	-	(27.20)	-	-
Prepaid expenses	-	10.59	-	-
Balances with government authorities	2.53	86.11	-	0.01
Others	-	198.05	-	0.00
	-	15.95	-	-
	26.23	496.00	-	0.01

11 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
(valued at lower of cost or net realisable value, unless otherwise stated)		
Raw materials	1,163.80	-
Work-in-progress	699.55	-
Finished goods	277.82	-
Stock-in-trade	10.36	-
Stores and spares	100.44	-
Goods in transit		
Raw materials	167.17	-
Finished goods	180.18	-
	2,599.32	-

Includes provision for slow and non moving inventory ₹125.00 (31 March 2024: Nil), these were recognised as an expense during the year and included under 'cost of material consumed' in standalone statement of profit and loss.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Note: Inventory is pledged as security (Refer note no 43)

12 Trade receivables

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(a) Trade receivables considered good - secured;	-	-	-	-
(b) Trade receivables considered good - unsecured;	-	1,225.17	-	-
(c) Trade receivables which have significant increase in credit risk;	-	-	-	-
(d) Trade receivables - credit impaired.	-	87.35	-	-
Less: Allowance for expected credit losses	-	(87.35)	-	-
	-	1,225.17	-	-

Note: Trade receivables includes receivables from related parties (Refer note 39).

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

Ageing for trade receivable - outstanding as at 31 March 2025

Particulars	Outstanding for following periods from due date						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total*
Undisputed trade receivables							
Considered good	280.60	692.81	95.91	155.85	-	-	1,225.17
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	0.71	54.26	0.46	15.45	6.09	10.38	87.35
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	281.31	747.07	96.37	171.30	6.09	10.38	1,312.52
Less: Allowance for expected credit losses							(87.35)
							1,225.17

*Pursuant to scheme between the Company and the Lohia Trade Services Limited ('LTSL') the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Company with effect from the Appointed date of the Scheme being 01 April 2024, for detail refer note no 48.

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Ageing for trade receivable - outstanding as at 31 March 2024

Particulars	Outstanding for following periods from due date						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total*
Undisputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	-	-	-	-	-	-	-
Less: Allowance for expected credit losses							-
							-

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The credit period given to the customer ranges from 30 to 90 days.

Note no. 41 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

13 Cash and cash equivalents

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Balances with banks*, -On current accounts, -On EEFC accounts, Balances in deposits with original maturity of less than three months, Cash on hand, and a total of 243.60 for 2025 and 0.00 for 2024.

*Includes ₹15.23 that are still appearing in the name of Lohia Trade Services Limited. However, this balance has been controlled and operated by the Company pursuant to the Hon'ble NCLT order dated 16 April 2024, refer note no. 48 for detail.

14 Equity share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹1 each as follows :

Table with 5 columns: Particulars, As at 31 March 2025 (Number of shares, Amount), As at 31 March 2024 (Number of shares, Amount). Rows include Authorised share capital, At the beginning of the year/ period, Add: Increase in authorised share capital, Add: Increase in authorised share capital*, Outstanding at the end of the year/ period, Issued, subscribed and fully paid, At the beginning of the year/ period, Add: Equity shares issued/(bought back) during the period, Add: Increase in the equity share capital during the year/ period^, Less : Cancellation of the initial equity share capital during the year/ period^, and Outstanding at the end of the year/ period.

a. Reconciliation of equity capital outstanding at the beginning and at the end of the reporting period :

Table with 5 columns: Particulars, As at 31 March 2025 (Number of shares, Amount), As at 31 March 2024 (Number of shares, Amount). Rows include At the beginning of the year/ period, Add: Equity shares issued/(bought back) during the period, Add: Increase in the equity share capital during the year/ period^, Less : Cancellation of the initial equity share capital during the year/ period^, and Outstanding at the end of the year/ period.

*Pursuant to the resolutions passed at extra ordinary general meeting held on 15 May 2024, authorised share capital of the Company has been increased by 125,000,000 equity shares having face value of ₹1 each and further increase by 125,000,000 equity shares having face value of ₹1 each pursuant to resolution passed at extra ordinary general meeting held on 31 March 2025.

^Refer note no 48

b. The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has one class of equity shares having a par value of ₹1 each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

c. Numbers of shares held by each shareholder holding more than 5% shares in the Company

Table with 4 columns: Particulars, As at 31 March 2025 (% of share, Number of Shares), As at 31 March 2024 (% of share, Number of Shares). Rows include Mr Raj Kumar Lohia, Mr Gaurav Lohia, Mr Amit Kumar Lohia, Lohia Trade Services Limited, and a total of 81.89% for 2025 and 100.00% for 2024.

d. Disclosure of shareholding of promoters

Table with 6 columns: Particulars, As at 31 March 2025 (No. of Shares, % Holding), As at 31 March 2024 (No. of Shares, % Holding), % change during the year. Rows include Mr. Raj Kumar Lohia, Mr. Amit Kumar Lohia, Ms. Neela Lohia, Ms. Ritu Lohia, Mr. Gaurav Lohia, Lohia Trade Services Limited, and a total of 83,272,580 for 2025 and 0.00% for 2024.

e. No shares have been issued as bonus shares or issued for consideration other than cash or bought back during the period of immediately preceding the reporting date.

f. Pursuant to the Scheme of arrangement between the Company and Lohia Trade Services Limited "LTSL", the Company has issued equity shares in lieu of assets and liabilities transferred from Demerged Undertaking of LTSL. Refer note no 48.

15 Other equity

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Capital reserve, Retained earnings, Cash flow hedging reserve, a. Capital reserve (Balance at the beginning of the year/ period, Add: Transfer on account of Scheme*, Balance at the end of the year/ period), b. Retained earnings (Balance at the beginning of the year/ period, Add:- Profit for the year/ period, Add:- Other comprehensive income for the year (net of tax), Balance at the end of the year/ period), c. Cash flow hedging reserve (Balance at the beginning of the year/ period, (Less) /add : Movement during the year/ period, Income tax related to above, Balance at the end of the year/ period), and Total.

*Refer note no 48

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Description of reserves:

Capital reserve

Capital reserve represents reserve created on consequent to the Scheme of arrangement with Lohia Trade Services Limited (formerly known as Lohia Corp Limited), refer note 48

Retained earnings

All the profits or losses made by the Company are transferred to retained earnings from standalone statement of profit and loss.

Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 1.17. Amounts are subsequently reclassified to profit or loss.

16 Borrowings

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include At amortised cost, Secured, Term loans from bank, and Less: Current maturities of long term debts (refer note 19).

Refer note 41 for disclosure of fair analysis of their maturity profiles.

The Company has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were was taken.

Refer note 34 for net debt reconciliation.

Terms of borrowings

Table with 3 columns: S no., Nature of loan and securities, Terms of repayment. Rows include foreign currency term loan, project term loan, and term loan from HDFC Bank.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Table with 3 columns: S no., Nature of loan and securities, Terms of repayment. Rows include term loan of ₹450.32 and term loan from Axis Bank of ₹220.00.

17 Deferred tax

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Deferred tax liabilities, Deferred tax assets, and Total.

Deferred tax liabilities (net)

a Recognition of deferred tax assets and liabilities

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Deferred tax liabilities, Deferred tax assets, and Net deferred tax liabilities.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

b Movement in deferred tax balances

Particulars	As at 31 March 2024	Transfer on account of Scheme*	Recognised in profit and loss	Recognised in other comprehensive income	Tax pertaining to earlier years	As at 31 March 2025
Deferred tax assets						
Provision for doubtful debts and advances	-	25.57	32.01	-	-	57.58
Impairment losses on non-current investment	-	2.13	(1.81)	-	-	0.32
Provision for warranties	-	20.13	2.43	-	-	22.56
Lease liabilities	-	15.51	25.30	-	-	40.81
Provision for employee benefits	-	4.94	9.58	(7.26)	-	7.26
Sub total (a)	-	68.28	67.51	(7.26)	-	128.53
Deferred tax liabilities	-					
Property, plant and equipment	-	162.19	2.76	-	-	164.95
Right-of-use assets	-	14.40	18.03	-	-	32.43
Cash flow hedge	-	-	-	0.27	-	0.27
Others	-	0.36	(0.13)	-	-	0.23
Sub total (b)	-	176.95	20.66	0.27	-	197.88
Net deferred tax liabilities (b)-(a)	-	108.67	(46.85)	7.53	-	69.35

*Refer note no 48

18 Other liabilities

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non Current	Current	Non Current	Current
Deferred income - government grant*	67.38	34.41	-	-
Revenue received in advance**	191.16	1,554.82	-	-
Statutory liabilities	-	57.09	-	-
	258.54	1,646.32	-	-

*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 expected export obligations required to be fulfilled in future years as at 31 March 2025 is ₹215.09 (31 March 2024: Nil)

**The revenue received in advance represents contract liability balance outstanding as at the respective dates. The revenue received in advance outstanding as at 01 April 2024 were recognised to the extent of revenue satisfaction of the associated performance obligations during the period ended 31 March 2025.

19 Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
At amortised cost		
Secured		
Short term borrowings from banks	156.38	-
Bank overdraft (Cash credit facility)	97.03	-
Current maturities of long term borrowings from bank*	693.60	-
	947.01	-

*Refer note 16 for details.

Refer note 41 for disclosure of fair analysis of their maturity profiles.

The Company has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were was taken.

Refer note 34 for net debt reconciliation.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Terms of borrowings

S no.	Nature of loan and securities	Terms of repayment	31 March 2025	31 March 2024
1	Short term borrowing from State Bank of India in form of Export Packing Credit. Secured by entire current assets of the Company (both present & future) excluding investment in Mutual Funds and other financial securities.	At fixed rate of interest of 7.9%	156.38	-
2	Short term borrowing from State Bank of India in form of Cash Credit. Secured by entire current assets of the Company (both present & future).	Repayable on demand. Rate of interest at 15 basis points above 3 month MCLR, applicable rate being 8.70% p.a. as on 31 March 2025 (31 March 2024: Nil)	97.03	-
			253.41	-

20 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Total outstanding dues of micro and small enterprises;	251.79	-
(b) Total outstanding dues of other than (a) above	809.14	0.01
	1,060.93	0.01

Trade payables includes payables to related parties amounting ₹107.34 (refer note 39B)

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

- For information on financial risk objectives and policies, Refer Note 41.

Ageing for trade payable - outstanding as at 31 March 2025 is as follows:

Particulars	Outstanding for following periods from due date						Total*
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Outstanding due to micro enterprises and small enterprises	-	232.84	17.9	0.57	0.45	0.03	251.79
Others	163.19	517.78	115.76	3.26	5.59	3.56	809.14
Disputed trade payables							
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	163.19	750.62	133.66	3.83	6.04	3.59	1,060.93

*Pursuant to scheme between the Company and the Lohia Trade Services Limited ('LTSL') the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Company with effect from the Appointed date of the Scheme being 01 April 2024, for detail refer note no 48.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

Ageing for trade payable - outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date					Total*
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	0.01	-	-	-	0.01
Others	-	-	-	-	-	-
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	-	0.01	-	-	-	0.01

Note: There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

The following disclosures are required under Section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at 31 March 2025	As at 31 March 2024
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount*	260.71	-
(ii) Interest due on above	1.00	-
(b) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.00	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	1.00	-

*includes Capital creditors of ₹8.92 (31 March 2024: ₹ Nil)

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

21 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Employee benefits payables	180.44	-
Derivative liabilities (net)	39.05	-
Capital creditors*	14.87	-
	234.36	-

*includes dues to micro and small enterprises of ₹8.92 (31 March 2024: ₹ Nil)

Note: There are no amounts due for payment to the Investor Education and Protection Fund (IEPF) under section 125 of the Companies Act, 2013 as at the period end.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

22 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for warranties (refer note 37)	89.63	-
	89.63	-

Warranty provisions relate to claims by customers for which customers are covered for the cost of repairs. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information of the Demerged Undertaking and any recent trends that may suggest future claims could differ from historical amounts.

23 Current tax liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for income tax	24.94	-
	24.94	-

24 Revenue from operations

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Revenue from contracts with customers*		
Sale of manufacturing goods	11,903.09	-
Sale of traded goods	882.31	-
Sale of services	36.93	-
Other operating revenues	278.71	-
	13,101.04	-

*Refer note no 36 for the breakup of domestic and overseas revenue.

a. Details of performance obligation associated with revenue recognition

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer products. Revenue from sale of products is recognised when control of the products has transferred, being when the goods are made available to the carrier or the buyer has taken the possession of the goods, depending on the delivery terms, the risk of loss has been transferred and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

b. Variable considerations associated with such sales

The customer incentive is recognised based on purchases made by the customers and contractors in line with ongoing schemes and incentive programmes rolled out by the Company. Revenue are net of incentives to customers and contractors amounting to ₹58.00 (31 March 2024: Nil)

i Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Contract price	12,898.62	-
Adjustments:		
Sales return	(18.29)	-
Rebates & discounts	(58.00)	-
Revenue from operations	12,822.33	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

ii Contract balances

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Trade receivables (Refer note no 12)	1,225.17	
Revenue received in advance (Refer note no 18)	1,745.98	-

iii Revenue recognised in relation to contract liabilities[#]

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period*	1,253.71	-
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period	-	-
c. Revenue expected to be recognised in the next year that is included in the contract liability balance at the end of the year.	-	1,554.82

[#]The significant increase in contract liabilities in current year is mainly due to advances received during the year, for which orders has been received during the year.

*Refer note no. 48

c. Breakup of other operating revenues

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Scrap sales	106.60	-
Export Incentives	163.07	-
Others	9.04	-
	278.71	-

d. There is no significant estimate involved in the recognition of revenue from contract.

25 Other income

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Interest income from financial assets carried at amortised cost	27.91	-
Gain on foreign currency (net)	11.81	-
Net gain on sale of current investments	10.19	-
Income from government grants	57.58	-
Liabilities/provisions no longer required written back	18.77	-
Miscellaneous income	1.48	-
	127.74	-

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Interest income comprises of :-		
Interest on bank deposits	0.37	-
Interest on loans	21.72	-
Finance income from Lease/sub lease	1.29	-
Interest income from financial asset other than above	4.53	-
	27.91	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

26 Cost of materials consumed

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Raw material at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	1,284.60	-
Add: Purchases during the year/ period	6,449.86	-
Less: Raw material at the end of the year/ period	(1,330.97)	-
Total cost of materials consumed	6,403.49	-

27 Changes in inventories of finished goods, work in progress and stock-in-trade

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Closing stock:		
Work in progress	699.55	-
Finished goods	458.00	-
Stock-in-trade	10.36	-
	1,167.91	-
Opening stock:		
Transfer on account of Scheme*		
Work in progress	774.13	-
Finished goods	491.76	-
Stock-in-trade	-	-
	1,265.89	-
	97.98	-

*Refer note 48

28 Employee benefits expenses

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Salaries and wages	1,352.78	-
Contributions to provident and other funds (Refer note 38)	152.40	-
Staff welfare expenses	54.00	-
	1,559.18	-

29 Finance costs

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Interest expenses on borrowings	116.73	-
Interest on lease liability	8.95	-
Interest on delayed payment of income tax	8.53	-
Interest on others	0.53	-
	134.74	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

30 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Depreciation on property, plant and equipment	427.82	-
Amortisation of right-of-use assets	47.71	-
Amortisation of intangible assets	6.61	-
	482.14	-

31 Other expenses

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Consumption of stores and spares	129.24	-
Power and fuel	212.87	-
Repairs and maintenance to -		
Plant and equipments	69.50	-
Buildings	20.31	-
Others	81.86	-
Telecommunication expenses	14.34	-
IT support and maintenance	119.27	-
Rent charges	37.04	-
Rates and taxes	16.85	-
Legal and professional charges	221.32	0.01
Travelling and conveyance	153.50	-
Insurance	18.05	-
Commission on sales	222.77	-
Freight and forwarding expenses	329.93	-
Warranty expenses (refer note 37)	79.02	-
Provision for doubtful loans and advances*	112.28	-
Provision for expected credit loss on trade receivables	17.72	-
Bad debts written off	11.65	-
Payment to auditors (refer note 31(a))	9.05	0.01
Vehicle running and maintenance	66.96	-
Advertisement and marketing expenses	67.42	-
Bank charges	15.40	-
Net loss on disposal of property, plant and equipment	3.81	-
Miscellaneous expenses**	101.14	0.07
	2,131.30	0.09

*Excluding Non-current investment written off amounting to ₹7.89 (31 March 24: Nil).

**Miscellaneous expenses include ₹0.70 (31 March 24: Nil) paid to non executive directors for sitting fees and commission.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

31 (a) Payment to auditors (excluding goods and service tax)

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
As auditors:		
Statutory audit	4.70	0.01
For taxation matters	0.50	-
Certification and other services	3.63	-
Out of pocket expenses	0.22	-
	9.05	0.01

31 (b) Expenditure incurred on corporate social responsibilities

As per Section 135 of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall spend in every financial year, at least two % of the average net profits of the company made during the three immediately preceding financial years.

Since, the Company was incorporated on 05 June 2023 and has no operation in previous period, hence, the Company does not meet either of the criteria as provided in the section 135 of the Companies Act, 2013. Thus, the liability as provided under section 135 is not applicable.

32 A- Income tax recognised in statement of profit and loss

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Current tax		
Current tax on profits for the year/ period	444.77	-
Total current tax expense	444.77	-
Deferred tax		
Increase in deferred tax assets	(67.51)	
Increase in deferred tax liabilities	20.66	
Total deferred tax benefit	(46.85)	-
Income tax expense	397.92	-

B. Reconciliation of tax

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Profit/(loss) before tax	1,584.17	(0.09)
Effective tax rate	25.168%	25.168%
Current tax expense on profit before tax at the effective income tax rate in India	398.70	(0.02)
Others	(0.78)	0.02
	397.92	(0.00)

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

33 Earnings per share

The Company's earnings per share is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings/(loss) per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the result would be anti-dilutive.

