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IPO Note

July 22, 2026

Lohia Corp Limited

Background & Operations:

Issue Snapshot:
Issue Open: July 23 – July 27, 2026

Price Band: Rs. 404 –425

*Issue Size: Up to 25,931,407 eq sh (Entirely Offer for sale)

Reservation for:

QIB	atleast	75% eq sh
Non-Institutional	upto	15% eq sh

((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))

Retail	upto	10% eq sh

Face Value: Rs 1

Book value: Rs 49.37 (March 31, 2026)

Bid size: - 35 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs. 10.57 cr
*Post issue Equity:	Rs. 10.57 cr

Listing: BSE & NSE

Book Running Lead Manager: Equirus Capital Limited, Motilal Oswal Investment Advisors Limited

Sponsor Bank: Axis Bank Ltd and HDFC Bank Ltd

Registrar to issue MUFG Intime India Private Ltd.

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	95.62	75.23
Public	4.38	24.77
Total	100.0	100.0

*=assuming issue subscribed at higher band

Background & Operations:
Lohia Corp Limited (LCL) is a leading global manufacturer of machinery and equipment for technical textiles, with a strong focus on solutions for producing polypropylene (PP) and high-density polyethylene (HDPE) woven fabric and sacks (Raffia). The company ranked among the top global players by revenue in 2024, holding a 15.4% share of the global woven Raffia machinery market by value. Domestically, LCL is the market leader in woven Raffia machines, with a dominant 40.7% value market share in Fiscal.

As of March 31, 2026, LCL's installed manufacturing capacity comprised 240 tape extrusion lines, 13,800 circular looms and 108,000 tape winders annually. The company manufactures a comprehensive and diversified portfolio of machinery and spare parts, including tape extrusion lines, circular looms, coating and lamination lines, printing machines, conversion machines, multifilament yarn machines, twister winders, monofilament extrusion lines and recycling machines. LCL provides end-to-end solutions across the Raffia industry production lifecycle—from concept to commissioning—and offers winders and rewinders for high-performance fibres. It has also ventured into extrusion lines to produce technical monofilaments with applications in textiles, agriculture and sports.

LCL's machines enable customers across a wide range of end-use industries and applications. Woven fabric machinery is used for packaging cement, fertilizer, chemicals, polymers, food grain and minerals, and for producing shopping bags, leno bags, flexible intermediate bulk containers (FIBC) and container liners. Non-packaging applications include wrapping fabric, roof underlayment, lumber wrap, pond liner, tarpaulin, geotextile, geogrid, ground cover, carpet backing, ropes and twines.

The company owns and operates six manufacturing facilities—four in India and one each in the USA and Italy—along with one live experience centre in India. Two Indian manufacturing facilities and the live experience centre (where FIBCs are manufactured) are in Kanpur, Uttar Pradesh, and two facilities are in Bengaluru, Karnataka. The US facility is in Burlington, North Carolina, and the Italian facility is in Como. LCL's operations are supported by a Manufacturing Technology Training Centre (MTTC) in Kanpur that trains semi-skilled manpower for internal requirements, and by the Hargovind Bajaj R&D Centre in Kanpur, accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The company also operates a Technical Training and Research Centre (TTRC) in Kanpur—recognized within the global woven Raffia ecosystem which provides industry development programmes and is accredited by the National Accreditation Board for Testing and Calibration Laboratories for testing and quality control as per Bureau of Indian Standards.

LCL maintains in-house R&D capabilities and continues to invest in technology development. As of the date of the Red Herring Prospectus, the company, together with its subsidiaries and the demerged company, has registered 54 trademarks, been granted 71 patents in India

and 56 patents outside India, and holds eight design registrations in India. Additionally, it has applied for 24 trademark registrations and filed 19 patent applications in India, which are pending.

The company supplies machinery through an exclusive global sales network and, in Fiscals 2026, 2025 and 2024, supplied products to approximately 100 countries. As of March 31, 2026, LCL maintained four sales offices in India and one corporate office that performs sales and marketing functions, plus five international offices in Brazil, Russia, Thailand, UAE and the USA. Exclusive sales agents represent the company across Latin America, Africa and East Asia. In Fiscal 2026, domestic revenue from operations was Rs.9,927.39 million (57.82% of total revenue) and overseas revenue was Rs.7,242.56 million (42.18%). In Fiscal 2025, domestic revenue was Rs.5,758.18 million (41.82%) and overseas revenue was Rs.8,010.54 million (58.18%). As per the Special Purpose Combined and Carve-Out Financial Statements of the Demerged Business, Fiscal 2024 revenues comprised Rs.5,887.61 million domestic (50.50%) and Rs.5,770.47 million overseas (49.50%).

Incorporated on June 5, 2023, LCL commenced operations pursuant to a Scheme effective May 1, 2024. The demerged company—whose business vested in LCL under the Scheme—was originally incorporated in 1981 as a joint venture between the Lohia group and Maschinenfabrik Starlinger & Co., Austria. The demerged company sold its first product, circular looms, in 1983 and introduced tape extrusion lines in 1984 under technical collaboration with Maschinenfabrik Windmöller & Hölscher (Germany). Over time, LCL expanded into an end-to-end Raffia solutions provider and pursued inorganic growth through strategic acquisitions.

Key acquisitions include the 2019 purchase of Leesona Corp's business and assets (through LC Acquisition, Inc.), which added winding technology and machinery for high-performance fibres; the 2021 acquisition of a lamination/coating machines business in Bengaluru and the incorporation of Sundarlam Industries Private Limited; and the 2024 acquisition by Leesona Corp of J.J. Jenkins Inc's business to expand specialty yarns and tape capabilities for medical and defence applications. A shareholders' agreement with OMGM SAS (Italy) enabled sales of extrusion lines for technical monofilaments and for producing straps and ropes.

Objects of Issue:
The objects of the Offer are to (i) carry out the Offer for Sale of 25,931,407 Equity Shares of face value of Rs. 1 each by the Selling Shareholders of the Company; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. The Company expects that listing of the Equity Shares will enhance its visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India. LCL will not receive any proceeds from the Offer (the "Offer Proceeds") and all the Offer Proceeds will be received by the Selling Shareholders after deduction of their respective portion of the Offer related expenses and relevant taxes thereon, to be borne by the Selling Shareholders.

Competitive Strengths
Market leader in India and among the leading manufacturers globally of woven raffia machinery in a growing market: LCL is a leading global manufacturer of machinery and equipment for technical textiles, focused on solutions for producing polypropylene (PP) and high-density polyethylene (HDPE) Raffia. In 2024 the company ranked among the top global players by revenue, holding a 15.4% share of the global woven Raffia machinery market by value, and in Fiscal 2025 it led the domestic woven Raffia machines market with a 40.7% value share.

As of March 31, 2026, the aggregate extrusion capacity of machinery and equipment sold by LCL was 8.59 million MT; cumulative unit sales include over 2,447 tape extrusion lines, more than 502,940 winders, and 101,452 circular weaving looms. LCL supplied products to about 100 countries across Fiscals 2024–2026 through its global sales network.

Market fundamentals show steady growth globally and in India. The global market for woven Raffia machines was estimated at US$1,008 million in 2024 and is projected to reach US$1,369 million by 2030 at a CAGR of 5.2%, supported by infrastructure investments and rising use of Raffia bags across sectors such as food grains, chemicals and fertilizers. The Indian market for woven Raffia machines was US$150 million in Fiscal 2025 and is expected to reach US$242 million by Fiscal 2030 at a CAGR of 10.0%. The broader global woven Raffia end-market was valued at about US$69.4 billion in 2024 and is forecast to reach US$100.3 billion by 2030 (CAGR 6.3%).