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Net profit attributable to the equity shareholders	1,186.25	(0.09)
Number of equity shares at the beginning of the year/ period (absolute)	1,00,000	-
Total number of shares outstanding at the end of the year/ period (absolute)*	10,56,50,000	1,00,000
Weighted average number of shares used in basic earning per share (absolute)	8,59,85,890	1,00,000
Weighted average number of shares used in diluted earning per share (absolute)	8,59,85,890	1,00,000
Basic earning per share (₹)	13.80	(0.90)
Diluted earning per share (₹)	13.80	(0.90)
Nominal value of equity share (₹)	1.00	10

*Refer note no. 48

34 Net debt reconciliation

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings	1,809.91	-
Lease liabilities	162.16	-
Cash and cash equivalents	243.60	0.00
Net debt	1,728.47	(0.00)

Particulars	Cash and cash equivalents	Liabilities from financing activities			Total
		Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 01 April 2024	-	-	-	-	-
Transferred on account of Scheme^	98.11	2,105.62	573.57	61.65	2,642.73
Cash flows (net)	144.24	(693.38)	(417.19)	(48.24)	(1,303.05)
Addition	-	143.00	97.03	139.80	379.83
Non cash movement	1.25	1.26	-	8.95	8.96
Net debt as at 31 March 2025	243.60	1,556.50	253.41	162.16	1,728.47

Particulars	Cash and cash equivalents	Liabilities from financing activities			Total
		Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 05 June 2023	-	-	-	-	-
Cash flows (net)	0.00	-	-	-	(0.00)
Addition	-	-	-	-	-
Interest expenses	-	-	-	-	-
Non cash movement	-	-	-	-	-
Net debt as at 31 March 2024	0.00	-	-	-	(0.00)

*Non-current borrowings includes current maturity of ₹693.60 (31 March 2024: Nil) and interest accrued.

^ Refer note no 48

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

35 Contingent liabilities, contingent assets and commitments :

Particulars	As at 31 March 2025	As at 31 March 2024
a. Claims against the Company not acknowledged as debts^	46.62	-

The Company is contesting certain claims filed against the Company by past employees and external parties in various forums. Based on the available documentation and expert views, the Company has created provisions wherever required and for balance matters, it believes that more likely than not, these disputes would not result in additional outflow of resources.

^Includes cases which was transferred to the Company pursuant to hon'ble NCLT order dated 16 April 2024, refer note no 48.

Particulars	As at 31 March 2025	As at 31 March 2024
b. Contingent liability of direct and indirect tax^		
(i) GST matters (Refer note 'a' below)	17.12	-
(ii) Income tax (Refer note 'b' below)	0.17	-

a) The Company has received Show cause cum Demand notice received from DGGI (Directorate General of GST Intelligence) – Mumbai Zonal Unit on 31 March 2023, against which Company has filed reply on 28 April 2023. The order dated 31 January 2025 has confirmed the penalty of ₹17.12, the Company is contesting the case and has filed an appeal with the appellate authority. Based on the available documentation and tax experts view, the Company believes that more likely than not, these disputes would not result in additional outflow of resources.

b) The Company has received order u/s 144C(1) of the Income tax act, 1961 amounting to ₹0.67 against which the Company has filed an objection before Hon'ble Dispute Resolution Panel on 19 January 2024. Based on the available documentation and tax experts view, the Company believes that more likely than not, these disputes would not result in additional outflow of resources.

^Includes cases which was transferred to the Company pursuant to hon'ble NCLT order dated 16 April 2024, refer note no 48.

Particulars	As at 31 March 2025	As at 31 March 2024
c. Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	54.23	-

d. Corporate guarantees given^

The Company has issued corporate guarantee aggregating to ₹413.00 (31 March 2024: Nil) on behalf of its subsidiary company Leesona Corp, USA to HSBC bank for the purpose of credit facility taken by the subsidiary.

^Includes guarantee which was transferred to the Company pursuant to hon'ble NCLT order dated 16 April 2024, refer note no 48.

e. There are no contingent assets as at 31 March 2025 and 31 March 2024.

36 Segment reporting :

a. General information

The Company's primary business segment is reflected based on principal business activities carried on by the Company. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules 2015, the Company operates in one reportable business segment i.e., manufacturing of range of machines required by hdpe/pp woven fabric industry (for plastic woven sacks, FIBC, tarpaulins etc.)

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

b Entity wide disclosures

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Revenue from operations		
Domestic	5,740.38	-
Overseas	7,360.66	-
Total	13,101.04	-

Particulars	As at 31 March 2025	As at 31 March 2024
Non current segment assets		
Domestic*	3,815.26	-
Overseas	-	-
Total	3,815.26	-

*excluding deferred tax, income tax assets and financial assets

Break up of non current assets are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Non current segment assets		
Property, plant and equipment	3,219.96	-
Right-of-use assets	427.10	-
Capital work-in-progress	126.72	-
Intangible assets	10.74	-
Intangible assets under development	4.51	-
Other non current assets	26.23	-
Total	3,815.26	-

c. Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2025 and previous period from 05 June 2023 to 31 March 2024.

37 Provision for warranties

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance		
Transfer on account of Scheme^	80.00	-
Add: Amount provided during the year/ period	79.02	-
Less: Amount utilised against provision	(69.39)	-
Closing balance	89.63	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

38 Employee benefits:

(i) Defined contribution plans:

Defined contribution plans are provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme and part of the pension fund scheme for eligible employees. The Company recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Company has no obligations other than to make the specified contributions.

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Contribution to Government Provident Fund and Family Pension Fund	76.67	-
Contribution to Employee State Insurance	3.77	-
Contribution to National Pension Scheme	17.00	-
	97.44	-

(ii) Defined benefit plans

Gratuity

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 31 March 2025. 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 Gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Net assets/ (liability) as at year/ period end:

Particulars	As at 31 March 2025	As at 31 March 2024
A. I. Change in defined benefit obligation during the year/ period		
Present value of obligations at the beginning of the year/ period	-	-
Transfer on account of Scheme*	353.85	-
Included in statement of profit and loss:		
Current service cost	32.20	-
Interest cost	23.88	-
Past service cost	-	-
Included in other comprehensive income:		
Actuarial losses/ (gains) arising from:		
Experience adjustments	(36.96)	-
Financial assumptions	11.29	-
Others		
Benefits paid	(44.04)	-
Present value of obligation at the end of the year/ period	340.22	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
II. Change in fair value of plan assets during the year/ period		
Plan assets at the beginning of the year/ period	-	-
Transfer on account of Scheme*	355.87	-
Included in statement of profit and loss:		
Expected return on plan assets	23.11	-
Included in other comprehensive income:		
Actuarial gains/(losses) on plan assets	3.17	-
Others:		
Employer's contribution	0.42	-
Benefits paid	(27.49)	-
Plan assets at the end of the year/ period as per actuary	355.08	-
Benefits pending reimbursement from LIC	(10.39)	-
Plan assets at the end of the year/ period	344.69	-

*Refer note 48

Particulars	As at 31 March 2025	As at 31 March 2024
III. Reconciliation of present value of defined benefit obligation and fair value of plan assets		
1. Present Value of obligation as at year/ period end	(340.22)	-
2. Fair Value of plan assets at year/ period end	344.69	-
3. Funded status (Surplus/(deficit))	4.47	-
Net asset	4.47	-

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
IV. Expenses recognised in the statement of profit and loss		
1. Current service cost	32.20	-
2. Interest cost	23.88	-
3. Expected return on plan assets	(23.11)	-
Total expense	32.97	-

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
V. Expenses recognised in the statement of other comprehensive income		
1. Net actuarial (gain)/loss	(25.68)	-
2. Expected return on plan assets excluding interest income	(3.17)	-
	(28.85)	-

B. Major category of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
	% Amount	% Amount
Funds managed by Life Insurance Corporation of India	100% 344.69	- -

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

C. Actuarial assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
1. Discount rate	6.75%	-
2. Expected rate of return on plan assets	6.75%	-
3. Expected rate of salary increase	7.00%	-
4. Attrition rate	3% to 1%	-
5. Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	-
6. Retirement age*	60	-

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

*except in case of few employees

D. Present benefit obligation at the end of the year/ period as per schedule III to the Companies Act, 2013

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current liability (amount due over one year)	-	-
Current liability (amount due within one year)	-	-

Note:- As at 31 March 2025, fair value of plan assets exceeds present value of obligations, the same has been disclosed under other current assets.

E. Sensitivity analysis

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Gratuity fund				
Discount rate (1% movement)	(15.97)	48.36	-	-
Expected rate of future salary increase (1% movement)	48.05	(16.26)	-	-
Withdrawal rate (1% movement)	13.86	13.36	-	-

F. Expected contributions to defined benefit plans for the year ending 31 March 2025 is ₹19.81 (31 March 2024 Nil).

G. Expected maturity analysis of undiscounted defined benefit plans

Particulars	As at 31 March 2025	As at 31 March 2024
Year 1	19.81	-
Year 2	19.06	-
Year 3	24.50	-
Year 4	25.13	-
Year 5	31.25	-
Year 6 to Year 10	151.58	-
	271.33	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Description of risk exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- (i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a return lesser than the yield. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level.
- (ii) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits obligation will tend to increase.
- (iii) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.
- (iv) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

H. The impact on employee benefit obligations pursuant to change in actuarial assumptions is taken to other comprehensive income.

I. Significant estimates :

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Other long-term employee benefits

An amount of ₹21.98 (31 March 2024 : Nil) pertains to expense towards compensated absences.

39 Disclosure in respect of related parties pursuant to IndAS 24:

A Related party and their relationship.

(a) Subsidiaries

Domestic:

Wholly owned subsidiaries

Leesona Machinery Private Limited (w.e.f 03 December 2024)

Other subsidiaries

Sundarlam Industries Private Limited^

Foreign:

Wholly owned subsidiaries

Leesona Corp, USA^

Ldb Importacao E Exportacao Ltda, Brazil^

Lohia Global Solutions FZE, UAE^

Lohia Global Solutions S.A., Panama^ (liquidated w.e.f. 31 December 2023)

Other subsidiaries

OMGM Extrusientechnik S.R.L, Italy (w.e.f 30 May 2024)

^Pertains to transfer on account of Scheme, refer note 48

(b) Other enterprises over which key management personnel/relative/director exercise significant influence /control.

Lohia Trade Services Limited
Lohia Filament Machines Limited
Lohia Global Solutions Private Limited
Sarjna Capfin Private Limited
United Trade.Net India Private Limited
Sparetex Private Limited
Saumya Real Estates Private Limited
Vivsun Engineering Industries Private Limited
Blackwatermelon Private Limited
Murli Manohar Real Estates LLP



Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

(c) Key management personnel and relatives

Key management personnel

Mr. Raj Kumar Lohia
(Director till 30 April 2024; Managing Director w.e.f 01 May 2024)

Mr. Gaurav Lohia
(Chief Operating Officer w.e.f. 01 May 2024)

Mr. Amit Kumar Lohia
(Chief Strategy & Planning Officer w.e.f. 01 May 2024)

Mr. KG Gupta
(Chief Financial Officer w.e.f. 01 May 2024 till 24 April 2025)

Mr. P.K Mukherjee
(Whole Time Director w.e.f. 01.05.2024)

Mr. Ujjal De (Whole Time Director w.e.f 01 May 2024 till 29 June 2024; Non-Executive Director w.e.f. 30 June 2024)

Mr. Naresh Kumar Gupta
(Director w.e.f. 21 September 2024)

Mr. Dinesh Kumar Mittal
(Director w.e.f. 21 September 2024)

Ms. Keith Reddy Padmaja Reddy
(Director w.e.f. 21 September 2024)

Mr. Gaurav Swarup
(Director w.e.f. 21 September 2024)

Mr. Basant Seth
(Director w.e.f. 21 September 2024)

Mr. Rajendra Kumar Arya
(Director w.e.f. 01 May 2024)

Ms. Shikha Srivastava
(Company Secretary w.e.f. 01 May 2024)

Mr. Anupam Agarwal
(Director till 24 June 2024; Chief Financial Officer w.e.f. 25 April 2025)

Mr. Kamal Kumar Kejriwal
(Director till 24 June 2024)

Mr. Alok Saxena
(Director till 24 June 2024)

(d) Relatives of key management personnel

Ms. Neela Lohia

Ms. Mansi Lohia

(e) Post employment benefit plans

Lohia Corp Limited Employees Group Gratuity Trust

B Transactions with related parties

Total related party transactions and significant related party transactions (by entity) for the year ended 31 March 2025 and for the period from 05 June 2023 to 31 March 2024:

S. No.	Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
1	Sale of manufacturing goods*	292.83	-
	Lohia Global Solutions FZE, UAE	162.95	-
	Leesona Corp, USA	43.03	-
	Sundarlam Industries Private Limited	54.62	-
	Ldb Importacao E Exportacao Ltda, Brazil	9.37	-
	Sparetex Private Limited	19.29	-
	Vivsun Engineering Industries Private Limited	3.57	-
2	Other operating revenue*	10.99	-
	Sundarlam Industries Private Limited	7.11	-
	OMGM Extrusientechnik S.R.L., Italy	3.88	-
3	Other miscellaneous income	7.68	-
	Leesona Corp, USA	2.61	-
	United Trade.Net India Private Limited	0.18	-
	Lohia Trade Services Limited	4.89	-
4	Purchase of goods and services*	893.22	-
	Sundarlam Industries Private Limited	275.73	-
	Lohia Global Solutions FZE, UAE	29.19	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

S. No.	Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
	Lohia Global Solutions S.A., Panama	11.76	-
	Lohia Trade Services Limited	468.96	-
	Lohia Filament Machines Limited	6.36	-
	Blackwatermelon Private Limited	0.12	-
	Vivsun Engineering Industries Private Limited	28.56	-
	Ldb Importacao E Exportacao Ltda, Brazil	4.05	-
	United Trade.Net India Private Limited	53.49	-
	Murli Manohar Real Estates LLP	6.00	-
	Saumya Real Estates Private Limited	9.00	-
5	Employee benefit expenses^	85.40	-
	Short-term employee benefits	80.26	-
	Other long-term benefits	2.64	-
	Termination benefits	2.50	-
6	Director sitting fees and commission	0.70	-
	Mr. Ujjal De	0.10	-
	Mr. Naresh Kumar Gupta	0.10	-
	Ms. Keith Reddy Padmaja Reddy	0.10	-
	Mr. Basant Seth	0.20	-
	Mr. Dinesh Kumar Mittal	0.10	-
	Mr. Gaurav Swarup	0.10	-
7	Contribution in employees group gratuity	2.00	-
	Lohia Corp Limited Employees Group Gratuity Trust	2.00	-
8	Loans given	352.25	-
	Sundaram Industries Private Limited	352.25	-
9	Interest income from financial assets	20.98	-
	Lohia Global Solutions FZE, UAE	6.70	-
	Sundaram Industries Private Limited	14.28	-
10	Receipts towards loan / interest repayment and adjustments	293.92	-
	Sundaram Industries Private Limited	289.43	-
	Ldb Importacao E Exportacao Ltda, Brazil	4.49	-
11	Borrowings taken	1,277.20	-
	Sarjna Capfin Private Limited	1,277.20	-
12	Finance costs	7.12	-
	Sarjna Capfin Private Limited	7.12	-
13	Repayment of borrowings	1,284.32	-
	Sarjna Capfin Private Limited	1,284.32	-

S. No.	Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
14	Investments		
	(a) Purchases / investment in share capital	61.13	-
	Ldb Importacao E Exportacao Ltda, Brazil	16.16	-
	OMGM Extrusientechnik S.R.L, Italy	44.87	-
	Leesona Machinery Private Limited	0.10	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

S. No.	Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
15	Recovered/recoverable from Trust	10.39	-
	Lohia Corp Limited Employees Group Gratuity Trust	10.39	-
16	Loans	288.86	-
	Sundaram Industries Private Limited	178.50	-
	Lohia Global Solutions FZE, UAE	97.28	-
	Ldb Importacao E Exportacao Ltda, Brazil	13.08	-
17	Corporate guarantee	413.00	-
	Leesona Corp, USA	413.00	-
18	Trade and other payables	107.34	-
	Lohia Global Solutions Private Limited	26.99	-
	Sundaram Industries Private Limited	80.35	-
19	Trade and other receivables	478.04	-
	Lohia Global Solutions FZE, UAE	156.57	-
	Leesona Corp, USA	55.90	-
	OMGM Extrusientechnik SRL, Italy	3.96	-
	Ldb Importacao E Exportacao Ltda, Brazil	11.95	-
	Leesona Machinery Private Limited	0.01	-
	Lohia Trade Services Limited	249.30	-
	Vivsun Engineering Industries Private Limited	0.35	-

Note: Disclosure of entity wise transactions are given for material transactions within each category.

*Excluding goods & service tax.
^ Employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 Fair value measurements

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sales.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

As at 31 March 2025	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	1,225.17	1,225.17	-	-	NA
Cash and cash equivalents	-	-	243.60	243.60	-	-	NA
Loans	-	-	189.94	189.94	-	-	189.94
Other financial assets	-	-	398.41	398.41	-	-	NA
Financial assets at cost							
Non-current investments#	-	-	-	-	-	-	-
Total	-	-	2,057.12	2,057.12	-	-	189.94
Financial liabilities							
Borrowings	-	-	1,809.91	1,809.91	-	-	1,809.91
Trade payables	-	-	1,060.93	1,060.93	-	-	NA
Other financial liabilities	-	-	234.36	234.36	-	-	NA
Derivative Liabilities	40.11	(1.06)	-	39.05	-	39.05	-
Lease liabilities	-	-	162.16	162.16	-	-	NA
Total	40.11	(1.06)	3,267.36	3,306.41	-	39.05	3,267.36

#Investment in equity shares of subsidiaries carried at cost have not been disclosed in the statement above.

As at 31 March 2024	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Cash and cash equivalents	-	-	0.00	0.00	-	-	NA
Other financial assets	-	-	0.01	0.01	-	-	NA
Total	-	-	0.01	0.01	-	-	-
Financial liabilities							
Trade payables	-	-	0.01	0.01	-	-	NA
Total	-	-	0.01	0.01	-	-	-

Notes:

The carrying amounts of loans, trade receivables, other financial assets, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Loans given by the company are linked to market rate of interest and hence, carrying value best estimate of fair value.

The fair values for security deposits are calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair values of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Level 1 Hierarchy includes financial instruments measured using quoted prices. There is no financial assets and liabilities which qualify for level I hierarchy.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Level 2 Hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes foreign exchange forward contracts.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.This is the case for unlisted equity securities included in level 3. There are no transfers between levels 1 and 2 during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to determine fair values

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate the fair value.

Derivative financial assets/liabilities: The Company enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are determined using forward exchange rates at the balance sheet date.

Trade receivables, cash and cash equivalents, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments traded in active markets are determined by reference to quotes from the financial institutions-: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.

Valuation processes

Fair value of derivatives using dealer quotes for similar instruments (on marked to market value as on balance sheet date of such derivative transaction).

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team performs valuation either internally or externally through valuers and reports directly to the senior management. Discussions on valuation and results are held between the senior management and valuation team on annual basis.

The main level 3 inputs for unlisted equity securities, used by the Company are derived and evaluated as follows:

The use of quoted market prices / dealer quotes / profit earning (PE) for similar instruments

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

41 Financial risk management

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

- credit risk
- liquidity risk
- market risk- interest rate and foreign currency

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

(i) 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 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's risk 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) 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.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Trade receivables

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivable amounting to ₹1225.17 (net of loss allowance) (31 March 2024: Nil).The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.The management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has a credit risk management policy in place to limit credit losses due to non-performance of financial counterparties and customers. The Company monitors its exposure to credit risk on an ongoing basis at various levels. Outstanding customer receivables are regularly monitored. The Company closely monitors the acceptable financial counterparty credit limits and revise where required in line with the market circumstances. Due to the geographical spread and the diversity of the Company's customers, the Company is not subject to any significant concentration of credit risks at balance sheet date. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous entities and assessed for impairment collectively. The calculation is based on credit losses historical data. The Company has evaluated that the concentration of risk with respect to trade receivables to be low. Trade and other receivables are written off when there is no reasonable expectation of recovery post identification on case to case basis. On account of adoption of IndAS 109, the Company uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. Specific case to case provision is made in respect of credit impaired customers.

A summary of the Company's exposure to credit risk for trade receivables based on the ageing are as follows:

Ageing of Receivables

Table with 5 columns: Particulars, As at 31 March 2025 (Gross carrying amount, Expected credit loss), As at 31 March 2024 (Gross carrying amount, Expected credit loss). Rows include Less than 180 days, More than 180 days, and Total.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

The movement in the allowance for impairment in respect of trade receivables is as follows:

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Balance at the beginning of the year/ period, Transferred on account of Scheme*, Bad debt written off, Expected credit loss during the year/ period, and Balance at the end of the year/ period.

Expected credit loss for trade receivable as at 31 March 2025

Table with 8 columns: Particulars, Not due, Less than 6 months, 6 months -1 year, 1-2 years, 2-3 years, More than 3 years, Total. Rows include Gross carrying amount - Trade receivables, Expected credit loss rate (%), Expected credit losses (Loss allowance provision), and Total.

Expected credit loss for trade receivable as at 31 March 2024

Table with 8 columns: Particulars, Not due, Less than 6 months, 6 months -1 year, 1-2 years, 2-3 years, More than 3 years, Total. Rows include Gross carrying amount - Trade receivables, Expected credit loss rate (%), Expected credit losses (Loss allowance provision), and Total.

Significant estimates: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and cash equivalents and derivatives

For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Details of undrawn facilities of the Company from bank (fund based as well as non fund based):

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Expiring within one year (bank overdraft and other facilities) and Total.

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The following are the remaining contractual maturities of financial liabilities at the reporting date.
The amounts are gross and undiscounted:

As at 31 March 2025	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Borrowings*	253.41	693.60	862.90	-	1,809.91
Trade payables	-	1,060.93	-	-	1,060.93
Other financial liabilities	-	234.36	-	-	234.36
Lease liabilities	-	49.79	138.46	11.57	199.82
Total	253.41	2,038.68	1,001.36	11.57	3,305.02

As at 31 March 2024	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	-	0.01	-	-	0.01
Total	-	0.01	-	-	0.01

*including contractual interest payable at prevalent/agreed rate of interest.

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The Company has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous period.

(iv) Market risk

Market risk is the risk that arises from changes in market prices such as foreign exchange rates. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk and the market value of the investments. Thus, the Company's exposure to market risk is a function of investing and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in financial assets and unhedged foreign currency, revenues and costs.

Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US dollar and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the ₹ cash flows of highly probable forecast transactions.

The Company uses foreign currency forwards to hedge its exposure to foreign currency risk. The Company's policy is to hedge the risk of changes in foreign currency. The Company uses forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Company designate both change in spot and forward element of forward contracts to hedge exposure in foreign currency risk on highly probable forecast sales.

The Company also entered into foreign currency principal and interest swap which have not been designated in a hedging relationship. Such instruments are subject to the same risk management policies as all other derivative contracts.

Exposure to currency risk

The currency profile of financial assets and financial liabilities (other than Indian Rupees) as at 31 March 2025 and 31 March 2024 are reinstated in Millions Indian Rupees which is stated below :

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Foreign currency risk exposure:

As at 31 March 2025

Particulars	USD	EURO	Others
Financial assets			
Trade receivables	840.16	150.06	108.55
Cash and cash equivalents	6.62	0.45	7.58
Loans	13.08	-	96.18
Derivative assets (forward contracts)	1.06	-	-
	860.92	150.51	212.31
Financial liabilities			
Trade payables	77.55	17.75	5.98
Borrowings	794.07	305.36	-
	871.62	323.11	5.98
	(10.70)	(172.60)	206.32

As at 31 March 2024

Particulars	USD	EURO	Others
Financial assets			
Trade receivables	-	-	-
Cash and cash equivalents	-	-	-
Loans	-	-	-
	-	-	-
Financial liabilities			
Trade Payables	-	-	-
Borrowings	-	-	-
	-	-	-
	-	-	-

Sensitivity analysis foreign currency

The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against ₹, assuming 'all other variables being constant'.

Particulars		Year ended 31 March 2025		For the period from 05 June 2023 to 31 March 2024	
USD	10% movement	0.80	(0.80)	-	-
Euro	10% movement	12.92	(12.92)	-	-
Others	10% movement	15.44	(15.44)	-	-

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

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Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position (assets)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
As at 31 March 2025							
Cash flow hedge							
Foreign currency risk							
(i) Foreign exchange forward contracts	406.27	407.33	30 Jun 2025 to 30 Jul 2025	1:1	USD: ₹85.83	1.06	1.06
As at 31 March 2024							
Cash flow hedge							
Foreign currency risk							
(i) Foreign exchange forward contracts	-	-	-	-	-	-	-

(b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
As at 31 March 2025				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	1.06	-	-	Revenue from operations and net foreign exchange differences
As at 31 March 2024				
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	-	-	-	Revenue from operations and net foreign exchange differences

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through year prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

(c) Movements in cash flow hedging reserve

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	-	-
Add: Changes in fair value of forward contracts	1.06	-
Less: Deferred tax relating to above (net)	(0.27)	-
Closing balance	0.79	-

Notes to the Standalone Financial Statements for the year ended 31 March 2025
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Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

i) Interest rate risk exposure - liabilities

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting year are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Variable rate borrowings	834.71	-
Fixed rate borrowings	975.20	-
Total borrowings	1,809.91	-

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2025	As at 31 March 2024
Interest sensitivity*		
Variable rate borrowings		
Interest rates – increase by 100 basis points	6.25	-
Interest rates – decrease by 100 basis points	(6.25)	-

*Holding all other variables constant

ii) Assets

The Company's fixed deposits and loans are carried at amortised cost and are fixed rate. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure - assets

Below is the overall exposure of the deposits:

Particulars	As at 31 March 2025	As at 31 March 2024
Balances in deposits with original maturity of more than three months but less than twelve months	10.50	-
Bank deposits with more than twelve months maturity	0.66	-
Loans	189.94	-
Total	201.10	-

The Company is exposed to interest rate risk on account of variable rate borrowings. The Company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time. The Company has used interest rate swaps to mitigate its interest rate risk arising from certain transactions, these are recognised as derivatives.

Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

The Company considers factors such as long term credit rating, tenor of investment, minimum assured return, monetary limits,etc. while investing.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's profit for the year. The analysis is based on the assumption that the equity index had increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows: Equity index - increase by 10%, Equity index - decrease by 10%.

Capital management

The Company's capital management objectives are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents and current investments. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows: Borrowings, Less: Cash and Cash Equivalents, Adjusted Net Debt, Equity, Adjusted net debt to equity ratio.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Based upon the Company's evaluation, there is no excessive risk concentration.

42 Offsetting of financial assets and liabilities :

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The following tables set out the financial assets and liabilities that are offset.

As as 31 March 2025

Table with 4 columns: Particulars, Gross financial assets/ (liabilities), Financial (liabilities)/ assets offset, Net financial assets/ (liabilities). Rows: Financial assets, Trade receivables, Financial liabilities, Trade payables.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

As as 31 March 2024

Table with 4 columns: Particulars, Gross financial assets/ (liabilities), Financial (liabilities)/ assets offset, Net financial assets/ (liabilities). Rows: Financial assets, Trade receivables, Financial liabilities, Trade payables.

43 Details of assets pledged

The carrying amounts of assets under charge for current and non-current borrowings are:

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows: Current assets (Inventories, Trade receivables, Cash and cash equivalents, Other financial assets, Other current assets), Non current assets (Property, plant and equipment, Plant & equipments, Land leasehold*, Buildings*, Computer*, Office equipment*, Furniture & fixture*).

*These assets are specifically pledged for the borrowings taken for Lohia Packaging Solutions division.

44 Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Company is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Company has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the financial year are on an "arm's length basis". The Company is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these standalone financial statements. Accordingly, these standalone financial statements do not include any adjustments for the transfer pricing implications, if any.

45 Ratio analysis and its elements^

a) The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024:

Table with 5 columns: Particulars, Note, As at 31 March 2025, As at 01 April 2024*, Variance. Rows: (a) Current ratio, (b) Debt equity ratio, (c) Debt service coverage ratio, (d) Return on equity ratio (%), (e) Inventory turnover ratio, (f) Trade receivable turnover ratio.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Table with 5 columns: Particulars, Note, As at 31 March 2025, As at 01 April 2024*, and Variance. Rows include Trade payable turnover ratio, Net capital turnover ratio, Net profit ratio, Return on capital employed ratio, and Return on investment.

*Refer note no 48

Reasons for variance

1Since there is no equity, earning for debt service, net profit after tax, cost of goods sold or net sales, earning before interest and taxes and income received from investments on the date of transition as at 01 April 2024, therefore the same are not determinable.

Notes :

- (i) Current ratio = Current assets/ current liabilities
- (ii) Debt equity ratio = Total debt/ shareholders equity
- (iii) Debt service coverage ratio = Earnings available for debt service/ debt service (refer point (A) below)
- (iv) Return on equity ratio = Net profits after taxes – preference dividend (if any)/ average shareholder’s equity
- (v) Inventory turnover ratio = Cost of goods sold or sales (excluding other operating income) /average inventory
- (vi) Trade receivables turnover ratio = Net credit sales/ avg. accounts receivable
- (vii) Trade payables turnover ratio = Net credit purchases / average trade payables
- (viii) "Net capital turnover ratio = Net sales/ working capital
- (ix) Net profit ratio= Net profit/ net sales
- (x) Return on capital employed (ROCE)= Earning before interest and taxes/ capital employed (refer point (B) below)
- (xi) Return on investment= Income received from investments/ average investments

Other explanatory points

(A) Earning for debt service = Net profit after taxes + non-cash operating expenses like depreciation and other amortizations + interest + other adjustments like loss on sale of property, plant & equipment etc.

Debt service = Interest & lease payments + principal repayments

"Net profit after tax" means reported amount of "profit / (loss) for the year" and it does not include items of other comprehensive income.

(B) Capital employed = Tangible net worth + total debt + deferred tax liability (asset)

46 Other statutory information

- (a) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company do not have any transactions with companies struck off.
- (c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Company have not traded or invested in Crypto currency or Virtual Currency during the period.
- (e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.
- (i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (j) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
- (k) The Company has entered into a scheme of arrangement with Lohia Trade Services Limited ('LTSL') the accounting impact on current year is described in note 47 below and the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards'.
- (l) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

47 Disclosure required under Sec 186(4) of the Companies Act, 2013

Particulars of loans given, investments made and guarantees provided as required by sub-section (4) of Section 186 of the Companies Act, 2013, have been given under following schedules -

- Loans schedule, refer note 7;
- Non current investments schedule, refer note 6; and
- Corporate guarantee, in case of subsidiary failure to pay the bank the guaranteed amounts immediately but no later than 7 days on a demand being made by the bank, the Company shall be liable to pay interest at a rate per annum as would be payable by the principal under the terms of loan agreement. Refer note no. 35.

48 Scheme of Arrangement

In accordance with the Scheme of Arrangement (the 'Scheme') between the Company and Lohia Trade Services Limited (formerly known as Lohia Corp Limited) ('LTSL') as approved by Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench vide their order dated 16 April 2024, the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Company with effect from the Appointed date of the Scheme being 01 April 2024, in consideration of 1 equity share of the Company having face value of ₹1 each fully paid up for every 1 equity share held in LTSL of ₹1 each fully paid up. The NCLT Order sanctioning the Scheme has been filed with the Registrar of Companies on 01 May 2024 being the effective date of the Scheme.

Pursuant to the Scheme, the Authorised Share Capital of the Company was increased from 1,000,000 equity shares having face value of ₹1 each amounting to ₹1.00 Million to 126,000,000 equity shares having face value of ₹1 each amounting to ₹126.00 Millions. In discharge of the consideration, the Company allotted 105,650,000 equity shares having face value of ₹1 each fully paid up to the shareholders of LTSL and the 100,000 equity shares having face value of ₹1 each fully paid up issued to the existing shareholders of the Company stands cancelled.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

As per the provisions of the Scheme, the transfer of the above mentioned Demerged Undertaking into the Company has been given accounting effect in these standalone financial statements in accordance with "pooling of interest" method as per generally accepted accounting principles in India, with effect from Appointed date. Further, as per the terms of the scheme, with effect from the appointed date till the effective date, the Demerged Undertaking was carried on by LTSL for and on account of, and in trust for the Company.

Assets acquired and liabilities assumed as at 01 April 2024 are as follows:

Particulars	
ASSETS	
Non-current assets	
(a) Property, plant and equipment	3,568.63
(b) Right-of-use assets	362.99
(c) Capital work-in-progress	15.36
(d) Intangible assets	15.87
(e) Financial assets	
(i) Investments	115.06
(ii) Loans	92.45
(iii) Other financial assets	48.03
(f) Non current tax assets	1.08
(g) Other non current assets	35.27
Total non-current assets	4,254.74
Current assets	
(a) Inventories	2,636.35
(b) Financial assets	
(i) Investments	-
(i) Trade receivables	984.54
(ii) Cash and cash equivalents	98.11
(iii) Loans	106.79
(iv) Other financial assets	187.53
(c) Current tax assets (net)	123.57
(d) Other current assets	294.87
Total current assets	4,431.76
Total assets (A)	8,686.50
Liabilities	
Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	1,454.89
(ii) Lease liabilities	32.68
(b) Deferred tax liabilities (net)	108.66
(c) Other non current liabilities	298.54
Total non-current liabilities	1,894.77
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	1,224.30
(ii) Lease liabilities	28.97
(iii) Trade payables	
(a) Total outstanding dues of micro and small enterprises;	160.75
(b) Total outstanding dues of other than iii (a) above	728.27
(iv) Other financial liabilities	220.81
(b) Other current liabilities	1,630.09
(c) Provisions	87.69

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	
Total current liabilities	4,080.88
Total liabilities (B)	5,975.65
Value of identified net assets (A-B)	2,710.85
Consideration	105.65
Cancellation of equity shares	(0.10)
Capital reserve	2,605.30

The Demerged Undertaking contributed revenue of ₹13,101.04 and profit before tax of ₹1,584.17 during the financial year 2024-2025.

49 Subsequent events

- a) On 18 June 2025, the Board of Directos of the Company has recommended a final dividend of ₹1.75 per share aggregating to ₹184.89 Millions on equity share capital of the Company for the year ended on 31 March 2025 to be paid out of the profits of the Company and the said dividend will be paid after the approval of shareholders at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- b) The Board of Directors of the Company at their meeting held on 18 June 2025, accorded/granted to undertake an initial public offering of an offer for sale of equity shares by existing shareholders of the Company as per SEBI ICDR Regulations.

50 The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting which is operated by a third party service provider for maintaining its books of accounts which has a feature of recording audit trail (edit tog) facility. Presently, the log has been activated at the application level. The database of the accounting software is operated by a third-party software service provider and the availability of audit trail (edit logs) are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) at database level.

As per our report of even date attached.