Technical textiles are high-performance fabrics serving automotive, healthcare, construction and agriculture, and India's technical textiles market is expected to grow from US$28.5 billion to US$47.0 billion between Fiscal 2025 and Fiscal 2030 (CAGR 10.5%). India is the second-largest market for woven sack machinery and the world's leading exporter of FIBCs, supported by robust domestic demand from agriculture, fertilizer and cement sectors. Against this backdrop, LCL's large production capacity, extensive installed base and sector expertise position the company to capture growth opportunities in both domestic and global Raffia and technical-textile markets.

Diverse product portfolio, offering end-to-end solutions for the woven fabric ecosystem: LCL offers a diversified product portfolio and end-to-end solutions for the woven-fabric (Raffia) ecosystem, delivering services from concept to commissioning across the full production

lifecycle. The company's product range includes tape extrusion lines, circular looms, coating and lamination lines, printing and conversion machines, multifilament yarn machines, recycling machines, and winders/rewinders for high-performance fibres. LCL has also expanded into extrusion lines for technical monofilaments with applications in textiles, agriculture, medical and sports sectors.

Over time, LCL has evolved from a circular-loom manufacturer into an integrated solutions provider covering prototyping, development, machining, manufacturing, assembly, testing, training and after-sales service. Its concept-to-commissioning model is three-pronged: consultancy (feasibility studies, plant layout, equipment selection and process know-how), training (process guidance, troubleshooting and operational/technical training) and engineering (equipment specification, technical documentation, installation, quality certification support and after-sales service).

LCL's machinery serves a broad set of end-use industries and applications. In packaging, its machines support production for cement, fertilizer, chemicals, polymers, food grain and minerals, and for shopping bags, leno bags, FIBCs and container liners. Non-packaging uses include wrapping fabric, roof underlayment, lumber wrap, pond liners, tarpaulins, geotextiles, geogrids, ground cover, carpet backing, ropes and twines.

The company plans to continue expanding its product portfolio across categories and end markets to address wider industry needs. LCL complements equipment sales with parts, accessories and after-sales support to enhance lifecycle value and customer retention. Its focus on technological innovation, deep customer relationships and agility to adapt to regulatory shifts—such as restrictions on single-use plastics—strengthens its competitive position and relevance across global Raffia and technical-textile markets.

Strong relationships with a diverse, global customer base through an extensive global sales and distribution network: LCL leverages in-house innovation and global knowledge to offer differentiated, customer-centric machinery for the Raffia and technical-textile sectors, supplying products to around 100 countries in Fiscals 2024–2026. The company has steadily expanded its geographic footprint since its first export in 1989, focusing on emerging markets in Asia-Pacific, MENA, CIS and Sub-Saharan Africa. LCL's sales presence in India comprises four offices (Ahmedabad, Bengaluru, Kolkata and New Delhi) plus a corporate office handling sales and marketing; internationally it maintains offices in Brazil, Russia, Thailand, UAE and the USA, warehouses in India, UAE and the USA, and stockists in eight countries. As of March 31, 2026, LCL engaged 17 exclusive overseas sales agents and stationed service engineers across 12 Indian cities and 13 foreign countries (including Brazil, Mexico, UAE, Russia, Turkey, Kenya and Indonesia) to support local erection, commissioning and after-sales needs. This broad network reduces concentration risk and supports exports without dependence on any single market or small customer base.

Across Fiscals 2024–2026, the Company served over 2,000 customers globally and developed long-term relationships with technical-textile players by tailoring machinery and processes to specific product requirements and cross-selling complementary equipment. The company's order book stood at Rs.13,585.17 million as of March 31, 2026, up from Rs.8,284.57 million on March 31, 2025 and Rs.7,692.40 million on March 31, 2024, reflecting growing demand.

After-sales support is a strategic focus for LCL and is delivered through a hub-based network for rapid, cost-efficient response. The company provides end-to-end lifecycle services including remote and digital support, installation and setup, training and performance optimization, scheduled maintenance, system upgrades and retrofits, technical expertise, audits and safety checks, and spare-parts delivery. This comprehensive service model aims to minimise customer downtime, extend equipment life, and strengthen long-term customer retention across domestic and international markets.

Advanced manufacturing infrastructure with comprehensive backward integration, supported by an in-house training centre: LCL owns and operates four machine manufacturing facilities and a live experience centre in India (where it also manufactures FIBCs), covering approximately 159,884.08 sq. meters, in addition to manufacturing sites in the USA and Como, Italy. The company's training, R&D and innovation infrastructure in Kanpur includes the TTRC (over 7,300 sq. meters), an MTTC (over 3,000 sq. meters), an R&D centre (about 6,000 sq. meters) and a digital innovation centre (578.32 sq. meters).

The Company's backward-integration strategy reduces dependence on external suppliers and supports quality control for global and domestic technical-textile customers. The company designs and manufactures inverters, customised machine controllers and motors, operates a surface-mount technology line for PCB assembly and testing, and runs electrical assembly shops at each manufacturing facility. LCL also maintains an in-house sheet-metal fabrication shop, plating, moulding, assembly, testing and paint shops, and a fleet of 109 CNC machines supported by a 3D coordinate measuring machine (CMM) to ensure precision and adherence to specifications.

These integrated capabilities allow LCL to produce electrical parts either as originals or spare parts and to minimise reliance on external service providers across multiple manufacturing stages. The company focuses on manufacturing efficiency and cost competitiveness

through automation, waste reduction and productivity improvements. Capital expenditure was Rs.358.30 million in Fiscal 2026 (2.09% of revenue) and Rs.253.51 million in Fiscal 2025 (1.84% of revenue); the demerged business incurred Rs.182.80 million in Fiscal 2024 (1.57% of revenue). LCL's MTTC also functions as a labour-skill pipeline, providing in-house training for technical staff and new recruits to generate semi-skilled manpower that meets internal manufacturing requirements.

Technology-driven operations with a strong focus on innovation-led research and development, leading to products that cater to dynamic market requirements: LCL is a technology-driven company with a strong focus on quality, product design and new product development, enabling it to deliver machinery aligned with evolving market requirements in extrusion, winding, weaving, lamination, coating, conversion and PP multifilament extrusion. The demerged company initially manufactured machines under technical collaborations with a European partner, but LCL has since built in-house capabilities to refine assembly, configuration and testing processes, while continuing to invest in R&D and technical tie-ups to advance its know-how.

LCL protects its innovations through a substantial intellectual-property portfolio. As of the Red Herring Prospectus date, the company, its subsidiaries and the demerged entity had registered 54 trademarks, obtained 71 patents in India and 56 patents overseas, and secured eight design registrations in India, in addition to applications pending for 24 trademarks and 19 Indian patents. The company views IP as a key competitive lever to secure exclusivity, support growth and strengthen its market position globally.

R&D is central to LCL's operations, with 251 on-roll employees engaged in R&D as of March 31, 2026, representing 12.49% of total manpower. Historically, the company has introduced multiple proprietary technologies and products, including double-stage stretching Duotec die extrusion lines (2008), Loom Nova 6 with 1,100 ppm weft insertion (2010), the Valvomatic valve-making machine for cement bags, the Blokomatic valve-bottomer (2019, 120 bags per minute), LOFIL spin-draw-wind lines and LOFIL 200 Duos (200 kg/hour melt output) for PP multifilament yarn, and Prismaflex printing machines for tubular fabric with up to 12 printing units and 140 MPM line speed, including wide-width units for applications such as lumber wrap, roof underlayment and pond liners. LCL has also developed the 2X Melt Filtration screen-changer for tapelines that enables processing of up to 100% recycled material and a patented hot-air trapping device for energy-efficient tapelines, which received a national machinery-innovation award in 2012.

Collaboration remains a pillar of LCL's innovation strategy. In 2025 it worked with SASMIRA to develop the SASMIRA-Lohia Corp circular weaving technology for sustainable geogrid production, and it has launched the Lohia IoT Gateway hardware to make tapeline and Blokomatic machines IoT-enabled, upgradeable even on machines supplied since 2011, with data streaming to cloud or local servers accessible via a dedicated mobile app. LCL's Hargovind Bajaj R&D Centre integrates mechanical design, polymer processing, textile engineering and automation, including applied research with raw-material manufacturers, while the Bengaluru-based Digital Innovation Centre, established in 2023, focuses on integrating IoT and artificial intelligence into both new and legacy machines to create smart, adaptive equipment for emerging markets. As of March 31, 2026, 16 personnel at the Digital Innovation Centre were organised across four verticals: smart-machine and automation development, IoT hardware prototyping, sales and marketing, and team building and HR, reflecting LCL's structured approach to digital innovation.

Skilled and experienced management team with committed employee base: LCL is led by a seasoned senior management team with deep industry expertise. Its Chairman and Managing Director, Raj Kumar Lohia, has over 43 years of experience, while Whole-time Director and Chief Operating Officer, Gaurav Lohia, has more than 20 years in manufacturing. The leadership bench includes Chief Financial Officer Anupam Agarwal (32 years in finance), Chief Sales and Marketing Officer Dinesh Boloor (26 years in sales), Chief Technology Officer Selot Manoj Shrikrishna (39 years in technology), Director – Technical Training Institute Rajeev Kumar Dwivedi (36 years in manufacturing and engineering), and Company Secretary and Compliance Officer Shikha Srivastava (15 years in secretarial and legal domains).

In 2023, LCL's Chairman and Managing Director constituted an executive committee (ExCom) comprising functional heads across operations, finance, manufacturing and sales, which meets regularly to review performance, monitor operating parameters and address evolving industry requirements. As of March 31, 2026, LCL employed 2,010 permanent employees, with an average tenure of over 8.59 years and attrition rates of 9.58%, 11.39% and 22.83% in Fiscals 2026, 2025 and 2024, respectively. The company follows stringent recruitment standards emphasizing engineering and management qualifications and incentivises staff through performance-linked pay and an employee stock ownership plan; its employee practices were recognised with the "Most Preferred Workplace 2025-2026: Fifth Edition" award by Marksmen Daily. This experienced management team and stable, skilled workforce position LCL to capitalise on future growth opportunities.

Business Strategy:

Expand footprint in international markets through increased exports and strengthen global market share by leveraging existing overseas presence: The global woven Raffia machinery market, valued at US$ 1,008 million in 2024, is projected to reach US$ 1,369 million

by 2030 at a 5.2% CAGR. Amid this landscape, LCL holds a leading global position by revenue alongside established players like Starlinger & Co. GmbH.

To expand its international footprint, LCL aims to increase market share through new geographies and exports of advanced conversion technologies, including Block Bottom Conversion machines, lamination, and printing systems. Building on its established global infrastructure, LCL plans to cross-sell products to both existing and new customers.

LCL's overseas revenue reflects a strong international presence, accounting for 49.50% in Fiscal 2024, 58.18% in Fiscal 2025, and 42.18% in Fiscal 2026. Exporting since 1989, the company operates international offices in Brazil, Russia, Thailand, UAE, and USA (as of March 31, 2026), alongside warehouses in India, USA, and UAE, stockists in eight countries, and 17 exclusive sales agents across Latin America, Africa, and East Asia.

Moving forward, LCL intends to strengthen its physical presence and expand warehousing and distribution in strategic markets—including Brazil, Turkey, Mexico, Indonesia, Thailand, Vietnam, and Egypt—to enhance cost effectiveness, ensure quicker delivery, and efficiently serve global clients.

Strengthen capabilities in the conversion and processing machines segment of the Raffia industry: The Indian woven Raffia machinery market, valued at US$ 150.0 million in Fiscal 2025, is projected to reach US$ 242.0 million by Fiscal 2030 at a 10.0% CAGR, driven by infrastructure investments and rising bag usage in food grains, chemicals, fertilizers, and agriculture. Globally, woven fabric machinery ($780.0 million) grows at a 5.1% CAGR, while faster-growing processing and conversion machinery ($228.0 million) expands at 5.8%, fueled by automation and demand for diverse bag types like bulk, laminated, printed, and retail packaging.

To capitalize on this segment, LCL offers conversion products such as Blokomatic and Valvomatic. Building on its 2021 acquisition of a Bengaluru-based lamination and coating machinery business (incorporated as Sundarlam Industries Private Limited), LCL aims to strengthen its capabilities in processing and conversion machines.

Leveraging its robust manufacturing infrastructure and extensive domestic footprint, the company intends to penetrate this high-growth segment and solidify its position as the leading manufacturer of technical textile machinery and equipment.

Strengthen position in the high-performance fibres and monofilament segment: The global high-performance fibre market, valued at approximately US$ 18.8 billion in 2025, is projected to reach over US$ 28 billion by 2030 at a CAGR of 8% to 10%. Driven by demands from defense, aerospace, automotive, renewable energy, and medical sectors, alongside expanding needs for monofilament and strapping extrusion solutions in technical textiles and industrial filtration, manufacturers increasingly seek high-performance, efficient machinery.To capitalize on this growth, LCL offers advanced products like its Monotec monofilament extrusion systems and the LOFIL range. The company has systematically strengthened its capabilities through key global acquisitions. In 2019, it acquired Leesona Corp. in the USA, bringing expertise in winding technology. Subsequently, in 2024, subsidiary Leesona Corp. acquired a US-based supplier of extruder equipment, godet-roll out draw strands, and water quenching systems. Additionally, LCL partnered in a shareholders' agreement to form OMGM Extrusiontechnik S.R.L, venturing into technical monofilament and strap-production extrusion lines. LCL intends to leverage these strategic acquisitions and continuous technological innovation to expand its presence in this high-performance segment.

Focus on recycling machinery and equipment to advance sustainability initiatives: Addressing plastic waste is a critical global priority, driven by international sustainability frameworks like UN SDG 12 and stringent regional mandates—such as the EU and India requiring up to 30% recycled content in plastic bags and up to 50% under Extended Producer Responsibility rules. India's recycling market alone is projected to expand from 9.9 million tons in 2023 to 23.7 million tons by 2032 at a 10.24% CAGR, with market value rising from US$ 4.2 billion to US$ 7 billion.

Building on its advanced pelletising machines for in-house Raffia waste, LCL aims to capture this untapped market by targeting post-consumer waste and non-food grade recycling. The company bridges the gap between quality and affordability with globally competitive, India-manufactured machinery designed for polymer-to-polymer circularity.

LCL's product portfolio features the 'ReclaMax' pelletizer for Raffia waste, alongside a robust pipeline including the 'ReclaPro' cutter-compactor pelletizer, modular washing systems with wastewater treatment, and AI-driven sorting technologies. Furthermore, the company intends to build an integrated "granule-to-granule" recycling chain by expanding into two-stage extrusion, food-grade PET and bottle recycling via solid-state polymerization partnerships, and enhanced end-to-end sorting capabilities.

Continue to focus on improving operational efficiencies: LCL has refined its operational efficiencies through economies of scale, operating experience, cost rationalisation, and an extensive service network. To further optimize machinery utilization, the company implements transformational initiatives like the Zero Error Excellence Programme (ZEEP), driven by 13 cross-functional teams targeting critical improvements across the value chain from design to supplier onboarding.

Additionally, LCL adopts advanced automation and efficiency tools. These include a customer relationship management platform implemented in 2022, warehouse operations automation software for stock processes, human resource management systems, robotic process automation, vendor and intranet portals, and business intelligence software to drive continuous operational excellence.