For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No. 001076N/N500013	For Anil Pariek & Garg Chartered Accountants Firm's Registration No. : 01676C	For and on behalf of the Board of Directors of Lohia Corp Limited	
Tarun Gupta Partner Membership No. 507892	H.K. Pariek Partner Membership No. 70250	Raj Kumar Lohia Chairman & Managing Director DIN: 00203659	Rajendra Kumar Arya Director DIN: 09658071
Place : Kanpur Date : June 18, 2025	Place : Kanpur Date : June 18, 2025	Shikha Srivastava Company Secretary Membership No. A22406	Anupam Agarwal Chief Financial Officer PAN: ACFPA5533R
		Place : Kanpur Date : June 18, 2025	



Consolidated **Financial Statements**



Independent Auditor's Report

To the Members of Lohia Corp Limited (Formerly known as Kanpur Packaging Machines Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Lohia Corp Limited (Formerly known as Kanpur Packaging Machines Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Scheme of Arrangement

4. We draw attention to note 47 to the accompanying consolidated financial statements which describes that pursuant to the Scheme of Arrangement (the 'Scheme') between the Company and Lohia Trade Services Limited (formerly known as Lohia Corp Limited) ('LTSL'), Technical Textile Machinery Business ('Demerged Undertaking') of LTSL has been transferred to and merged with the Holding Company with the appointed date of 01 April 2024 as per the accounting treatment prescribed in the Scheme which has been approved by National Company Law Tribunal, Allahabad Bench ('NCLT') vide their order dated 16 April 2024.

Our opinion is not modified in respect of this matter.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,

2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.
10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated 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 control 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 Holding Company has adequate internal financial controls with reference to financial statements 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 Board of Directors' 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 11. 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.

Other Matter

12. We did not jointly audit the financial statements of 6 subsidiaries, whose financial statements reflects total assets of ₹1,067.50 Million as at 31 March 2025, total revenues of ₹1,222.41 Millions and net cash inflows amounting to ₹82.61 Millions for the year ended on that date, as considered in the consolidated financial statements. Out of the above, financial statements of 2 subsidiaries, whose financial statements reflects total assets of ₹295.23 Millions as at 31 March 2025, total revenues of ₹352.94 Millions and net cash outflows amounting to ₹10.15 Millions for the year ended on that date, as considered in the consolidated financial statements have been audited by one of the joint auditors of the Holding Company, Anil Pariek & Garg and the financial statements of the remaining 4 subsidiaries have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of their respective auditors as mentioned above.

Further, of these subsidiaries 4 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared

- a. Following are the qualifications/adverse remarks reported by the other auditor in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1.	Sundarlam Industries Private Limited	U29100UP2021PTC156570	Subsidiary	Clause ix(d)

16. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

13. The standalone financial statements of the Holding Company for the year ended 31 March 2024 were audited by the current joint auditor, Anil Pariek & Garg, Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 24 June 2024.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditor, referred to in paragraph 12, on separate financial statements of the subsidiaries, we report that the Holding Company and one subsidiary, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary.

15. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by the respective other auditor, of companies included in the consolidated financial statements for the year ended 31 March 2025 and covered under the Act, we report that:

- b) Except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company, its subsidiaries are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 16(b), above on reporting under section 143(3)(b) of the Act and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in note 34 to the consolidated financial statements;
- ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2025.;

- iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief , as disclosed in note 46(d) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, as disclosed in the note 46 (e) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. As stated in note 48 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As stated in note 49 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditor of the subsidiaries except for instances mentioned below, the Holding Company and its subsidiaries, in respect of

financial year commencing on 1 April 2024, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditor of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below. Furthermore, except for instances mentioned below the audit trails have been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention.

Nature of exception noted	Details of Exception
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level	The accounting software used for maintenance of records by the Holding Company and one its subsidiary is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we and respective auditor of the above referred subsidiary are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 25507892BMNSMW2892

Place: Kanpur

Date: 18 June 2025

For **Anil Pariek & Garg**

Chartered Accountants

Firm's Registration No.: 01676C

H.K. Pariek

Partner

Membership No.: 070250

UDIN: 25070250BMJBTE7667

Place: Kanpur

Date: 18 June 2025



Annexure A to the Independent Auditor's Report of even date to the members of Lohia Corp Limited (Formerly known as Kanpur Packaging Machines Limited) on the consolidated financial statements for the year ended 31 March 2025

Annexure A

List of subsidiaries included in the consolidated financial statements.

- Sunderlam Industries Private Limited
- Leesona Machinery Private Limited
- Leesona Corp, USA
- Ldb Importacao E Exportacao Ltda, Brazil
- Lohia Global Solutions FZE, UAE
- OMGM Extrusientechnik S.R.L, Italy

**Annexure B to the Independent Auditor's Report of even date to the members of Lohia Corp Limited
(Formerly known as Kanpur Packaging Machines Limited) on the consolidated financial statements for the
year ended 31 March 2025**

**Independent Auditor's Report on the internal financial controls with reference to financial statements under
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Lohia Corp Limited (Formerly known as Kanpur Packaging Machines Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Control over Financial Reporting ('Guidance Note') 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and

maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 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 financial statements.

**Annexure B to the Independent Auditor's Report of even date to the members of Lohia Corp Limited
(Formerly known as Kanpur Packaging Machines Limited) on the consolidated financial statements for the
year ended 31 March 2025**

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Holding Company considering

the essential component of internal control stated in the Guidance note issued by the ICAI.

Other Matter

9. We did not jointly audit the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹295.23 Millions and net assets of ₹37.70 Millions as at 31 March 2025, total revenues of ₹352.94 Millions and net cash outflows amounting to ₹10.15 for the year ended on that date, as considered in the consolidated financial statements, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 25507892BMNSMW2892

Place: Kanpur

Date: 18 June 2025

For **Anil Pariek & Garg**

Chartered Accountants

Firm's Registration No.: 01676C

H.K. Pariek

Partner

Membership No.: 070250

UDIN: 25070250BMJBTE7667

Place: Kanpur

Date: 18 June 2025

Consolidated Balance Sheet as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3,334.49	-
(b) Right-of-use assets	3(a)	541.30	-
(c) Capital work-in-progress	4	126.72	-
(d) Intangible assets	5	55.76	-
(e) Intangible assets under development	5	4.51	-
(f) Financial assets			
(i) Loans	6	4.76	-
(ii) Other financial assets	7	48.78	-
(g) Non-current tax assets (net)	8	8.48	-
(h) Deferred tax asset (net)	9	10.75	-
(i) Other non current assets	10	26.23	-
Total non-current assets		4,161.78	-
Current assets			
(a) Inventories	11	2,962.12	-
(b) Financial assets			
(i) Trade receivables	12	1,199.73	-
(ii) Cash and cash equivalents	13	371.28	0.00
(iii) Loans	6	6.68	-
(iv) Other financial assets	7	319.03	0.01
(c) Current tax assets (net)	8	124.20	-
(d) Other current assets	10	531.18	0.01
		5,514.22	0.02
Total assets		9,676.00	0.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	105.65	0.10
(b) Other equity	15	3,574.10	(0.09)
(c) Non controlling interest	44	36.10	-
Total equity		3,715.85	0.01
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	862.90	-
(ii) Lease liabilities	3(b)	190.08	-
(b) Provisions	17	0.67	-
(c) Deferred tax liabilities (net)	9	111.11	-
(d) Other non current liabilities	18	258.54	-
Total non-current liabilities		1,423.30	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,258.73	-
(ii) Lease liabilities	3(b)	53.94	-
(iii) Trade payables	20		-
(a) Total outstanding dues of micro and small enterprises;		188.30	-
(b) Total outstanding dues of other than iii (a) above		866.57	0.01
(iv) Other financial liabilities	21	239.51	-
(b) Other current liabilities	18	1,813.86	-
(c) Provisions	17	90.81	-
(d) Current tax liabilities (net)	22	25.13	-
Total current liabilities		4,536.85	0.01
Total liabilities		5,960.15	0.01
Total equity & liabilities		9,676.00	0.02

The accompanying notes form an integral part of the Consolidated financial statements.
As per our report of even date attached.

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

Tarun Gupta
Partner
Membership No. 507892

Place : Kanpur
Date : 18 June 2025

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

H.K. Pariek
Partner
Membership No. 70250

Place : Kanpur
Date : 18 June 2025

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

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Shikha Srivastava
Company Secretary
Membership No. A22406

Place : Kanpur
Date : 18 June 2025

Rajendra Kumar Arya
Director
DIN: 09658071

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Consolidated Statement of Profit and Loss as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	Notes	Year Ended 31 March 2025	For the period from 5 June 2023 to 31 March 2024
Income			
I Revenue from operations	23	13,768.72	-
II Other income	24	96.01	-
III Total Income (I+II)		13,864.73	-
IV Expenses			
Cost of materials consumed	25	6,582.74	-
Purchases of stock-in-trade		996.16	-
Changes in inventories of finished goods, work in progress and stock-in-trade	26	84.90	-
Employee benefits expenses	27	1,800.46	-
Finance costs	28	153.41	-
Depreciation and amortisation expenses	29	508.33	-
Other expenses	30	2,114.45	0.09
Total expenses (IV)		12,240.45	0.09
V Profit/(loss) before tax (III-IV)		1,624.28	(0.09)
VI Tax expense	31		
a) Current tax		454.25	-
c) Deferred tax		(8.38)	-
Total tax expense		445.87	-
VII Profit/(loss) for the year/period (V-VI)		1,178.41	(0.09)
VIII Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Gain/(loss) on defined benefit obligation		29.18	-
Income tax relating to above		(7.32)	-
(B) Items that will be reclassified to profit or loss			
Net gains on cash flow hedges		1.06	-
Income tax relating to above		(0.27)	-
Foreign currency translation reserve		(9.19)	-
Total other comprehensive income for the year/period		13.46	-
IX Total comprehensive income for the year/period (VII+VIII)		1,191.87	(0.09)
Profit attributable to:			
Owners of Lohia Corp Limited		1,169.68	-
Non-controlling interest		8.75	-
Other comprehensive income attributable to:			
Owners of Lohia Corp Limited		14.06	-
Non-controlling interest		(0.59)	-
Total comprehensive income attributable to:			
Owners of Lohia Corp Limited		1,183.74	-
Non-controlling interest		8.16	-
X Earnings per equity share	32		
Basic earning per share (₹)		13.70	(0.90)
Diluted earning per share (₹)		13.70	(0.90)

The accompanying notes form an integral part of the Consolidated financial statements.
As per our report of even date attached.

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

Tarun Gupta
Partner
Membership No. 507892

Place : Kanpur
Date : 18 June 2025

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

H.K. Pariek
Partner
Membership No. 70250

Place : Kanpur
Date : 18 June 2025

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

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Shikha Srivastava
Company Secretary
Membership No. A22406

Place : Kanpur
Date : 18 June 2025

Rajendra Kumar Arya
Director
DIN: 09658071

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Consolidated Statement of Cash Flows as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	As at 31 March 2025	For the period from 5 June 2023 to 31 March 2024
A. Cash flow from operating activities		
Profit/(loss) before tax	1,624.28	(0.09)
Interest income from financial assets	7.03	-
Unrealised foreign exchange differences (net)	(19.58)	-
Liabilities/provisions no longer required written back	3.25	-
Net gain on sale of current investments	10.19	-
Finance costs	153.41	-
Depreciation and amortisation expense	508.33	-
Net loss on disposal of property, plant and equipment	3.59	-
Provision for export incentive receivable	3.89	-
Bad debts written off	11.65	-
Provision for doubtful debts and advances	15.02	-
Provision for expected credit loss on trade receivables	1.95	-
Operating profit before working capital changes	2,323.01	(0.09)
Adjustments for movement in:		
Changes in inventories	(10.71)	-
Changes in trade receivables	(334.25)	-
Changes in loans	(1.81)	-
Changes in other financial assets	(134.11)	-
Changes in other assets	(194.56)	(0.02)
Changes in trade payables	112.47	0.01
Changes in other financial liabilities	(2.59)	-
Changes in other liabilities	67.82	-
Changes in provisions	31.94	-
Cash generated from/(used in) operating activities	1,857.21	(0.10)
Income tax paid	(444.37)	-
Net cash flows generated from/(used in) operating activities (A)	1,412.84	(0.10)
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and creditors for capital goods)	(363.90)	-
Proceeds from sale of property plant and equipment	32.28	-
Purchase of investments	(3,085.00)	-
Sale proceeds from investments	3,095.19	-
Lease receipts	1.35	-
Sales proceeds on disposal of net investment in lease in property, plant and equipment	5.06	-
Interest received	2.09	-
Net cash flows (used in) from investing activities (B)	(312.93)	-
C. Cash flow from financing activities		

Consolidated Statement of Cash Flows as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	As at 31 March 2025	For the period from 5 June 2023 to 31 March 2024
Proceeds from non-current borrowings	143.00	-
Proceed from issue of equity share capital	-	0.10
Repayment of non-current borrowings	(693.38)	-
Proceeds/(repayment) from current borrowings (net)	(138.22)	-
Payment of lease liabilities	(54.22)	-
Interest paid	(134.86)	-
Net cash flows (used in)/generated from financing activities (C)	(877.68)	0.10
Net increase in cash and cash equivalents (A+B+C)	222.23	0.00
Cash and cash equivalents at the beginning of the year/period	-	-
Transfer on account of scheme*	146.17	-
Effects of currency translation on cash and cash equivalents	2.88	-
Closing cash and cash equivalents (refer note 13)	371.28	0.00

*Refer note no. 47

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
- Negative figures have been shown in brackets.
- Refer note 33 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached.

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

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

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

Tarun Gupta
Partner
Membership No. 507892

H.K. Pariek
Partner
Membership No. 70250

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Rajendra Kumar Arya
Director
DIN: 09658071

Place : Kanpur
Date : 18 June 2025

Place : Kanpur
Date : 18 June 2025

Shikha Srivastava
Company Secretary
Membership No. A22406

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Place : Kanpur
Date : 18 June 2025

Consolidated Statement of Changes in Equity as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

A. Equity share capital

Table with 3 columns: Description, No. of Shares, Amount. Rows include Balance as at 05 June 2023, Add: Increase in the equity share capital during the period, Balance as at 31 March 2024, Add: Increase in the equity share capital during the year*, Less: Cancellation of the initial equity share capital during the year*, and Balance at the end of the year.

*Refer note no 47

B. Other equity

Table with 6 columns: Particulars, Capital reserve, Retained earnings, Cash flow hedging reserve, Foreign currency translation reserve, Total. Rows include Balance as at 05 June 2023, other comprehensive income for the period(net of tax), Total comprehensive income for the period, Balance as at 31 March 2024, Additions on account of Scheme*, Profit for the year, Other comprehensive income for the year (net of tax), Total comprehensive income for the year, and Balance as at 31 March 2025.

Non controlling interest

Table with 2 columns: Particulars, Amount. Rows include Balance as at 05 June 2023, Loss for the period, Balance as at 31 March 2024, Additions on account of Scheme*, On account of acquisition of subsidiary, Profit for the year, Other comprehensive income for the year (net of tax), Total comprehensive income for the year, and Balance as at 31 March 2025.

*Refer note no 47

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

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

Tarun Gupta
Partner
Membership No. 507892

Place : Kanpur
Date : 18 June 2025

For Anil Pariek & Garg
Chartered Accountants
Firm's Registration No. : 01676C

H.K. Pariek
Partner
Membership No. 70250

Place : Kanpur
Date : 18 June 2025

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

Raj Kumar Lohia
Chairman & Managing Director
DIN: 00203659

Shikha Srivastava
Company Secretary
Membership No. A22406

Place : Kanpur
Date : 18 June 2025

Rajendra Kumar Arya
Director
DIN: 09658071

Anupam Agarwal
Chief Financial Officer
PAN: ACFPA5533R

Notes to the Consolidated Financial Statements as at 31 March 2025

1. Group information

Lohia Corp Limited (formerly known as Kanpur Packaging Machines Limited) referred to as "the Company" or "the Holding Company" is a public limited company domiciled in India incorporated on 05 June 2023 with its registered office located at D/3 A Panki Industrial Estate, Kanpur. The Holding Company is a manufacturer of complete range of machines required by HDPE /PP woven fabric industry (for plastic woven sacks, FIBC, tarpaulins etc.)

It has four manufacturing units situated at:

- a. D-3/A Panki Industrial Estate, Kanpur
- b. Lohia Industrial Complex Chaubepur, Kanpur
- c. C-3 & C-4, Site 1, Panki Industrial Area, Kanpur and
- d. 486, C 1, Peenya Industrial Area, 14th Cross, Peenya IV Phase, Bangalore

The consolidated financial statements (financial statements) comprise the Holding Company and its subsidiaries (referred to collectively as the 'Group'). Refer note 43 for entities considered in consolidation.

Pursuant to the Scheme of Arrangement (the 'Scheme') between the Holding Company and Lohia Trade Services Limited (formerly known as Lohia Corp Limited) ('LTSL') as approved by Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench vide their order dated 16th April 2024, the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Holding Company with effect from the Appointed date of the Scheme being 01 April 2024. Accordingly, the financial statements for the period ended 31 March 2024 included in this financial statements reflects the standalone financial statements of the Company, as it has no operation prior to the Scheme of Arrangement.

The name of the Holding Company has been changed from Kanpur Packaging Machines Limited to Lohia Corp Limited ('LCL') vide revised 'Certificate of Incorporation pursuant to change of name' dated 06th June 2024 as issued by Ministry of Corporate Affairs ('MCA').

The consolidated financial statements have been authorised for issue by the Board of Directors of the Holding Company on 18th June 2025.

1.01 Basis of preparation and presentation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.
- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Certain financial assets and liabilities at amortised cost.

(iii) Principles of consolidation

The consolidated financial statements are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), specified under Section 133 of the Companies Act, 2013. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group entities separate financial statements.

• Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

• Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combination and Goodwill

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing

the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of preexisting relationships. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the statement of profit and loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any goodwill that arises on account of such business combination is tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Transaction costs that the Group incurs in connection with a business combination, such as stamp duty for title transfer in the name of the Parent Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, etc are expensed as incurred.