Augment scale of operations through selective strategic acquisitions and technical alliances: LCL intends to scale its operations through strategic inorganic expansion, including mergers, acquisitions, joint ventures, and technical alliances, to consolidate its position as an integrated, one-stop-shop manufacturer of technical textile machinery and equipment. This strategy aims to strengthen the company's product platform and customer portfolio by targeting high-growth assets with proven performance potential. Key milestones in this growth path include the 2021 acquisition of a Bengaluru-based lamination and coating machine business (incorporated as Sundarlam Industries Private Limited), which expanded LCL's reach into medium-speed, lower-priced post-fabric machinery. Furthermore, the 2019 acquisition of USA-based Leesona Corp enhanced LCL's winding technology expertise, while a subsequent 2024 acquisition of J.J. Jenkins Inc. through Leesona Corp broadened its specialty yarns and tapes portfolio for medical and defense applications. Additionally, a joint venture with Italy's OMGM S.a.S. established OMGM Extrusiontechnik S.r.l., venturing into technical monofilament, strap, and rope extrusion lines. Guided by its senior management and a dedicated evaluation team, LCL successfully integrates these overseas ventures by applying its management expertise, enhancing delivery parameters, and incorporating advanced IT and IIOT systems to expand its global footprint and product capabilities.

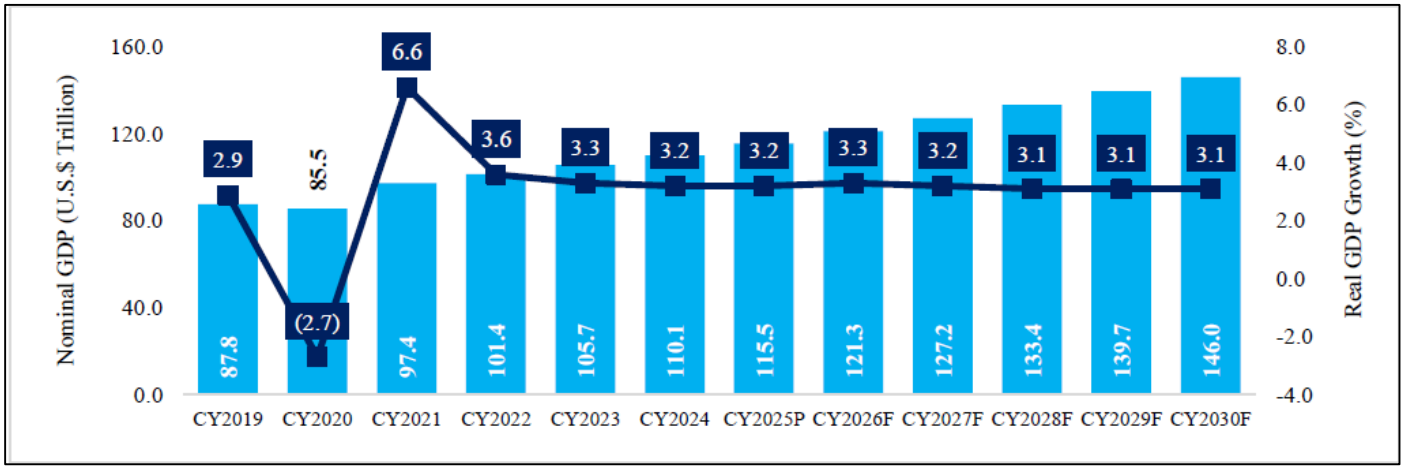
Industry Overview

Global Macro-Economic Overview

The global economy in 2025 navigates a phase of moderate yet uneven growth, with an overall gross domestic product (GDP) expansion projected at around 3.2%. Emerging markets such as India, Vietnam, and select African economies continue to outperform, whereas advanced economies like Germany, Italy, and Japan settle into low-growth environments due to aging populations, high debt levels, and subdued productivity. Central banks maintain tight monetary conditions following aggressive interest rate hikes since 2022 to contain inflation, impacting consumer and investment spending. Concurrently, global supply chains are realigning as companies diversify manufacturing away from China, benefiting regions like Mexico, India, and Southeast Asia. Demographic challenges, green and digital transitions, and rising geopolitical tensions further increase macroeconomic volatility.

Global nominal GDP is projected to grow at a CAGR of 4.9% from 2026 to 2030, reaching approximately US$ 146.0 trillion, with real GDP growth averaging 3.2% annually. Headline inflation is expected to ease to 4.3% by 2025, and central banks are anticipated to lower interest rates, fostering stability in emerging markets. Advanced economies face subdued long-term growth ranging between 1.3% and 2.1% through 2030. Meanwhile, key emerging markets show a clear divergence: China's growth is projected to decline to 3.2% by 2030, Vietnam is expected to maintain an approximate 5.5% pace, and India has firmly established itself as the fastest-growing major economy, projected to sustain annual growth rates of 6.5% to 6.6% through the end of the decade. Global agencies including the IMF, World Bank, and Asian Development Bank retain strong confidence in India's structural resilience despite external trade and geopolitical risks.

Nominal GDP (in US$ Trillion) and Real GDP Growth (%), Global, 2019 - 2030F



Global Manufacturing Shift and Diversification

The global manufacturing landscape is undergoing a structural reorientation away from China and Europe. China faces a shrinking labor force due to an aging population, geopolitical tensions in the South China Sea, high corporate debt in the real estate sector, and financial inefficiencies. Simultaneously, European industries grapple with rising energy costs and weakening consumer spending, driving interest in relocation. India has emerged as a prime beneficiary of the China+1 and Europe+1 strategies, supported by fiscal incentives, a expanding semiconductor manufacturing sector (such as projects in Gujarat and Assam), and targeted initiatives to reach a US$ 1 trillion goods export target by 2030. Southeast Asian nations, particularly Vietnam, capitalize on free trade agreements like the CPTPP and EVFTA, while Latin American countries advance in nearshoring.

Short-term trade headwinds emerged when US tariff escalations raised duties on Indian exports to 50% by August 2025; however, these were resolved by the India-US Bilateral Trade Agreement announced on February 2, 2026, which reduced effective tariffs to approximately 18%. Additionally, the West Asia conflict originating in February 2026 disrupted global energy and petrochemical supply chains through the closure of the Strait of Hormuz, causing Brent crude to surge and driving up polypropylene prices by over 40% within weeks, compressing margins for raffia manufacturers.

India Macro-Economic Overview

India's economic performance in Fiscal 2025 outperformed many major global peers, supported by structural reforms, higher FDI limits, and the Fiscal 2025 budget's nine key priorities aimed at achieving 'Viksit Bharat' (Developed India). Having crossed the US$ 3 trillion mark in Fiscal 2022, India is projected by the IMF to surpass US$ 4 trillion in 2026 and hit the US$ 5 trillion milestone in Fiscal 2029. India's real GDP rebounded by 9.7% in Fiscal 2021 to 2022 and registered strong growth at 7.0% and 8.2% in subsequent years, with nominal GDP reaching Rs. 295.4 trillion in Fiscal 2023 to 2024 and projected to reach Rs. 540.1 trillion by Fiscal 2029 to 2030. Nominal GDP per capita grew from Rs. 145.4 thousand in Fiscal 2019 to 2020 to Rs. 234.8 thousand in Fiscal 2024 to 2025, and is projected to reach Rs. 365.0 thousand by Fiscal 2029 to 2030.