The consolidated financial statements are comprised of the financial statements of the members of the Group as under:

S.no.	Name of subsidiaries	Country of incorporation	Principal activities	Proportion (%) of equity interest	
				As at 31 March 2025	As at 31 March 2024
Subsidiaries					
1	Sundarlam Industries Private Limited*	India	Manufacturing of lamination and coating machine	80%	NA
2	Leesona Corp*	USA	Manufacturing of Industrial winding equipment and spares	100%	NA
3	Lohia Global Solutions FZE*	UAE	Trading of spares	100%	NA
4	Ldb Importacao E Exportacao Ltda*	Brazil	Import and export of machine, spares and fabrics	100%	NA
5	OMGM Extrusientechnik S.R.L (w.e.f 30 May 2024)	Italy	Manufacturing of technical monofilament & automatic extrusion machines	60%	NA
6	Leesona Machinery Private Limited (w.e.f 03 December 2024)	India	Manufacturing & trading of machineries for technical textile industries including winders	100%	NA

*Refer note no 47

(iv) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Holding Company operates, i.e., the functional currency, to be Indian Rupees (₹). The financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest Millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

(v) Going concern

Going concern basis of accounting used for preparation of the accompanying consolidated financial statements is appropriate with no material uncertainty.

1.02 Amended Accounting Standards (Ind AS) and interpretations effective during the year

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. During the year ended 31 March 2025, MCA has notified following new standards or amendments to the existing standards applicable to the Group:

Lack of exchangeability - Amendments to Ind AS 21: The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine

a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 01 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments will not have a material impact on the consolidated financial statements.

New and amended standard adopted by the Group

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Group applied following amendments for the first-time during the current year which are effective from 01 April 2024.

- Lease liability in a sale and leaseback (amendments to Ind AS 116): The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right-of-use assets it retains.
- Introduction of Ind AS 117 MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid

diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Group has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have impact on these consolidated financial statements.

1.03 Material accounting policy information

The accounting policies set out below have been applied consistently to the period presented in these consolidated financial statements.

1.04 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

b) Provisions & contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

c) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Refer note 12 for methodology to estimate allowance for expected credit losses in respect of Group's trade receivables.

d) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Refer note 11 for disclosure of such allowance.

e) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain plant and equipment's.

f) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Refer Note 37 for key assumptions used in developing estimate of DBO.

g) Provision for warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be

settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

h) Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.05 Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets
An asset is classified as current when it satisfies any of the following criteria:
1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is expected to be realised within twelve months after the reporting date; or
4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities
A liability is classified as current when it satisfies any of the following criteria:
1) It is expected to be settled in the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is due to be settled within twelve months after the reporting date; or
4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.06 Foreign currency transactions and translations
Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group's entities at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization / settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of profit and loss. Financial instruments designated as hedge instruments are

mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in the statement of profit and loss.
Foreign operations
The assets and liabilities of foreign operations (subsidiaries) are translated into ₹, the functional currency of the Holding Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

1.07 Property, plant and equipment
Recognition and measurement
Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any. At the point, when asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalised and disclosed separately under leasehold improvement.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. As per the assessment made by the management, property plant and equipment does not comprises any significant components with different useful life.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of profit and loss when such asset is derecognised.

Subsequent Measurement
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other subsequent cost are charged to the statement of profit and loss at the time of incurrence.

Depreciation
Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Table with 3 columns: Asset category, Management estimate of useful life, Useful life as per Schedule II. Rows include Buildings, Plant & equipments, Furniture and fixtures, Vehicles, Office equipments, and Computers.

Land freehold is not depreciated.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

1.08 Intangible assets
Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

De-recognition
Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets under Development.

Subsequent cost
Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in statement of profit and loss, as incurred.

Table with 2 columns: Asset category, Useful life (in years). Rows include Technical knowhow, Patents, and Software.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

1.09 Leases

The Group as a Lessee

The Group assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Group is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lessor transfers the ownership of the underlying asset to the Group at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur.

1.10 Impairment of non-financial assets

The Group, at each balance sheet date, reviews carrying values of its non-financial assets and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount, being

higher of fair value less costs of disposal and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. For assets, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

1.11 Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

1.12 Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees

render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

The Group pays contribution under provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme, part of the pension fund scheme and social security for eligible employees. The Group recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Group has no obligations other than to make the specified contributions.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans are the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. The Holding Company gratuity plan is a funded plan and the Holding Company makes contributions to Group Gratuity Trust cum Life Assurance Schemes administered by the LIC of India.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences

The liabilities for compensated absences that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The Holding Company Compensated absences is a funded plan and the Holding Company makes contributions to Group Leave Encashment Schemes administered by the LIC of India.

1.13 Revenue recognition

Sale of goods

Sales are recognised when control of the products is transferred, which happens when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the acceptance of the products by the customer.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts and incentive schemes and the revenue is only recognised to the extent that it is highly probable that a significant reversal in the revenue will not occur. Revenue is net of sales returns. The validity of assumptions used to estimate variable consideration and expected return of products is reassessed annually.

A receivable is recognised when the goods are delivered as this is the point in time when the consideration is unconditional because only passage of time is required before the payment is due.

Service revenue

Service income is recognised on accrual basis in the accounting period in which the services are rendered as per the contractual terms with the customers.

Sale of scrap

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Interest income

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

Export incentive

Export incentive is recognized when it is reasonably certain that the collection will be made.

1.14 Government grants

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Subsidy related to assets is recognized as deferred income which is recognized in the consolidated statement of profit and loss on systematic basis over the useful life of the assets. Grants related to income are treated as other operating income in consolidated statement of profit and loss subject to due disclosure about the nature of grant.

1.15 Inventories

Raw materials and stores, work in progress, stock-in-trade and finished goods

Raw materials and stores, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade comprises cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on a weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Spare parts including other items are carried on weighted average basis.

1.16 Provisions, contingent assets and liabilities

Provisions

Provisions for legal claims and warranties are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

I. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

II. Investments in mutual funds and other investments – Investments in mutual funds and other investments are subsequently measured at fair value through profit and loss (FVTPL).

III. Trade receivables - Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Group unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

IV. Cash and cash equivalents - Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents is as defined above.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets are measured at amortised cost e.g., loans, deposits and trade receivables
- Trade receivables under Ind-AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-

looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group’s financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid as per the payment cycle of the Group. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Re-classification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group’s senior management determines change in the business model as a result of external or internal changes which are significant to the Group’s operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.18 Measurement of fair values

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- c) Cost approach – Replacement cost method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable –inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.19 Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax:

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

2 Property, plant and equipment

Particulars	Land freehold	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Gross carrying amount								
Balance as at 05 June 2023	-	-	-	-	-	-	-	-
Additions for the period	-	-	-	-	-	-	-	-
Disposals for the period	-	-	-	-	-	-	-	-
Balance as at 01 April 2024	-	-	-	-	-	-	-	-
Transfer on account of Scheme*	140.03	936.67	5,183.99	157.26	154.11	169.43	197.90	6,939.39
Additions for the year	-	6.65	165.24	6.75	10.66	6.38	19.88	215.56
Disposals for the year	-	(3.10)	(123.71)	(2.81)	(19.49)	(8.73)	(2.32)	(160.16)
Translation exchange difference	-	-	1.22	0.03	0.15	0.20	(0.06)	1.54
Balance as at 31 March 2025	140.03	940.22	5,226.74	161.23	145.43	167.28	215.40	6,996.33
Accumulated depreciation								
Balance as at 05 June 2023	-	-	-	-	-	-	-	-
Additions for the period	-	-	-	-	-	-	-	-
Disposals for the period	-	-	-	-	-	-	-	-
Balance as at 01 April 2024	-	-	-	-	-	-	-	-
Transfer on account of Scheme*	-	342.64	2,558.36	110.07	104.74	110.17	111.63	3,337.61
Depreciation charge for the year	-	30.34	311.51	18.10	17.58	27.13	31.92	436.58
Disposal for the year	-	(1.84)	(83.75)	(2.35)	(14.73)	(8.23)	(1.60)	(112.50)
Translation exchange difference	-	-	0.27	(0.05)	0.12	(0.01)	(0.18)	0.15
Balance as at 31 March 2025	-	371.14	2,786.39	125.77	107.71	129.06	141.77	3,661.84
Net carrying amount as at 31 March 2025	140.03	569.08	2,440.35	35.46	37.72	38.22	73.63	3,334.49
Net carrying amount as at 31 March 2024	-	-	-	-	-	-	-	-

- (i) See Note 42 for information on Property, plant and equipment pledged as security by the Group.
- (ii) See Note 34(c) for disclosure of contractual commitment for the acquisition of Property, plant and equipments.
- (iii) *Refer note no 47

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

3(a) Right-of-use assets

Particulars	Land	Buildings	Total
Gross carrying amount			
Balance as at 05 June 2023	-	-	-
Additions for the period	-	-	-
Disposals for the period	-	-	-
Balance as at 01 April 2024	-	-	-
Transfer on account of Scheme*	344.33	171.82	516.15
Additions for the year	-	232.58	232.58
Disposals for the year	-	(68.38)	(68.38)
Translation exchange difference	-	0.97	0.97
Balance as at 31 March 2025	344.33	336.99	681.32
Accumulated depreciation			
Balance as at 05 June 2023	-	-	-
Additions for the period	-	-	-
Disposals for the period	-	-	-
Balance as at 01 April 2024	-	-	-
Transfer on account of Scheme*	38.35	111.27	149.62
Amortisation for the year	7.54	51.11	58.65
Disposal for the year	-	(68.38)	(68.38)
Translation exchange difference	-	0.13	0.13
Balance as at 31 March 2025	45.89	94.13	140.02
Net carrying amount as at 31 March 2025	298.44	242.86	541.30
Net carrying amount as at 31 March 2024	-	-	-

*Refer note no 47
3(b) Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	190.08	-
Current	53.94	-
Total	244.02	-

The movement in Lease liabilities (non-current and current) are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the year/ period	-	-
Add: Transfer on account of demerger*	61.65	-
Add: Addition for the year/ period	226.57	-
Add: Interest expense on lease liabilities	10.02	-
Less: Rent expense (total cash outflow)	(55.65)	-
Translation Exchange Difference	1.43	-
Balance as at the end of the year/ period	244.02	-

*Refer note no 47

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Disclosure of lease

The Group have leases for land and buildings. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset (ROU) can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group are prohibited from selling or pledging the underlying leased assets as security against the Group other debts and liabilities. For leases over buildings, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

i) The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Amortisation on right-of-use assets	58.65	-
Interest expense on lease liabilities	10.02	-
	68.67	-

ii) Lease payments not recognised as a liability

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Expenses relating to short term leases (included in other expenses)*	63.23	-
	63.23	-

*The Group have elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group do not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹63.23 (31 March 2024: Nil)

iii) The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one years	53.94	-
One to five years	179.05	-
More than five years	11.03	-
	244.02	-

iv) The lease table below describes the nature of the Group leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of ROU assets leased	Range of remaining term (in years)	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
31 March 2025					
Buildings	10	1-6	3	10	10
Land leasehold	11	16-48	30	-	-

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

v) **Extension and termination options**

Extension and termination options are included in a number of properties leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

vi) No residual value guarantees in the lease contracts.

3(c) Net investment in lease of property, plant and equipment

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	-	-
Current	-	-
	-	-

Disclosure of lease

i) The following is the movement in the net investment in lease in property, plant and equipment:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	6.09	-
Interest income accrued during the year/ period	0.41	-
Lease receipts	(1.35)	-
Less: Disposal during the year/ period	(5.15)	-
Balance at the end of the year/ period	-	-

*Refer note no 47

ii) The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Finance income from lease	0.41	-
	0.41	-

4 Capital work-in-progress

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	15.36	-
Additions during the year/ period	170.59	-
Capitalisation during the year/ period	(59.23)	-
Total	126.72	-

Notes:

(i) Capital work-in-progress mainly comprises of plant and equipments as not yet installed (i.e. cost of assets not ready for use at year end).

(ii) There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2025 and 31 March 2024.

(iii) *Refer note no 47

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Ageing for capital work-in-progress as at 31 March 2025

Project in process	Amount in capital work-in-progress for				Total^
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2025	126.14	0.58	-	-	126.72
31 March 2024	-	-	-	-	-

*Pursuant to scheme between the Holding Company and the Lohia Trade Services Limited ('LTSL') the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Holding Company with effect from the Appointed date of the Scheme being 01 April 2024, for detail refer note no 47.

5 Intangible assets

Particulars	Technical knowhow	Patents	Software	Total	Intangible assets under development
Gross carrying amount					
Balance as at 05 June 2023	-	-	-	-	-
Additions for the period	-	-	-	-	-
Disposals for the period	-	-	-	-	-
Balance as at 01 April 2024	-	-	-	-	-
Add: Transfer on account of Scheme*	84.67	10.87	99.86	195.40	-
Additions for the year	36.46	-	1.49	37.95	4.51
Disposals for the year	-	-	-	-	-
Translation exchange difference	-	-	(0.01)	(0.01)	-
Balance as at 31 March 2025	121.13	10.87	101.34	233.34	4.51
Accumulated amortisation					
Balance as at 05 June 2023	-	-	-	-	-
Amortisation during the period	-	-	-	-	-
Disposals for the period	-	-	-	-	-
Balance as at 01 April 2024	-	-	-	-	-
Add: Transfer on account of Scheme*	68.03	10.87	85.59	164.49	-
Amortisation during the year	6.93	-	6.17	13.10	-
Disposals for the year	-	-	-	-	-
Translation exchange difference	-	-	(0.01)	(0.01)	-
Balance as at 31 March 2025	74.96	10.87	91.75	177.58	-
Net carrying amount as at 31 March 2024	-	-	-	-	-
Net carrying amount as at 31 March 2025	46.17	-	9.59	55.76	4.51

*Refer note no 47

Ageing for Intangible assets under development as at 31 March 2025

Intangible assets under development	Amount intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2025	4.51	-	-	-	4.51
31 March 2024	-	-	-	-	-

Note: There is no project whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

6 Loans

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Loans to employees*	4.76	6.68	-	-

*These loans given to the employees of Holding Company as per terms specified in the policies.

There are no loan granted to promoter, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other persons, that are repayable on demand.

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Breakup for loan receivable:				
Loans receivables considered good - unsecured;	4.76	6.68	-	-
Loans receivables which have significant increase in credit risk;	-	-	-	-
Less: Impairment for loan	-	-	-	-
	4.76	6.68	-	-

7 Other financial assets

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
At amortised cost				
Security deposits	47.42	3.67	-	0.01
Bank deposits with more than twelve months maturity	0.66	-	-	-
Bank deposits with remaining maturity of less than 12 months (including interest accrued thereon)	-	4.95	-	-
Export incentives recoverable	-	300.27	-	-
Less: Loss allowance	0.70	(3.89)	-	-
Others*	48.78	319.03	-	0.01

*Receivable from related party ₹10.39 (31 March 2024: Nil), refer note no. 38

8 Tax assets

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Income tax (net of provision)*	8.48	124.20	-	-
	8.48	124.20	-	-

*Includes ₹124.65 receivables from Lohia Trade Services Limited, pursuant to hon'ble NCLT order dated 16th April 2024 (further refer note no. 47 for details).

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

9 Deferred tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities	111.11	-
Deferred tax assets	10.75	-
	100.36	-

a Recognition of deferred tax assets and liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities		
Property, plant and equipment	165.10	-
Cash flow hedge	0.27	-
Right-of-use assets	32.43	-
Others	0.23	-
Total deferred liabilities	198.03	-
Deferred tax assets		
Brought forward business losses	0.52	-
Provision for doubtful debts and advances	16.47	-
Impairment losses	-	-
Provision for warranties	22.55	-
Lease liabilities	40.81	-
Provision for employee benefits	7.44	-
Others	9.88	-
Total deferred tax assets	97.67	-
Net deferred tax liabilities	100.36	-

b Movement in deferred tax balances

Particulars	As at 31 March 2024	Transfer on account of Scheme*	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2025
Deferred tax assets					
Brought forward business losses	-	2.36	(1.84)	-	0.52
Provision for doubtful debts and advances	-	25.57	(9.10)	-	16.47
Impairment losses	-	2.13	(2.13)	-	-
Provision for warranties	-	20.13	2.42	-	22.55
Lease liabilities	-	15.51	25.30	-	40.81
Provision for employee benefits	-	5.12	9.64	(7.32)	7.44
Others	-	5.35	4.53	-	9.88
Sub total (a)	-	76.17	28.82	(7.32)	97.67
Deferred tax liabilities					
Property, plant and equipment	-	162.56	2.54	-	165.10
Cash flow hedge	-	-	-	0.27	0.27
Right-of-use assets	-	14.40	18.03	-	32.43
Others	-	0.36	(0.13)	-	0.23
Sub total (b)	-	177.32	20.44	0.27	198.03
Net deferred tax liabilities (b)-(a)	-	101.15	(8.38)	7.59	100.36

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

10 Other assets

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Capital advances	26.30	-	-	-
Less: Provision for doubtful advances	(2.60)	-	-	-
Advance to trade suppliers	-	205.06	-	0.00
Less: Provision for doubtful advances	-	(27.20)	-	-
Advances to employees	-	10.90	-	0.01
Prepaid expenses	2.53	92.19	-	-
Balances with government authorities	-	213.98	-	0.00
Others	-	36.25	-	-
	26.23	531.18	-	0.01

11 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
(valued at lower of cost or net realisable value, unless otherwise stated)		
Raw materials	1,285.83	-
Work-in-progress	743.55	-
Finished goods	476.89	-
Stores and spares	102.99	-
Goods in transit		
Raw materials	169.27	-
Finished goods	183.59	-
	2,962.12	-

Includes provision for slow and non moving inventory ₹143.77 (31 March 2024: Nil), these were recognised as an expense during the year and included under 'cost of material consumed' in consolidated statement of profit and loss.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Note: Inventory is hypothecated as security (Refer note no 42)

12 Trade receivables

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
(a) Trade receivables considered good - secured;	-	-	-	-
(b) Trade receivables considered good - unsecured;	-	1,199.73	-	-
(c) Trade receivables which have significant increase in credit risk;	-	-	-	-
(d) Trade receivables - credit impaired.	-	31.74	-	-
Less: Allowance for expected credit losses	-	(31.74)	-	-
	-	1,199.73	-	-

Note: Trade receivables includes receivables from related parties (Refer note 38).