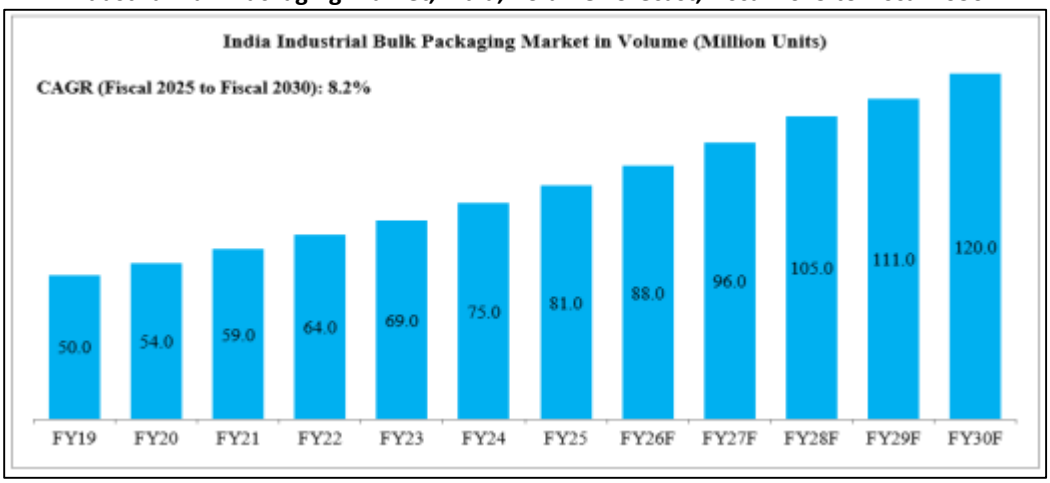
The primary growth drivers for the Indian economy include favorable demographics (median age around 28 years with over 65% in the working-age group), rapid urbanization (projected to exceed 40% by Fiscal 2030), progressive regulatory reforms (GST, IBC, PLI schemes, and liberalized FDI), a rise in per capita gross net disposable income, and an increase in Private Final Consumption Expenditure (PFCE), which accounts for nearly 60% of total output. Consumption trends across key commodities show cement consumption rising from 445 MMT in Fiscal 2024 to 670 MMT by 2030, a fertilizer market growing to Rs. 1,380 billion by 2032, and a chemical sector valued between US$ 220 billion to US$ 230 billion. Furthermore, the Index of Industrial Production (IIP) has registered steady growth, bolstered by policies like Make in India, Atmanirbhar Bharat, and the PLI scheme.

India Industrial Bulk Packaging Market

India's industrial bulk packaging market is expanding rapidly due to rising consumer spending, urbanization, and capacity expansions in chemicals, pharmaceuticals, and construction. Flexible Intermediate Bulk Containers (FIBCs) account for approximately 60% of this market by unit volume, significantly outpacing traditional steel and plastic drums due to cost efficiency and handling flexibility. The market grew from approximately US$ 470 million (50 million units) in Fiscal 2019 to an estimated US$ 680 million (75 million units) in Fiscal 2024. India is currently one of the world's largest producers and exporters of FIBCs, capturing over 25% of global export volumes. Looking ahead, the market is projected to expand at a CAGR of 7.8%, reaching US$ 740 million in Fiscal 2025 and crossing US$ 1.15 billion (120 million units) by Fiscal 2030. The end-user mix is dominated by the chemicals sector, followed closely by food and agriculture.

Industrial Bulk Packaging Market, India, Revenue Forecast, Fiscal 2019 to Fiscal 2030

Industrial Bulk Packaging Market, India, Volume Forecast, Fiscal 2019 to Fiscal 2030



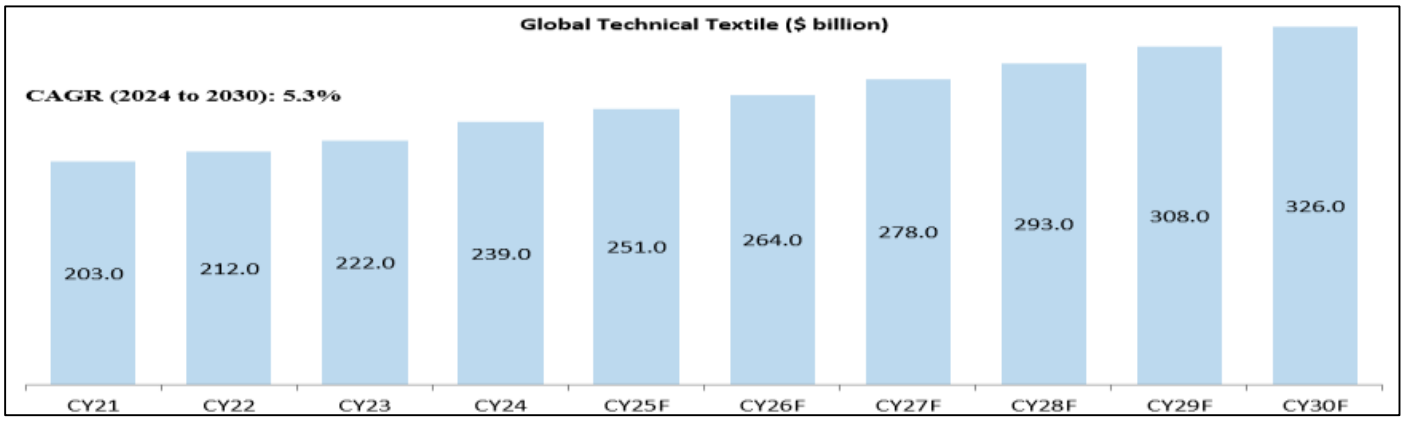
Tailwinds for Growth of Manufacturing in India

The manufacturing sector accounts for 17% of India's GDP, employs over 62 million people, and aims to reach a 25% share of the economy by 2047. Government initiatives such as Goods and Services Tax (GST), corporate tax reductions, ease of doing business measures, and the Phased Manufacturing Programme (PMP) have significantly bolstered domestic capability. Moreover, Production Linked Incentive (PLI) schemes spanning 14 key sectors—including a Rs. 10,683 crore outlay specifically for the textile sector targeting man-made fibers (MMF) and technical textiles—are driving global competitiveness, economies of scale, and exports. India is currently the fifth-largest manufacturing economy globally and is projected to rank among the top three by the end of the decade. The country offers competitive advantages including low labor costs, a massive domestic consumer base of over 1.4 billion, a skilled workforce embracing Industry 4.0 technologies, and strong integration into Global Value Chains (GVCs) via infrastructure upgrades like Gati Shakti and Dedicated Freight Corridors.

Global Technical Textile Industry

Technical textiles are high-performance, functional fabrics engineered for durability, strength, filtration, and resistance to extreme conditions across twelve distinct segments (Agrotech, Buildtech, Clothtech, Geotech, Hometech, Indutech, Meditech, Mobiltech, Oekotech, Packtech, Protech, and Sporttech). The global technical textile market is estimated at US$ 239.0 billion in 2024 and is projected to reach US$ 326.0 billion by 2030 at a CAGR of 5.3%. Geographically, the Asia-Pacific region leads with a market size of US$ 88.2 billion in 2024, followed by Europe (US$ 69.0 billion) and North America (US$ 57.5 billion). By process, the global market is led by woven textiles with a 66.5% market share, followed by non-wovens (16.3%) and knitted textiles (11.7%). Mobiltech, Packtech, Indutech, and Sportstech represent the fastest-growing and largest application segments. Growth drivers include rising demand from high-performance applications, smart infrastructure investments, healthcare expansion, stringent sustainability regulations (such as EPR and the EU's PPWR), and automotive lightweighting trends toward electric vehicles.