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Ageing for trade receivable - outstanding as at 31 March 2025

Particulars	Outstanding for following periods from due date						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total*
Undisputed trade receivables							
Considered good	237.52	622.75	189.73	149.05	0.68	-	1,199.73
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	15.26	6.10	10.38	31.74
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	237.52	622.75	189.73	163.31	6.78	10.38	1,231.47
Less: Loss allowance							(31.74)
							1,199.73

*Pursuant to scheme between the Holding Company and the Lohia Trade Services Limited ('LTSL') the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Holding Company with effect from the Appointed date of the Scheme being 01 April 2024, for detail refer note no 47.

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Ageing for trade receivable - outstanding as at 31 March 2024

Particulars	Outstanding for following periods from due date						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total*
Undisputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	-	-	-	-	-	-	-
							-

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The credit period given to the customer ranges from 30 to 90 days.

Note no. 40 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

There are no debts due by directors or other officers of the Holding Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

13 Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks*		
- In current accounts	340.26	-
- In EEFC accounts	14.62	-
Balances in deposits with original maturity of less than three months	14.85	-
Cash on hand	1.55	-
	371.28	-

*Includes ₹15.23 that are still appearing in the name of Lohia Trade Services Limited. However, this balance has been controlled and operated by the Holding Company pursuant to the Hon'ble NCLT order dated 16th April 2024, refer note no. 47 for detail.

14 Equity share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹1 each as follows :

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
At the beginning of the year/ period	10,00,000	1.00	-	-
Add: Increase in authorised share capital	-	-	10,00,000	1.00
Add: Increase in authorised share capital*	25,00,00,000	250.00	-	-
Outstanding at the end of the year/ period	25,10,00,000	251.00	10,00,000	1.00

Issued, subscribed and fully paid

Particulars	Number of shares	Amount	Number of shares	Amount
At the beginning of the year/ period	1,00,000	0.10	-	-
Add: Equity shares issued/(bought back) during the period	-	-	1,00,000	0.10
Add: Increase in the equity share capital during the year/ period [^]	10,56,50,000	105.65	-	-
Less : Cancellation of the initial equity share capital during the year/ period [^]	(1,00,000)	(0.10)	-	-
Outstanding at the end of the year/ period	10,56,50,000	105.65	1,00,000	0.10

a. Reconciliation of equity capital outstanding at the beginning and at the end of the reporting period :

Particulars	Number of shares	Amount	Number of shares	Amount
At the beginning of the year/ period	1,00,000	0.10	-	-
Add: Equity shares issued/(bought back) during the period	-	-	1,00,000	0.10
Add: Increase in the equity share capital during the year/ period [^]	10,56,50,000	105.65	-	-
Less : Cancellation of the initial equity share capital during the year/ period [^]	(1,00,000)	(0.10)	-	-
Outstanding at the end of the year/ period	10,56,50,000	105.65	1,00,000	0.10

[^]Pursuant to the resolutions passed at extraordinary general meeting held on 15 May 2024, authorised share capital of the Holding Company has been increased by 125,000,000 equity shares having face value of ₹1 each and further increase by 125,000,000 equity shares having face value of ₹1 each pursuant to resolution passed at extraordinary general meeting held on 31 March 2025.

[^]Refer note no 47

b. The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Holding Company has one class of equity shares having a par value of ₹1 each. Each shareholder is eligible for one vote per share held. The Holding Company declares and pays dividend in Indian rupees. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

c. Numbers of shares held by each shareholder holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2025		As at 31 March 2024	
	% of share	Number of Shares	% of share	Number of Shares
Mr Raj Kumar Lohia	55.47%	5,86,02,705	-	-
Mr Gaurav Lohia	9.64%	1,01,85,000	-	-
Mr Amit Kumar Lohia	9.58%	1,01,17,375	-	-
Lohia Trade Services Limited	7.21%	76,13,422	100.00%	1,00,000
	81.89%	8,65,18,502	100.00%	1,00,000

d. Disclosure of shareholding of promoters

Promoter Name	Shares held by promoters			
	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Raj Kumar Lohia	5,86,02,705	55.47%	-	-
Mr. Gaurav Lohia	1,01,85,000	9.64%	-	-
Mr. Amit Kumar Lohia	1,01,17,375	9.58%	-	-
Ms. Neela Lohia	10,25,000	0.97%	-	-
Ms. Ritu Lohia	33,42,500	3.16%	-	-
Lohia Trade Services Limited	-	-	1,00,000	100%
	8,32,72,580	78.82%	1,00,000	100.00%

e. No shares have been issued as bonus shares or issued for consideration other than cash or bought back during the period of immediately preceding the reporting date other than as disclosed in pont f below.

f. Pursuant to the Scheme of arrangement between the Holding Company and Lohia Trade Services Limited "LTSL", the Holding Company has issued equity shares in lieu of assets and liabilities transferred from Demerged Undertaking of LTSL. Refer note no 47.

15 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Capital reserve	2,605.30	-
Retained earnings	976.05	(0.09)
Cash flow hedging reserve	0.79	-
Foreign currency translation reserve	(8.04)	-
	3,574.10	(0.09)
a. Capital reserve		
Balance at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	2,605.30	-
Balance at the end of the year/ period	2,605.30	-
b. Retained earnings		
Balance at the beginning of the year/ period	(0.09)	-
Add: Transfer on account of Scheme*	(215.35)	-
Add:- Profit for the year/period	1,169.68	(0.09)
Add:- Other comprehensive income for the year/period (net of tax)	21.81	-
Balance at the end of the year/period	976.05	(0.09)

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
c. Cash flow hedging reserve		
Balance at the beginning of the year/ period	-	-
(Less) /add : Movement during the year/ period	1.06	-
Income tax related to above	(0.27)	-
Balance at the end of the year/ period	0.79	-
d. Foreign currency translation reserve		
Balance at the beginning of the year/period	-	-
Add: Addition on account of Scheme*	0.51	-
Movement during the year/period	(8.55)	-
Balance at the end of the year/period	(8.04)	-
Total	3,574.10	(0.09)

Description of reserves:

Capital reserve

Capital reserve represents reserve created on consequent to the Scheme of arrangement with Lohia Trade Services Limited (formerly known as Lohia Corp Limited), refer note 47

Retained earnings

All the profits or losses made by the Group are transferred to retained earnings from consolidated statement of profit and loss.

Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 1.19. Amounts are subsequently reclassified to profit or loss.

Foreign currency translation reserve

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiaries entities.

16 Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
At amortised cost		
Secured		
Term loans from bank	1,556.50	-
Less: Current maturities of long term debts (refer note 19)	(693.60)	-
	862.90	-

Refer note 40 for disclosure of fair analysis of their maturity profiles.

The Holding Company has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

The borrowings obtained by the Holding Company from banks have been applied for the purposes for which such loans were was taken.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Terms of borrowings

S no.	Nature of loan and securities	Belong to	Terms of repayment
1	Foreign currency term loan from Federal Bank of US\$ 6.25 Million (Equivalent ₹530.05) (availed amount 10.00 Million) secured by specific plant & machineries.	Holding Co	Principal amount being repayable in 24 quarterly installments of US\$ 0.42 Million each starting from 23 March 2023. Rate of interest at 2.65% p.a. payable monthly.
2	Project term loan of ₹65.58 (availed amount ₹299.00 against sanctioned amount of ₹450.00 and it was taken in two tranches of ₹250.00 and ₹49.00) from HDFC Bank for financing of project for manufacturing of plastic woven fabrics/bags situated at C-3 & C-4 Panki Industrial Estate, Kanpur. Secured by exclusive charge on immovable and movable fixed assets and current assets of the project Lohia Packaging Solutions situated at C-3 & C-4 Panki Industrial Estate, Kanpur.	Holding Co	a) Principal amount is repayable in 16 quarterly installments of ₹12.71 each from 30 th September 2021 to 31 March 2025. Further repayable in equal 5 quarterly installments of ₹9.30 each from 30 th June 2025. Rate of interest at 1 year MCLR + 30 bps currently being 7.95% p.a. (reset every year). b) Principal amount is repayable in 24 quarterly installments of ₹2.00 each from 30 th September 2021 Rate of interest at 1 year MCLR + 30 bps currently being 7.95% p.a. (reset every year).
3	Term loan of ₹290.55 (availed amount ₹1100.00) from HDFC Bank taken in 2 tranches of ₹850.00 and ₹250.00. Secured by hypothecation of specific plant & machinery plus extention of charge of immovable assets.	Holding Co	a) Principal amount of ₹850.00 has been repaid in 16 quarterly installments amounting to ₹638.50 with remaining amount being repayable in 4 quarterly installments of ₹52.88 each. b) Term loan of ₹250.00 has been repaid in 11 quarterly installments amounting to ₹171.90 with remaining amount being repayable in 5 quarterly installments of ₹15.63 each. Rate of interest rate at 6.90% p.a. and 6.75% p.a. payable monthly. Term loans have been swapped into EURO through a ₹ to EURO currency swap at fixed EURIBOR of 1.2% p.a. & 1.35% p.a. respectively.
4	Term loan of ₹450.32 (availed amount ₹663.00 against sanctioned amount of ₹750.00) from HDFC bank taken in 3 tranches of ₹320.00, ₹200.00 and ₹143.00 secured by specific plant & machineries.	Holding Co	Tranche 1: Principal amount being repayable in 20 quarterly installments of ₹16.00 each starting from 15 June 2023. Rate of interest at 6.25% p.a. payable monthly. Tranche 2: Principal amount being repayable in 19 quarterly installments of ₹10.52 each starting from 30 th September 2023. Rate of interest at 3 month T Bill + 120 Bps Currently being 7.67%. Tranche 3: Principal amount being repayable in 13 quarterly installments of ₹11.00 each starting from 31 March 2025. Rate of interest at 3 month T Bill + 120 Bps Currently being 7.67%.
5	Term loan from Axis Bank of ₹220.00 (availed amount ₹400.00) secured by specific plant & machineries.	Holding Co	Principal amount being repayable in 20 quarterly installments of ₹20.00. Rate of interest at 6% p.a. payable monthly. Term loans have been swapped into USD through a ₹ to USD currency swap at fixed USDIBOR of 2.1% p.a.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

17 Provisions

Table with 5 columns: Particulars, As at 31 March 2025 (Non Current, Current), As at 31 March 2024 (Non Current, Current). Rows include Gratuity, Compensated absences, Provision for warranties, and a total row.

Warranty provisions relate to claims by customers for which customers are covered for the cost of repairs. These claims are expected to be settled in the next financial year. Management of the Holding Company estimates the provision based on historical warranty claim information of the Demerged Undertaking and any recent trends that may suggest future claims could differ from historical amounts.

18 Other liabilities

Table with 5 columns: Particulars, As at 31 March 2025 (Non Current, Current), As at 31 March 2024 (Non Current, Current). Rows include Deferred income - government grant, Revenue received in advance, Statutory liabilities, and a total row.

*The Holding Company has recognised grant in respect of duty saved on procurement of capital goods under EPCG scheme of Central Government. Under EPCG Scheme the Holding Company has an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods procured, to be fulfilled in 6 years reckoned from date of authorisation. The expected export obligations required to be fulfilled in future years as at 31 March 2025 is ₹215.09 (31 March 2024 : Nil).

**The revenue received in advance represents contract liability balance outstanding as at the respective dates. The revenue received in advance outstanding as at 01 April 2024 were recognised to the extent of revenue satisfaction of the associated performance obligations during the year ended 31 March 2025.

19 Borrowings

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include At amortised cost, Secured, Short term borrowings from banks, Bank overdraft (Cash credit facility), Current maturities of long term borrowings from bank, and a total row.

Refer note 40 for disclosure of analysis of their maturity profiles.

The Group has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

The borrowings obtained by the Group from banks have been applied for the purposes for which such loans were was taken.

Refer note 33 for net debt reconciliation.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Terms of borrowings

Table with 6 columns: S no., Nature of loan and securities, Belong to, Terms of repayment, 31 March 2025, 31 March 2024. Rows include 1. Short term borrowing from State Bank of India, 2. Short term borrowing from State Bank of India, 3. Short term borrowing from HSBC, and a total row.

20 Trade payables

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include (a) Total outstanding dues of micro and small enterprises, (b) Total outstanding dues of other than (a) above, and a total row.

Trade payables includes payables to related parties (refer note 38(B))

Ageing for trade payable - outstanding as at 31 March 2025 is as follows:

Table with 8 columns: Particulars, Outstanding for following periods from due date (Unbilled, Not due, Less than 1 year, 1-2 years, 2-3 years, More than 3 years), Total. Rows include Undisputed trade payables, Disputed trade payables, and a total row.

*Pursuant to scheme between the Holding Company and the Lohia Trade Services Limited ('LTSL') the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Holding Company with effect from the Appointed date of the Scheme being 01 April 2024, for detail refer note no 47.

Notes to the Consolidated Financial Statements as at 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

Ageing for trade payable - outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	0.01	-	-	-	0.01
Others	-	-	-	-	-	-
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	-	0.01	-	-	-	0.01

Note: There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

21 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Employee benefits payables	184.58	-
Derivative liabilities (net)	39.05	-
Capital creditors	14.87	-
Others	1.01	-
	239.51	-

22 Current tax liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for income tax	25.13	-
	25.13	-

23 Revenue from operations

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Revenue from contracts with customers*		
Sale of manufacturing goods	12,480.21	-
Sale of traded goods	962.66	-
Sale of services	49.36	-
Other operating revenues	276.49	-
	13,768.72	-

*Refer note no 35 for the breakup of domestic and overseas revenue.

a. Details of performance obligation associated with revenue recognition

Satisfaction of performance obligations

The Group's revenue is derived from the single performance obligation to transfer products. Revenue from sale of products is recognised when control of the products has transferred, being when the goods are made available to the carrier or the buyer has taken the possession of the goods, depending on the delivery terms, the risk of loss has been transferred and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Notes to the Consolidated Financial Statements as at 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

b. Variable considerations associated with such sales

The customer incentive is recognised based on purchases made by the customers and contractors in line with ongoing schemes and incentive programmes rolled out by the Group. Revenue are net of incentives to customers and contractors amounting to ₹59.35 (31 March 2024: Nil)

i Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Contract price	13,569.87	-
Adjustments:		
Sales return	(18.29)	-
Rebates & discounts	(59.35)	-
Revenue from operations	13,492.23	-

ii Contract balances

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Trade receivables (Refer Note No 12)	1,199.73	-
Revenue received in advance (Refer Note No 18)	1,907.52	-

iii Revenue recognised in relation to contract liabilities[#]

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period*	1,319.21	-
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period	-	-
c. Revenue expected to be recognised in the next year that is included in the contract liability balance at the end of the year	1716.36	-

[#]The significant increase in contract liabilities in current year is mainly due to advances received during the year, for which orders has been received during the year.

*Refer note no. 47

c. Breakup of other operating revenues

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Scrap sales	108.17	-
Export Incentives	163.17	-
Others	5.15	-
	276.49	-

d. There is no significant estimate involved in the recognition of revenue from contract.

Notes to the Consolidated Financial Statements as at 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

24 Other income

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Interest income from financial assets	7.03	-
Gain on foreign currency (net)	14.17	-
Net gain on sale of current investments	10.19	-
Income from government grants	57.58	-
Liabilities/provisions no longer required written back	3.25	-
Miscellaneous income	3.79	-
	96.01	-

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Interest income comprises of :-		
Interest on bank deposits	0.41	-
Finance income from lease/sub lease	0.41	-
Interest income from financial asset other than above	6.21	-
	7.03	-

25 Cost of materials consumed

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Raw material at the beginning of the year/ period	-	-
Add: Transfer on account of Scheme*	1,375.93	-
Add: Purchases during the year/ period	6,661.91	-
Less: Raw material at the end of the year/ period	1,455.10	-
Total cost of materials consumed	6,582.74	-

26 Changes in inventories of finished goods, work in progress and stock-in-trade

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Closing stock:		
Work in progress	743.55	-
Finished goods	660.48	-
	1,404.03	-
Opening stock:		
Transfer on account of Scheme*		
Work in progress	837.42	-
Finished goods	651.51	-
	1,488.93	-
	84.90	-

*Pertains to transfer on account of Scheme, refer note 47

27 Employee benefits expenses

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Salaries and wages	1,559.98	-
Contributions to provident and other funds (Refer note 38)	167.27	-
Staff welfare expenses	73.21	-
	1,800.46	-

Notes to the Consolidated Financial Statements as at 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

28 Finance costs

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Interest expenses on borrowings	134.33	-
Interest on lease liability	10.02	-
Interest on delayed payment of income tax	8.53	-
Interest on others	0.53	-
	153.41	-

29 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Depreciation on property, plant and equipment	436.58	-
Amortisation of right-of-use assets	58.65	-
Amortisation of intangible assets	13.10	-
	508.33	-

30 Other expenses

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Consumption of stores and spares	132.65	-
Power and fuel	214.02	-
Repairs and maintenance to -		
Plant and equipments	70.93	-
Buildings	20.35	-
Others	86.28	-
Telecommunication expenses	17.45	-
IT support and maintenance	125.57	-
Rent charges	63.23	-
Rates and taxes	20.09	-
Legal and professional charges	225.91	0.02
Travelling and conveyance	169.73	-
Insurance	20.50	-
Commission on sales	226.14	-
Freight and forwarding expenses	330.18	-
Warranty expenses (refer note 36)	79.02	-
Provision for doubtful debts and advances	15.02	-
Provision for expected credit loss on trade receivables	1.95	-
Bad debts written off	11.65	-
Vehicle running and maintenance	67.45	-
Advertisement and marketing expenses	74.16	-
Bank charges	16.51	-
Net loss on disposal of property, plant and equipment	3.59	-
Miscellaneous expenses	122.07	0.07
	2,114.45	0.09

Notes to the Consolidated Financial Statements as at 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

31 A- Income tax recognised in statement of profit and loss

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Current tax		
Current tax on profits for the year/ period	454.25	-
Total current tax expense	454.25	-
Deferred tax		
Increase in deferred tax assets	(28.82)	-
Increase in deferred tax liabilities	20.44	-
Total deferred tax benefit	(8.38)	-
Income tax expense	445.87	-

B. Reconciliation of tax

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Profit/(loss) before tax	1,624.28	(0.09)
Effective tax rate	25.17%	25.17%
Current tax expense on profit before tax at the effective income tax rate in India	408.80	(0.02)
Tax not recognized on losses of subsidiaries	33.36	-
Others	3.71	0.02
	445.87	(0.00)

32 Earnings per share

The Group earnings per share is determined based on the net profit attributable to the shareholder's of the Holding Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings/(loss) per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
Net profit attributable to the equity shareholders	1,178.41	(0.09)
Number of equity shares at the beginning of the period (absolute)	1,00,000	-
Total number of shares outstanding at the end of the period (absolute)*	10,56,50,000	1,00,000
Weighted average number of shares used in basic earning per share (absolute)	8,59,85,890	1,00,000
Weighted average number of shares used in diluted earning per share (absolute)	8,59,85,890	1,00,000
Basic earning per share (₹)	13.70	(0.90)
Diluted earning per share (₹)	13.70	(0.90)
Nominal value of equity share (₹)	1.00	10.00

*Refer note no. 47

33 Net debt reconciliation

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings	2,121.63	-
Lease liabilities	244.02	-
Cash and cash equivalents	371.28	0.00
Net debt	1,994.37	(0.00)

Notes to the Consolidated Financial Statements as at 31 March 2025

(All amount are in ₹ Millions unless otherwise stated)

Particulars	Cash and cash equivalents	Liabilities from financing activities			Total
		Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 01 April 2024	-	-	-	-	-
Transferred on account of Scheme^	146.17	2,105.62	698.10	61.65	2,719.20
Cash flows (net)	222.23	(693.38)	(235.25)	(54.22)	(1,205.08)
Addition	-	143.00	97.03	226.57	466.60
Non cash movement	2.88	1.26	5.25	10.02	13.65
Net debt as at 31 March 2025	371.28	1,556.50	565.13	244.02	1,994.37

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities			Total
		Non current borrowings*	Current borrowings	Lease liabilities	
Net debt as at 05 June 2023	-	-	-	-	-
Cash flows (net)	0.00	-	-	-	(0.00)
Addition	-	-	-	-	-
Interest expenses	-	-	-	-	-
Non cash movement	-	-	-	-	-
Net debt as at 31 March 2024	0.00	-	-	-	(0.00)

*Non-current borrowings includes current maturity of ₹693.6 and interest accrued.

*Refer note no 47

34 Contingent liabilities, contingent assets and commitments^ :

Particulars	As at 31 March 2025	As at 31 March 2024
a. Claims against the Company not acknowledged as debts	46.62	-

The Holding Company is contesting certain claims filed against the Holding Company by past employees and external parties in various forums. Based on the available documentation and expert views, the Holding Company has created provisions wherever required and for balance matters, it believes that more likely than not, these disputes would not result in additional outflow of resources.

^Includes cases which was transferred to the Holding Company pursuant to hon'ble NCLT order dated 16th April 2024, refer note no 47.

Particulars	As at 31 March 2025	As at 31 March 2024
b. Contingent liability of direct and indirect tax		
(i) GST matters (Refer note 'a' below)	17.12	-
(ii) Income tax (Refer note 'b' below)	0.17	-

a) The Holding Company has received show cause cum demand notice received from DGGI (Directorate General of GST Intelligence) – Mumbai Zonal Unit on 31 March 2023, against which Holding Company has filed reply on 28th April 2023. The order dated 31 January 2025 has confirmed the penalty of ₹17.12, the Holding Company is contesting the case and has filed an appeal with the appellate authority. Based on the available documentation and tax experts view, the Holding Company believes that more likely than not, these disputes would not result in additional outflow of resources.

b) The Holding Company has received order u/s 144C(1) of the Income tax act, 1961 amounting to ₹0.67 against which the Holding Company has filed an objection before Hon'ble Dispute Resolution Panel on 19 January 2024. Based on the available documentation and tax experts view, the Holding Company believes that more likely than not, these disputes would not result in additional outflow of resources.

*Includes cases which was transferred to the Holding Company pursuant to hon'ble NCLT order dated 16th April 2024, refer note no 47.

Notes to the Consolidated Financial Statements as at 31 March 2025
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Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Capital and other commitments, Corporate guarantees given, and contingent assets.

35 Segment reporting :

a. General information
The Group primary business segment is reflected based on principal business activities carried on by the Group. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Group performance and allocates resources based on analysis of the various performance indicators of the Group as a single unit.

b Entity wide disclosures

Table with 3 columns: Particulars, As at 31 March 2025, For the period from June 5, 2023 to March 31, 2024. Rows include Revenue from operations (Domestic, Overseas, Total).

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Non current segment assets (Domestic, Overseas, Total).

*excluding deferred tax, income tax assets and financial assets

Break up of non current assets are as follows:

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Non current segment assets (Property, plant and equipment, Right-of-use assets, Capital work-in-progress, Intangible assets, Intangible assets under development, Other non current assets, Total).

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

c. Information about major customers
No external customer individually accounted for more than 10% of the Group revenue for the year ended 31 March 2025.

36 Provision for warranties

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Opening balance, Transfer on account of Scheme, Add: Amount provided during the year/ period, Less: Amount utilised against provision, Closing balance.

*Refer note no 47

37 Employee benefits:

(i) Defined contribution plans:
Defined contribution plans are provident fund scheme, employee state insurance to Government administered schemes, superannuation scheme and part of the pension fund scheme for eligible employees. The Group recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Group has no obligations other than to make the specified contributions.

Table with 3 columns: Particulars, Year ended 31 March 2025, For the period from 05 June 2023 to 31 March 2024. Rows include Contribution to Government Provident Fund and Family Pension Fund, Contribution to Employee State Insurance, Contribution to National Pension Scheme, Social security contribution, Total.

(ii) Defined benefit plans

Gratuity
The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to Group Gratuity Trust cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. 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 Gratuity plan and the amounts recognised in the Group financial statements as at balance sheet date:

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Net assets/ (liability) as at year/ period end:

Particulars	As at 31 March 2025	As at 31 March 2024
A. I. Change in defined benefit obligation during the year/ period		
Present value of obligations at the beginning of the year/ period	-	-
Transfer on account of Scheme*	354.37	-
Included in statement of profit and loss:		
Current service cost	32.34	-
Interest cost	23.92	-
Past service cost	-	-
Included in other comprehensive income:		
Actuarial losses/ (gains) arising from:		
Experience adjustments	(37.31)	-
Financial assumptions	11.30	-
Others		
Benefits paid	(44.04)	-
Present value of obligation at the end of the year/ period	340.58	-
II. Change in fair value of plan assets during the year/ period		
Plan assets at the beginning of the year/ period	-	-
Transfer on account of Scheme*	355.87	-
Included in statement of profit and loss:		
Expected return on plan assets	23.11	-
Included in other comprehensive income:		
Actuarial gains/(losses) on plan assets	3.17	-
Others:	-	-
Employer's contribution	0.42	-
Benefits paid	(27.49)	-
Plan assets at the end of the year/ period as per actuary	355.08	-
Benefits pending reimbursement from LIC	(10.39)	-
Plan assets at the end of the year/ period	344.69	-

*Refer note 47

Particulars	As at 31 March 2025	As at 31 March 2024
III. Reconciliation of present value of defined benefit obligation and fair value of plan assets		
1. Present Value of obligation as at year/ period end	(340.58)	-
2. Fair Value of plan assets at year/ period end	344.69	-
3. Funded status (Surplus/(deficit))	4.11	-
Net asset	4.11	-

Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
IV. Expenses recognised in the statement of profit and loss		
1. Current service cost	32.34	-
2. Interest cost	23.92	-
3. Expected return on plan assets	(23.11)	-
Total expense	33.15	-



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Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
V. Expenses recognised in the statement of other comprehensive income		
1. Net actuarial (gain)/loss	(26.01)	-
2. Expected return on plan assets excluding interest income	(3.17)	-
	(29.18)	-

B. Major category of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
	% Amount	% Amount
Funds managed by Life Insurance Corporation of India	100% 344.69	- -

C. Actuarial assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
1. Discount rate	6.75%	-
2. Expected rate of return on plan assets	6.75%	-
3. Expected rate of salary increase	7.00%	-
4. Attrition rate	3% to 1%	-
5. Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	-
6. Retirement age*	60	-

These assumptions were developed by the Group management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on Group management's historical experience.

*except in case of few employees

D. Present benefit obligation at the end of the year/ period as per schedule III to the Companies Act, 2013

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current liability (amount due over one year)	0.37	-
Current liability (amount due within one year)	0.01	-

E. Sensitivity analysis

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Gratuity fund				
Discount rate (1% movement)	(16.02)	48.41	-	-
Expected rate of future salary increase (1% movement)	48.10	(16.30)	-	-
Withdrawal rate (1% movement)	13.86	13.36	-	-

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The method and type of assumptions used in preparing the sensitivity analysis did not change as compared to previous period.

Notes to the Consolidated Financial Statements as at 31 March 2025
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F. Expected contributions to defined benefit plans for the year ending 31 March 2025 is ₹19.81 (31 March 2024 Nil).

G. Expected maturity analysis of undiscounted defined benefit plans

Particulars	As at 31 March 2025	As at 31 March 2024
Year 1	19.81	-
Year 2	19.11	-
Year 3	24.51	-
Year 4	25.13	-
Year 5	31.26	-
Year 6 to Year 10	151.71	-
	271.53	-

Description of risk exposures:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- (i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a return lesser than the yield. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level.
- (ii) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits obligation will tend to increase.
- (iii) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.
- (iv) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

H. The impact on employee benefit obligations pursuant to change in actuarial assumptions is taken to other comprehensive income.

I. Significant estimates :

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Other long-term employee benefits

An amount of ₹23.32 (31 March 2024 : Nil) pertains to expense towards compensated absences.

38 Disclosure in respect of related parties pursuant to IndAS 24:

A Related party and their relationship.

(a) Other enterprises over which key management personnel/relative/director exercise significant influence /control of the Holding Company

Lohia Trade Services Limited
Lohia Filament Machines Limited
Lohia Global Solutions Private Limited
Sarjna Capfin Private Limited
United Trade.Net India Private Limited
Sparetex Private Limited
Saumya Real Estates Private Limited
Vivsun Engineering Industries Private Limited
Blackwatermelon Private Limited
Murli Manohar Real Estates LLP
Sundarlam Industries
Polylam Industries
Sunshin Industries

Notes to the Consolidated Financial Statements as at 31 March 2025
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(b) Key management personnel and relatives

Key management personnel

Mr. Raj Kumar Lohia (Director till 30th April 2024; Managing Director w.e.f 01 May 2024)

Mr. Gaurav Lohia (Chief Operating Officer w.e.f. 01 May 2024)

Mr. Amit Kumar Lohia (Chief Strategy & Planning Officer w.e.f. 01 May 2024)

Mr. KG Gupta (Chief Financial Officer w.e.f. 01 May 2024 till 24 April 2025)

Mr. P.K Mukherjee (Whole Time Director w.e.f. 01.05.2024)

Mr. Ujjal De (Whole Time Director w.e.f 01 May 2024 till 29th June 2024; Non-Executive Director w.e.f. 30th June 2024)

Mr. Naresh Kumar Gupta (Director w.e.f. 21st September 2024)

Mr. Dinesh Kumar Mittal (Director w.e.f. 21st September 2024)

Ms. Keith Reddy Padmaja Reddy (Director w.e.f. 21st September 2024)

Mr. Gaurav Swarup (Director w.e.f. 21st September 2024)

Mr. Basant Seth (Director w.e.f. 21st September 2024)

Mr. Rajendra Kumar Arya (Director w.e.f. 01 May 2024)

Ms. Shikha Srivastava (Company Secretary w.e.f. 01 May 2024)

Mr. Anupam Agarwal (Director till 24 June 2024; Chief Financial Officer w.e.f. 25 April 2025)

Mr. Kamal Kumar Kejriwal (Director till 24 June 2024)

Mr. Alok Saxena (Director till 24 June 2024)

(c) Relatives of key management personnel

Ms. Neela Lohia

Ms. Mansi Lohia

(d) Post employment benefit plans

Lohia Corp Limited Employees Group Gratuity Trust

B Transactions with related parties

Total related party transactions and significant related party transactions (by entity) for the year ended 31 March 2025 and for the period from 05 June 2023 to 31 March 2024:

S. No.	Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
1	Sale of manufacturing goods*	22.87	-
	Sparetex Private Limited	19.29	-
	Vivsun Engineering Industries Private Limited	3.57	-
	Sundarlam Industries	0.01	-
2	Other miscellaneous income	5.07	-
	Lohia Trade Services Limited	4.89	-
	United Trade.Net India Private Limited	0.18	-
3	Purchase of goods and services*	576.12	-
	Lohia Trade Services Limited	468.96	-
	Vivsun Engineering Industries Private Limited	28.56	-
	United Trade.Net India Private Limited	53.49	-
	Murli Manohar Real Estates LLP	6.00	-
	Saumya Real Estates Private Limited	9.00	-
	Lohia Filament Machines Limited	6.36	-
	Blackwatermelon Private Limited	0.12	-
	Polylam Industries	3.24	-
	Sunshin Industries	0.39	-

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S. No.	Particulars	Year ended 31 March 2025	For the period from 05 June 2023 to 31 March 2024
4	Employee benefit expenses^	85.40	-
	Short-term employee benefits	80.26	-
	Other long-term benefits	2.64	-
	Termination benefits	2.50	-
5	Director sitting fees and commission	0.70	-
	Mr. Ujjal De	0.10	-
	Mr. Naresh Kumar Gupta	0.10	-
	Ms. Keith Reddy Padmaja Reddy	0.10	-
	Mr. Basant Seth	0.20	-
	Mr. Dinesh Kumar Mittal	0.10	-
	Mr. Gaurav Swarup	0.10	-
6	Contribution in employees group gratuity	2.00	-
	Lohia Corp Limited Employees Group Gratuity Trust	2.00	-
7	Borrowings taken	1,277.20	-
	Sarjna Capfin Private Limited	1,277.20	-
8	Finance costs	7.12	-
	Sarjna Capfin Private Limited	7.12	-
9	Repayment of borrowings	1,284.32	-
	Sarjna Capfin Private Limited	1,284.32	-

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

S. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
		Total	Total
10	Trade and other payables	27.40	-
	Lohia Global Solutions Private Limited	26.99	-
	Polylam Industries	0.38	-
	Sunshin Industries	0.03	-
11	Trade and other receivables	249.55	-
	Lohia Trade Services Limited	249.20	-
	Vivsun Engineering Industries Private Limited	0.35	-
12	Recovered/recoverable from Trust	10.39	-
	Lohia Corp Limited Employees Group Gratuity Trust	10.39	-
13	Corporate guarantee	413.00	-
	Leesona Corp, USA	413.00	-

Note: Disclosure of entity wise transactions are given for material transactions within each category.

*Excluding goods & service tax.

*Employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.

Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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39 Fair value measurements

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sales.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2025	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	1,199.73	1,199.73	-	-	-
Cash and cash equivalents	-	-	371.28	371.28	-	-	-
Loans	-	-	11.44	11.44	-	-	11.44
Other financial assets	-	-	367.81	367.81	-	-	-
Total	-	-	1,950.26	1,950.26	-	-	11.44
Financial liabilities							
Borrowings	-	-	2,121.63	2,121.63	-	-	2,121.63
Trade payables	-	-	1,054.87	1,054.87	-	-	-
Other financial liabilities	-	-	239.51	239.51	-	-	-
Derivative Liabilities	40.11	(1.06)	-	39.05	-	39.05	-
Lease liabilities	-	-	244.02	244.02	-	-	-
Total	40.11	(1.06)	3,660.03	3,699.08	-	39.05	2,121.63

As at 31 March 2024	Carrying value			Fair value hierarchy			
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
Cash and cash equivalents	-	-	0.00	0.00	-	-	-
Other financial assets	-	-	0.01	0.01	-	-	-
Total	-	-	0.01	0.01	-	-	-
Financial liabilities							
Trade payables	-	-	0.01	0.01	-	-	-
Total	-	-	0.01	0.01	-	-	-

Notes:

The carrying amounts of loans, trade receivables, other financial assets, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature. Loans given by the Holding Company are linked to market rate of interest and bonus, carrying value best estimated of fair value.

The fair values for security deposits are calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair values of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted prices in active markets are available are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Level 1 Hierarchy includes financial instruments measured using quoted prices. There is no financial assets and liabilities which qualify for level I hierarchy.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes foreign exchange forward contracts.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. There are no transfers between levels 1 and 2 during the year. The Group policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to determine fair values

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate the fair value.

Derivative financial assets/liabilities: The Holding Company enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are determined using forward exchange rates at the balance sheet date.

Trade receivables, cash and cash equivalents, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments traded in active markets are determined by reference to quotes from the financial institutions-: Net asset value (NAV) for investments in mutual funds declared by mutual fund house, quoted price of equity shares in the stock exchange etc.

Valuation processes

Fair value of derivatives using dealer quotes for similar instruments (on marked to market value as on balance sheet date of such derivative transaction).

The finance department of the Holding Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team performs valuation either internally or externally through valuers and reports directly to the senior management of the Holding Company. Discussions on valuation and results are held between the senior management and valuation team on annual basis.