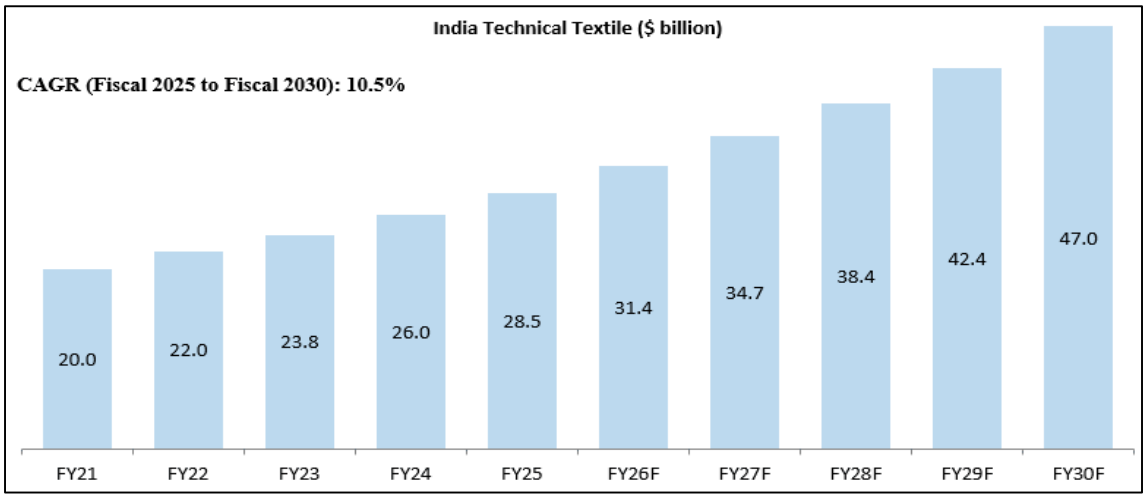
Global Technical Textile, Revenue Forecast, 2021 – 2030



Indian Technical Textile Industry

India's technical textile market is among the fastest-growing globally, expected to expand at a CAGR of 10.5% from US$ 28.5 billion in Fiscal 2025 to US$ 47.0 billion by Fiscal 2030. Technical textiles currently comprise about 11.0% of India's total textile market and are projected to reach 18.0% by Fiscal 2030. The top four fastest-growing domestic segments include Indutech (9.0%), Meditech (8.0%), Buildtech (8.0%), and Geotech (7.0%), while Packtech is anticipated to grow at 6.0%. Growth is heavily accelerated by government initiatives such as the National Technical Textiles Mission (NTTM), PLI schemes, PM-MITRA mega textile parks, and mandatory BIS standards. Geographically, production is anchored by key regional hubs: Gujarat (agro, geo, and packaging fabrics), Maharashtra (coated, automotive, and medical textiles), Tamil Nadu (non-wovens, filters, and PPE), Rajasthan (woven raffia for pack-tech and geo-tech), and Uttar Pradesh (defense and hygiene products). Despite strong momentum, challenges persist, notably a heavy import dependence of over 65% for high-performance specialty fibers (such as aramid and carbon), an unorganized MSME-dominated value chain, and competition from low-cost imports.

Indian Technical Textile, Revenue Forecast, Fiscal 2021 to Fiscal 2030

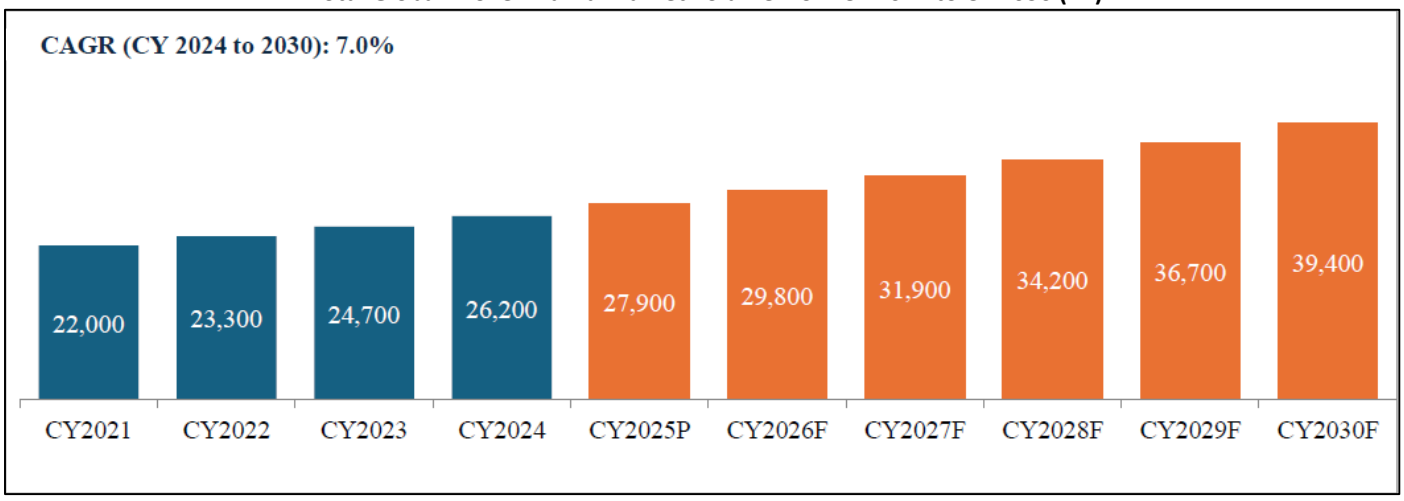


Currently, technical textiles contribute a relatively modest portion, i.e., approximately 11.0% of the total textile market in India. The share of technical textiles in India's total textile industry is expected to reach 18.0% by Fiscal 2030. The top four segments likely to grow at the fastest rates in the Indian market are Indutech (9.0%), Meditech (8.0%), Buildtech (8.0%), and Geotech (7.0%). Packtech (6.0%) – FIBCs and small raffia bags, which have been a mainstay of the domestic technical textile market, are expected to experience moderate growth. The extent and nature of India's National Technical Textile Mission's success are likely to impact these forecasts, depending on the market's response to the interventions made under the Mission. India is transitioning technical textiles from a niche to a strategic sector, focusing on import replacement, national security, and value-added manufacturing. NTTM and PLI serve as complementary levers. NTTM drives innovation and capacity-building; PLI ensures scale and commercial viability. The defence and aerospace sectors are anchor users, helping to elevate domestic capabilities and attract strategic investments. Market growth forecasts position India to rapidly scale technical textile output and competitiveness, driven by policy-backed industrial momentum.