The main level 3 inputs for unlisted equity securities, used by the Holding Company are derived and evaluated as follows:

The use of quoted market prices / dealer quotes / profit earning (PE) for similar instruments

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Holding Company internal credit risk management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

40 Financial risk management

The Group have exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk- interest rate and foreign currency

(i) Risk management framework

The Holding Company board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The board of directors of the Holding Company has established the risk management committee, which is responsible for developing and monitoring the Group risk management policies. The committee reports regularly to the board of directors of the Holding Company on its activities.

The Group risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Group risk committee oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee of the Holding Company is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee of the Holding Company.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group receivables from customers.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Trade receivables

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivable amounting to ₹1199.73 (net of loss allowance) (31 March 2024: Nil).The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer.The management of the Holding Company also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group have a credit risk management policy in place to limit credit losses due to non-performance of financial counterparties and customers. The Group monitor its exposure to credit risk on an ongoing basis at various levels. Outstanding customer receivables are regularly monitored. The Group closely monitor the acceptable financial counterparty credit limits and revise where required in line with the market circumstances. Due to the geographical spread and the diversity of the Group customers, the Group are not subject to any significant concentration of credit risks at balance sheet date. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous entities and assessed for impairment collectively. The calculation is based on credit losses historical data. The Group have evaluated that the concentration of risk with respect to trade receivables to be low. Trade and other receivables are written off when there is no reasonable expectation of recovery post identification on case to case basis. On account of adoption of IndAS 109, the Group uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. Specific case to case provision is made in respect of credit impaired customers.

A summary of the Group exposure to credit risk for trade receivables based on the ageing are as follows:

Ageing of Receivables

Particulars	As at 31 March 2025		As at 31 March 2024	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
Less than 180 days	860.27	-	-	-
More than 180 days	371.20	31.74	-	-
Total	1,231.47	31.74	-	-

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year/ period	-	-
Transferred on account of Scheme*	29.78	-
Bad debt written off	(11.65)	-
Expected credit loss during the year/ period	13.61	-
Balance at the end of the year/ period	31.74	-

Expected credit loss for trade receivable as at 31 March 2025

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount - Trade receivables	237.52	622.75	189.73	164.31	6.78	10.38	1,231.47
Expected credit loss rate (%)	0.00%	-	-	9.29%	89.97%	100.00%	2.58%
Expected credit losses (Loss allowance provision)	-	-	-	15.26	6.10	10.38	31.74
Total							1,199.73

Expected credit loss for trade receivable as at 31 March 2024

Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount -Trade receivables	-	-	-	-	-	-	-
Expected credit loss rate (%)	-	-	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
Total							-

Significant estimates: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group past history, existing market conditions as well as forward looking estimates at the end of each reporting year. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and cash equivalents and derivatives

For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation. The Group maintain flexibility in funding by maintaining availability under committed credit lines. Management of the Holding Company monitors the Group liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Details of undrawn facilities of the Group from bank (fund based as well as non fund based):

Particulars	As at 31 March 2025	As at 31 March 2024
Expiring within one year (bank overdraft and other facilities)	1,641.15	-
Total	1,641.15	-

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2025	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Borrowings*	565.13	693.60	862.90	-	2,121.63
Trade payables	-	1,054.87	-	-	1,054.87
Other financial liabilities	-	239.51	-	-	239.51
Lease liabilities	-	68.54	205.14	11.57	285.25
Total	565.13	2,056.52	1,068.04	11.57	3,701.26

As at 31 March 2024	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	-	0.01	-	-	0.01
Total	-	0.01	-	-	0.01

*including contractual interest payable at prevalent/agreed rate of interest.

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The Group has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

(iv) Market risk

Market risk is the risk that arises from changes in market prices such as foreign exchange rates. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group are exposed to market risk primarily related to foreign exchange rate risk and the market value of the investments. Thus, the Group exposure to market risk is a function of investing and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in financial assets and unhedged foreign currency, revenues and costs.

Currency risk

The Group operate internationally and are exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US dollar and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Holding Company. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the ₹ cash flows of highly probable forecast transactions.

The Holding Company use foreign currency forwards to hedge its exposure to foreign currency risk. The Holding Company policy is to hedge the risk of changes in foreign currency. The Holding Company use forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Holding Company designate both change in spot and forward element of forward contracts to hedge exposure in foreign currency risk on highly probable forecast sales.

The Holding Company also entered into foreign currency principal and interest swap which have not been designated in a hedging relationship. Such instruments are subject to the same risk management policies as all other derivative contracts.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Exposure to currency risk

The currency profile of financial assets and financial liabilities (other than Indian Rupees) as at 31 March 2025 and 31 March 2024 are reinstated in Millions Indian Rupees which is stated below :

Foreign currency risk exposure:

As at 31 March 2025

Table with 4 columns: Particulars, USD, EURO, Others. Rows include Financial assets (Trade receivables, Cash and cash equivalents, Derivative assets), Financial liabilities (Trade payables, Borrowings), and totals for 2025 and 2024.

As at 31 March 2024

Table with 4 columns: Particulars, USD, EURO, Others. Rows include Financial assets (Trade receivables, Cash and cash equivalents, Loans), Financial liabilities (Trade Payables, Borrowings), and totals for 2024.

Sensitivity analysis foreign currency

The sensitivity analysis given in the table below is based on the Group foreign currency financial instruments held at each reporting date and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Group financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Table with 5 columns: Particulars, Movement, Year ended 31 March 2025, For the period from 05 June 2023 to 31 March 2024. Rows for USD, Euro, and Others.

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position (assets)

Table with 8 columns: Type of hedge and risks, Nominal value, Carrying amount of hedging instrument, Maturity dates, Hedge ratio, Average strike price, Change in fair value of hedging instrument, Change in the value of hedged item. Rows for As at 31 March 2025 and As at 31 March 2024, covering Cash flow hedge and Foreign currency risk.

(b) Disclosure of effects of hedge accounting on financial performance

Table with 5 columns: Type of hedge and risks, Change in the value of hedging instrument in other comprehensive income, Hedge ineffectiveness recognised in profit or loss, Amount reclassified from cash flow hedging reserve to profit or loss, Line item affected in statement of profit and loss. Rows for As at 31 March 2025 and As at 31 March 2024, covering Cash flow hedge and Foreign currency risk.

The Holding Company hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through year prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

(c) Movements in cash flow hedging reserve

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Opening balance, Add: Changes in fair value of forward contracts, Less: Deferred tax relating to above (net), and Closing balance.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group borrowings with floating interest rates.

i) Interest rate risk exposure - liabilities

The exposure of the Group borrowing to interest rate changes as reported to the management of the Holding Company at the end of the reporting year are as follows:

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Variable rate borrowings, Fixed rate borrowings, and Total borrowings.

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Interest sensitivity*, Variable rate borrowings, Interest rates - increase by 100 basis points, and Interest rates - decrease by 100 basis points.

*Holding all other variables constant

ii) Assets

The Group fixed deposits and loans are carried at amortised cost and are fixed rate. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure - assets

Below is the overall exposure of the deposits:

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Balances in deposits with original maturity of more than three months but less than twelve months, Bank deposits with more than twelve months maturity, Loans, and Total.

The Group are exposed to interest rate risk on account of variable rate borrowings. The Group risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time. The Group have used interest rate swaps to mitigate its interest rate risk arising from certain transactions, these are recognised as derivatives.



Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Price risk

The Group exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifie its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group consider factors such as long term credit rating, tenor of investment, minimum assured return, monetary limits,etc. while investing.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group profit for the year. The analysis is based on the assumption that the equity index had increased by 10% or decreased by 10% with all other variables held constant, and that all the Group equity instruments moved in line with the index.

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Equity index - increase by 10% and Equity index - decrease by 10%.

Capital management

The Holding Company capital management objectives are :

- to ensure the Group ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitor the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group. Net debt includes interest bearing borrowings less cash and cash equivalents and current investments. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group various classes of debt. The Group manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Holding Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Borrowings, Less: Cash and Cash Equivalents, Adjusted Net Debt, Equity, and Adjusted net debt to equity ratio.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group performance to developments affecting a particular industry. Based upon the Group evaluation, there is no excessive risk concentration.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

41 Offsetting of financial assets and liabilities :

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The following tables set out the financial assets and liabilities that are offset.

As as 31 March 2025

Table with 4 columns: Particulars, Gross financial assets/ (liabilities), Financial (liabilities)/ assets offset, Net financial assets/ (liabilities). Rows include Financial assets (Trade receivables) and Financial liabilities (Trade payables).

As as 31 March 2024

Table with 4 columns: Particulars, Gross financial assets/ (liabilities), Financial (liabilities)/ assets offset, Net financial assets/ (liabilities). Rows include Financial assets (Trade receivables) and Financial liabilities (Trade payables).

42 Details of assets pledged

The carrying amounts of assets under charge for current and non-current borrowings are:

Table with 3 columns: Particulars, As at 31 March 2025, As at 31 March 2024. Rows include Current assets (Inventories, Trade receivables, Cash and cash equivalents, Other financial assets, Other current assets) and Non current assets (Property, plant and equipment).

#Total trade receivables at individual Company level, amounts to 31 March 2025: ₹1,345.24 Millions but for the purpose of consolidated financial statements, total trade receivables amounts to ₹1094.06 Millions.

*These assets pertain to the Holding Company and its subsidiary Leeson Corp.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

43 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:

For the year ended 31 March 2025

Table with 9 columns: Particulars, Net assets i.e. total assets minus total liabilities, Share in profit or loss, Share in other comprehensive income, Share in total comprehensive income. Rows include Holding Company (Lohia Corp Limited), Subsidiaries (Domestic: Leeson Machinery Private Limited, Sundarlam Industries Private Limited; Foreign: Leeson Corp, USA, Lohia Global Solutions FZE, UAE, Ldb Importacao E Exportacao Ltda, OMGM Extrusientechnik S.R.L), Total eliminations/ adjustments, Total attributable to owners, Non controlling interest, and Total.

*The difference in accounting policies of the Holding Company and its foreign subsidiaries are not material and all material transactions, if any, from 01 January 2025 to 31 March 2025 in respect of subsidiaries having their financial year ended 31 December 2024 have been adjusted in the preparation of consolidated financial statements.

44 Non-controlling interests (NCI)

The below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company elimination.

Summarised balance sheet

Table with 4 columns: Particulars, OMGM Extrusientechnik S.R.L, Sundarlam Industries Private Limited, Total. Rows include Non-current assets, Non-current liabilities, Net non-current assets, Current assets, and Current liabilities.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

Particulars	OMGM Extrusiontechnik S.R.L	Sundarlam Industries Private Limited	Total
	As at 31 March 2025	As at 31 March 2025	As at 31 March 2025
Net current assets	31.52	15.50	47.02
Net assets	71.44	37.63	109.07
Accumulated NCI	28.57	7.53	36.10

Summarised statement of profit and loss

Particulars	OMGM Extrusiontechnik S.R.L	Sundarlam Industries Private Limited	Total
	For the year ended 31 March 2025	For the year ended 31 March 2025	For the year ended 31 March 2025
Revenue	4.44	352.94	357.38
Profit for the year	(1.72)	47.2	45.48
Other comprehensive income	(1.61)	0.28	(1.33)
Total comprehensive income	(3.33)	47.48	44.15
Profit allocated to NCI	(1.33)	9.50	8.17

Summarised statement of cash flows

Particulars	OMGM Extrusiontechnik S.R.L	Sundarlam Industries Private Limited	Total
	For the year ended 31 March 2025	For the year ended 31 March 2025	For the year ended 31 March 2025
Cash flows from operating activities	(1.52)	(66.85)	(68.37)
Cash flows from investing activities	(41.61)	(0.37)	(41.98)
Cash flows from financing activities	74.35	57.00	131.35
Net increase/(decrease) in cash and cash equivalents	31.22	(10.22)	21.00

*Refer note no 47

45 Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Group are required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Group have appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the financial year are on an "arm's length basis". The Group are in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management of the Holding Company the update would not have a material impact on these consolidated financial statements. Accordingly, these consolidated financial statements do not include any adjustments for the transfer pricing implications, if any.

46 Other statutory information

- (a) The Holding Company and its subsidiaries covered under this Act do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Holding Company and its subsidiaries covered under this Act do not have any transactions with companies struck off.
- (c) The Group have not traded or invested in Crypto currency or Virtual Currency during the year.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

- (d) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (e) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,"
- (f) The Holding Company and its subsidiaries which are covered under this Act have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (g) The Holding Company and its subsidiaries which are covered under this Act is not declared wilful defaulter by any bank or financial institution or government or any government authority.
- (h) The Holding Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (i) The Holding Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company with banks and financial institutions are in agreement with the books of accounts.
- (j) The Holding Company has entered into a scheme of arrangement with Lohia Trade Services Limited ('LTSL') the accounting impact on current year is described in note 47 below and the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards'.
- (k) The Group have not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

47 Scheme of Arrangement

In accordance with the Scheme of Arrangement (the 'Scheme') between the Holding Company and Lohia Trade Services Limited (formerly known as Lohia Corp Limited) ('LTSL') as approved by Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench vide their order dated 16th April 2024, the Technical Textile Machinery Business ('Demerged Undertaking') of LTSL was demerged and transferred to the Holding Company with effect from the Appointed date of the Scheme being 01 April 2024, in consideration of 1 equity share of the Holding Company having face value of ₹1 each fully paid up for every 1 equity share held in LTSL of ₹1 each fully paid up. The NCLT Order sanctioning the Scheme has been filed with the Registrar of Companies on 01 May 2024 being the effective date of the Scheme.

Pursuant to the Scheme, the Authorised Share Capital of the Holding Company was increased from 1,000,000 equity shares having face value of ₹1 each amounting to ₹1.00 Million to 126,000,000 equity shares having face value of ₹1 each amounting to ₹126.00 Millions. In discharge of the consideration, the Holding Company allotted 105,650,000 equity shares having face value of ₹1 each fully paid up to the shareholders of LTSL and the 100,000 equity shares having face value of ₹1 each fully paid up issued to the existing shareholders of the Holding Company stands cancelled.

As per the provisions of the Scheme, the transfer of the above mentioned Demerged Undertaking into the Holding Company has been given accounting effect in these consolidated financial statements in accordance with "pooling of interest" method as per generally accepted accounting principles in India, with effect from Appointed date. Further, as per the terms of the scheme, with effect from the appointed date till the effective date, the Demerged Undertaking was carried on by LTSL for and on account of, and in trust for the Holding Company.

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(All amount are in ₹ Millions unless otherwise stated)

Assets acquired and liabilities assumed as at 01 April 2024 are as follows:

ASSETS	
Non-current assets	
(a) Property, plant and equipment	3601.75
(b) Right-of-use assets	366.53
(c) Capital work-in-progress	15.36
(d) Intangible assets	30.91
(e) Financial assets	
(i) Loans	4.24
(ii) Other financial assets	48.03
(f) Non current tax assets	1.08
(g) Deferred tax assets (net)	7.51
(h) Other non current assets	37.12
Total non-current assets	4,112.53
Current assets	
(a) Inventories	2,951.41
(b) Financial assets	
(i) Trade receivables	870.90
(ii) Cash and cash equivalents	146.17
(iii) Loans	5.39
(iv) Other financial assets	185.02
(c) Current tax assets (net)	123.73
(d) Other current assets	339.73
Total current assets	4,622.35
Total assets (A)	8,734.88
LIABILITIES	
Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	1,454.89
(ii) Lease liabilities	32.68
(b) Deferred tax liabilities (net)	108.76
(c) Other non current liabilities	298.54
Total non-current liabilities	1,894.87
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	1,348.83
(ii) Lease liabilities	28.97
(iii) Trade payables	
(a) Total outstanding dues of micro and small enterprises;	170.17
(b) Total outstanding dues of other than iii (a) above	772.77
(iv) Other financial liabilities	228.58
(b) Other current liabilities	1,705.96
(c) Provisions	88.72
Total current liabilities	4,344.00
Total liabilities (B)	6,238.87
Value of identified net assets (A-B)	2,496.01
Losses acquired on acquisition of subsidiaries of Demerged Undertaking	(215.35)
Foreign currency translation reserve	0.51
Consideration	105.65
Cancellation of equity shares	(0.10)
Capital reserve	2,605.30

The Demerged Undertaking contributed revenue of ₹13768.72 and Profit before tax of ₹1624.28 during the financial year 2024-2025.

Notes to the Consolidated Financial Statements as at 31 March 2025
(All amount are in ₹ Millions unless otherwise stated)

48 Subsequent events

- a) On 18th June 2025, the Board of Directos of the Holding Company has recommended a final dividend of ₹1.75 per share aggregating to ₹184.89 Millions on equity share capital of the Holding Company for the year ended on 31 March 2025 to be paid out of the profits of the Holding Company and the said dividend will be paid after the approval of shareholders of the Holding Company at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- b) The Board of Directors of the Holding Company at their meeting held on 18 June 2025, accorded/granted to undertake an initial public offering of an offer for sale of equity shares by existing shareholders of the Holding Company as per SEBI ICDR Regulations.

- 49** The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company and its subsidiaries have used accounting software for maintaining their books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended 31 March 2025, the Holding Company and one of its subsidiary has database of the accounting software is operated by a third-party software service provider and the availability of audit trail (edit logs) are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) at database level.

As per our report of even date attached.

For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No. 001076N/N500013	For Anil Pariek & Garg Chartered Accountants Firm's Registration No. : 01676C	For and on behalf of the Board of Directors of Lohia Corp Limited	
Tarun Gupta Partner Membership No. 507892	H.K. Pariek Partner Membership No. 070250	Raj Kumar Lohia Chairman & Managing Director DIN: 00203659	Rajendra Kumar Arya Director DIN: 09658071
Place : Kanpur Date : 18 June 2025	Place : Kanpur Date : 18 June 2025	Shikha Srivastava Company Secretary Membership No. A22406	Anupam Agarwal Chief Financial Officer PAN: ACFPA5533R
		Place : Kanpur Date : 18 June 2025	



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