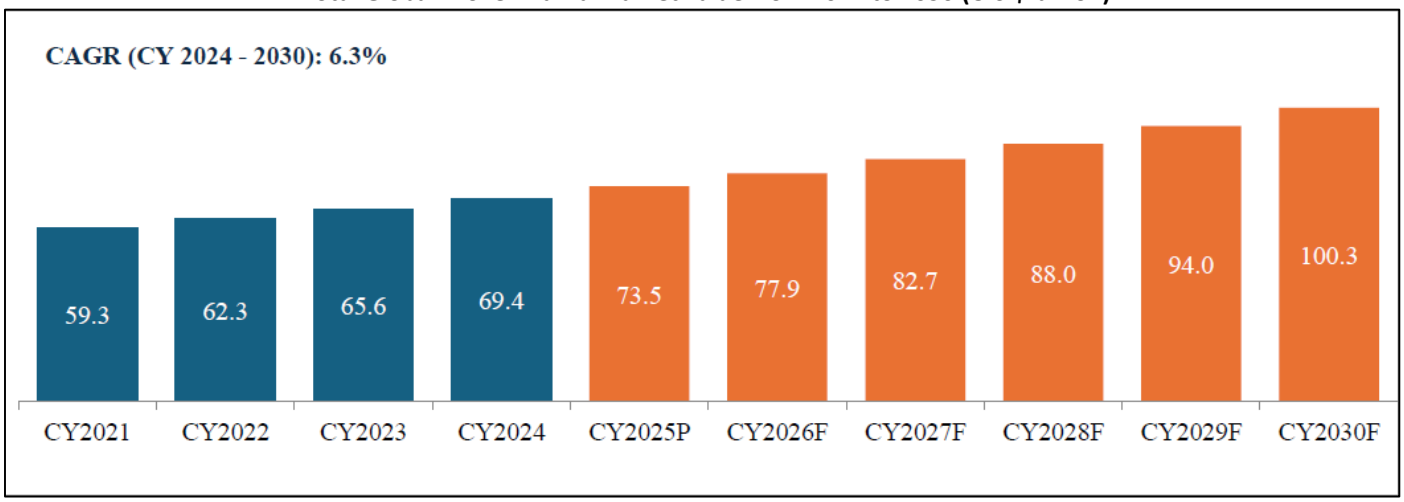
Global Woven Raffia Market

Synthetic raffia—a durable polypropylene (PP) and high-density polyethylene (HDPE)-based material used extensively in woven sacks and Flexible Intermediate Bulk Containers (FIBCs)—plays a vital role in the global technical textile market. The global woven raffia market volume is estimated at 26,200 KT in 2024 and is projected to reach 39,400 KT by 2030 at a CAGR of 7.0%, while market value is expected to grow from US$ 69.4 billion to US$ 100.3 billion at a CAGR of 6.3%. China is the largest consumer of woven raffia (holding a 50% volume share due to cement and agricultural production), while India serves as a principal global sourcing and export hub. By industrial usage, cement remains the single largest consumer application (accounting for 34% to 36% of the market), followed by food grains and agricultural produce (46%), with chemicals, fertilizers, and infrastructure making up the rest. India maintains dominance as the top global exporter of FIBCs, capturing over 50% of global shipments by volume, whereas the United States and European nations act as primary net importers. Technological advancements focus on automated granule filling, single-step recycling lines capable of integrating recycled PP, ultrasonic sealing, and IoT-driven quality control. Furthermore, strict regulatory frameworks like the EU's Packaging and Packaging Waste Regulation (PPWR) and global Extended Producer Responsibility (EPR) mandates provide strong tailwinds favoring recyclable woven raffia over single-use plastics.

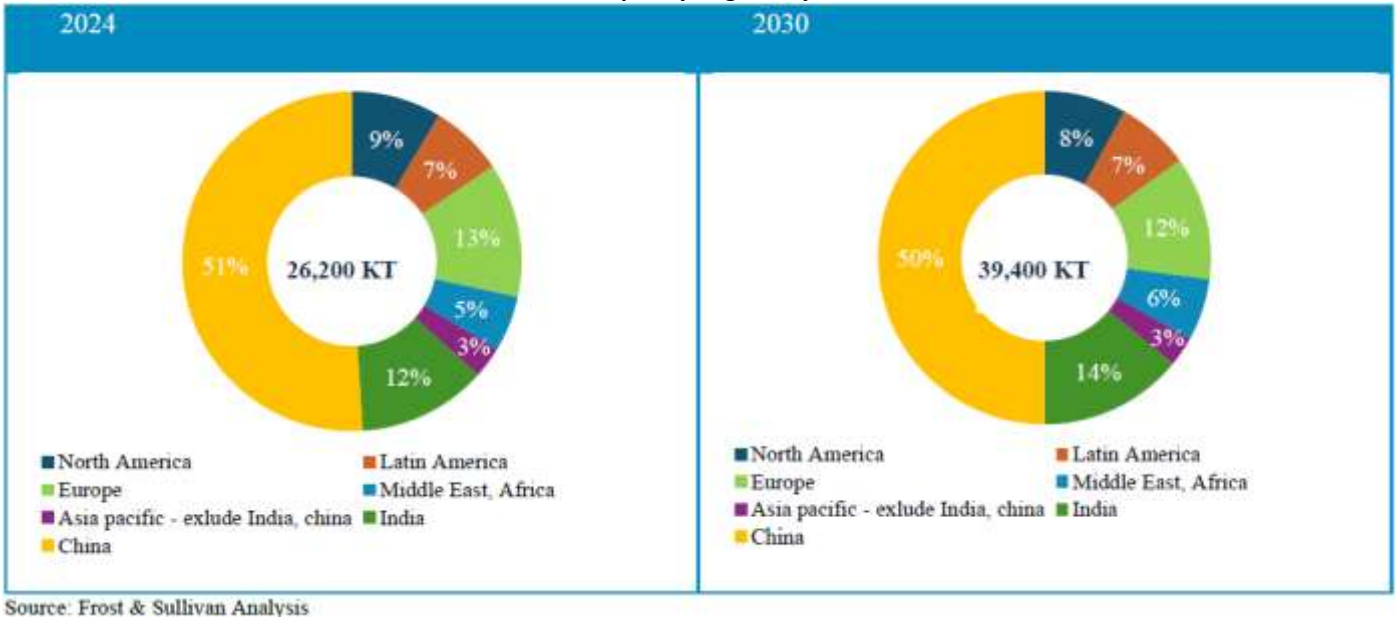
Total Global Woven Raffia Market volume from CY 2021 to CY 2030 (KT)



Total Global Woven Raffia Market value from 2021 to 2030 (U.S.$ billion)



Woven Raffia Market Forecast, Split by Region, By Volume, Global, 2024 to 2030



Source: Frost & Sullivan Analysis

Domestic Woven Raffia Market

The Indian woven raffia industry, comprising over 1,500 small and medium-scale units backed by 2,150 tape extrusion plants and 75,000 looms, has a heritage spanning over 50 years as a reliable alternative to jute. The Indian woven raffia market volume is estimated at 3,810 KT in Fiscal 2025 and is projected to reach 6,030 KT by Fiscal 2030 at a CAGR of 9.6%, while market value is expected to expand from US$ 8.4 billion to US$ 14.0 billion at a CAGR of 10.6%. PP-based raffia accounts for roughly 90% of this market, making India the second-largest consumer of PP raffia globally. Packaging represents the predominant application share (projected to grow from 3,100 KT to 4,800 KT), while the non-packaging segment—including geotextiles, geomembranes, and pond liners—is expanding at a faster CAGR of 11.6%. Industrial usage is led by the cement industry (accounting for 30% of the market value due to the necessity of handling hot cement), followed by chemicals and fertilizers (25%), agricultural produce, and food grains. Additionally, India occupies a dominant position in the global FIBC (jumbo bag) trade, generating over one-third of global trade and nearly 25% of total global output despite representing roughly 13% of domestic consumption.

Strategic Market Dynamics & Competitive Landscape

- **Market Consolidation & Fragmentation:** The Indian woven raffia ecosystem features a hybrid structure, combining over 1,500 agile small and medium-scale units with heavily capitalized, vertically integrated industry leaders.
- **Export Dominance:** India has secured its position as the premier global supplier of Flexible Intermediate Bulk Containers (FIBCs), capturing upwards of 25% to 50% of global export volumes and meeting stringent international quality standards such as BRCGS A+ grades.
- **Technological Upgradation:** Manufacturers are increasingly transitioning toward advanced machinery inputs—such as single-step recycling extruders, high-speed circular looms, automated tape-stretching lines, and ultrasonic cutting systems—to enhance energy efficiency and reduce raw material wastage.

Regulatory and Sustainability Pressures

- **Circular Economy Mandates:** Global regulatory frameworks—including the European Union's Packaging and Packaging Waste Regulation (PPWR) and localized Extended Producer Responsibility (EPR) laws—are shifting purchasing criteria toward monomaterial recyclability.
- **Recycled Content Integration:** Industrial packaging producers are optimizing infrastructure to seamlessly blend recycled polypropylene (rPP) without compromising the tensile strength or load-bearing safety factors required for heavy-duty applications like hot cement and hazardous chemical transport.

Supply Chain Volatility & Risk Mitigation

- **Geopolitical and Trade Shocks:** Recent international frictions—such as fluctuating tariff policies and regional conflicts disrupting major shipping corridors like the Strait of Hormuz—have forced packaging players to diversify raw material sourcing and buffer inventory portfolios.
- **Cost Management:** Volatility in petrochemical feedstock prices (such as polypropylene and Brent-linked derivatives) necessitates dynamic pricing models and long-term customer contracts to protect operating margins across the value chain.

Key Concerns

- The company derives a major share of its revenue from operations from woven raffia machines—88.16% in Fiscal 2026, 87.28% in Fiscal 2025, and 85.68% in Fiscal 2024—making it highly vulnerable to downturns in end-use sectors like agro, building, geo, and packing textiles.

- Cost of materials consumed and stock-in-trade purchases form a large block of expenses (56.27% of revenue in Fiscal 2026, 55.66% in Fiscal 2025, and 57.44% for the Demerged Business in Fiscal 2024), exposing the business to price fluctuations, inflation, and logistics disruptions.

- The company imports a significant portion of its raw materials (16.06% in Fiscal 2026, 14.84% in Fiscal 2025, and 15.09% in Fiscal 2024), primarily from key jurisdictions like Switzerland, the USA, Singapore, China, and Germany, making operations sensitive to import duties and trade friction.

- Financial statements and performance metrics for Fiscal 2024 are prepared on a combined and carved-out basis because the company did not operate as a separate standalone entity prior to April 1, 2024, limiting their predictive value.

- The company operates six manufacturing facilities (four in India, one in the USA, and one in Italy) and a live experience center; any local disaster, equipment failure, or labor unrest could paralyze production cycles and revenue generation.

- The technical textile machinery market faces hurdles such as anti-plastic sentiments, strict environmental regulations (e.g., mandatory Jute packaging orders by the Ministry of Textiles), high capital expenditure barriers, and tech obsolescence.
- The company has experienced negative operating cash flows in the past, recording (0.10) million in Fiscal 2024 (Standalone), which could recur and constrain future liquidity and financial condition.
- Certain subsidiaries (such as Leesona Corp. with a loss of Rs.243.41 million in Fiscal 2026) have reported losses in recent years, and the parent company itself incurred a loss of Rs.0.09 million in Fiscal 2024 prior to commencing operations.
- The absolute sum of related party transactions stood at Rs.2,063.63 million in Fiscal 2026 (12.02% of operational revenue), Rs.4,593.39 million in Fiscal 2025 (33.36%), and Rs.2,070.21 million for Fiscal 2024 (17.76%), carrying inherent risks of potential conflicts of interest.
- A substantial portion of revenues and raw material purchases involve foreign currencies (such as the U.S. dollar and Euro), resulting in an unhedged foreign currency net outflow exposure of Rs.780.00 million in Fiscal 2026.
- Overseas operations and exports (representing 42.18% of operational revenue in Fiscal 2026 and 58.18% in Fiscal 2025) are subject to geopolitical tensions, cross-border tariffs (such as US import duties), changing foreign laws, and potential loss of export incentives.
- Capital investments aimed at modernizing and expanding infrastructure could lead to under-utilization if industry demand drops or customer procurement cycles slow down, directly impacting return on capital.
- The company competes with major global players (like Starlinger & Co. GmbH, Yongming Machinery, and JP Extrusiontech) and holds a domestic market share of 40.7% in Fiscal 2025 (and 52.8% in Fiscal 2024), meaning any failure to innovate could erode its market standing.
- The company provides standard warranties (typically 12 months from commissioning or 15 months from shipment) and carried warranty provisions worth Rs.104.63 million (0.61% of revenue) in Fiscal 2026; unhedged product liabilities or major quality failures could result in severe financial claims.
- The company employs 251 personnel in R&D (12.49% of total on-roll staff, with an expenditure of Rs.518.33 million or 3.02% of revenue in Fiscal 2026); failure to protect unpatented technical knowledge or trade secrets could erode its competitive edge.
- As of May 31, 2026, total borrowings stood at Rs.1,391.09 million, and financing agreements contain restrictive covenants requiring lender consents for corporate restructuring, asset sales, or capital changes, breach of which could trigger debt acceleration.
- Although the order book stood at Rs.13,585.17 million as of March 31, 2026, these un-audited figures are subject to potential customer modifications, delays, truncations, or cancellations that may prevent full realization into actual revenue.
- Several key manufacturing facilities, warehouses, and offices operate on leased properties (such as land leased from UPSIDA in Kanpur), and failure to renew leases or obtain statutory landlord consents could disrupt operations.
- The business is heavily reliant on human resources, engaging 2,010 permanent employees and 1,099 contract labourers as of March 31, 2026, making it susceptible to wage inflation, minimum wage revisions, or work stoppages.
- The company requires numerous environmental, health, and safety licenses, permits, and groundwater withdrawals, while statutory joint auditors have included CARO reporting qualifications regarding short-term funds utilized for long-term purposes (e.g., Rs.16.39 million in Fiscal 2026 for Sundarlam Industries Private Limited).

Profit & Loss

Particulars (Rs in million)	FY26	FY25
Revenue from operations	17170.0	13768.7
Other Income	208.8	96.0
Total Income	**17378.7**	**13864.7**
Total Expenditure	**13984.2**	**11578.7**
Cost of materials consumed	9140.1	6582.7
Purchases of stock-in-trade	1072.2	996.2
Changes in inventories of finished and traded goods	-550.5	84.9
Employee benefits expense	1917.8	1800.5
Other expenses	2404.5	2114.5
PBIDT	**3394.5**	**2286.0**
Interest	126.3	153.4
PBDT	**3268.3**	**2132.6**
Depreciation and amortization	523.7	508.3
Exceptional items (net)	-94.2	0.0
PBT	**2650.4**	**1624.3**
Tax (incl. DT & FBT)	**715.9**	**445.9**
Current tax	717.0	454.3
Tax in respect of earlier years	4.9	0.0
Deferred Tax Charge/(Benefit)	-6.0	-8.4
PAT	**1934.5**	**1178.4**
Adj. PAT	**1934.5**	**1178.4**
EPS (Rs.)	18.3	13.7
Face Value	1	1
OPM (%)	18.6	15.9
PATM (%)	11.3	8.6

Balance Sheet

Particulars (Rs in million) As at	FY26	FY25
Non-current assets		
Property, plant and equipment	3,247.2	3,334.5
Capital work-in-progress	56.8	126.7
Right of use assets	501.8	541.3
Intangible Assets	61.5	55.8
Intangible assets under development	0.0	4.5
Financial assets		
Loans	4.6	4.8
Other financial assets	53.7	48.8
Non-current tax assets (net)	9.4	8.5
Deferred tax assets (net)	10.1	10.8
Other non-current assets	66.9	26.2
Total non-current assets	**4,012.0**	**4,161.8**
Current assets		
Inventories	3,964.8	2,962.1
Financial assets		
Investments	1,568.83	0.0
Trade receivables	1,384.1	1,199.7
Cash and cash equivalents	292.5	371.3
Loans and advances	57.8	6.7
Other financial assets	982.1	319.0
Current tax assets (net)	140.5	124.2
Other current assets	643.9	531.2
Total current assets	**9,034.5**	**5,514.2**
Total assets	**13,046.6**	**9,676.0**
EQUITY & LIABILITIES		
Equity		
Equity share capital	105.7	105.7
Other equity	5,109.9	3,574.1
Non-controlling interest	41.7	36.1

Total equity	**5,257.3**	**3,715.9**
Liabilities		
Non-current Liabilities		
Financial Liabilities		
Borrowings	481.7	862.9
Lease liabilities	158.6	190.1
Deferred tax liabilities (net)	69.7	111.1
Other non-current liabilities	31.8	258.5
Provisions	0.8	0.7
Total non-current liabilities	**742.6**	**1,423.3**
Current liabilities		
Financial liabilities		
Borrowings	1,046.1	1,258.7
Lease liabilities	64.2	53.9
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	282.9	188.3
Total outstanding dues of other than micro enterprises and small enterprises	1,129.5	866.6
Other financial liabilities	475.2	239.5
Provisions	104.6	90.8
Other current liabilities	3,901.4	1,813.9
Current tax liabilities (net)	42.7	25.1
Total current liabilities	**7,046.7**	**4,536.9**
Total liabilities	**7,789.3**	**5,960.2**
Total equity and liabilities	**13,046.6**	**9,676.0**

Source: Company, RHP

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