



ANNUAL REPORT  
2023-24



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## Contents of this Report

|   | <b>Page No.</b> |
|---|-----------------|
| Company Information                                 | 4               |
| Notice of Thirty-Fifth Annual General Meeting       | 5               |
| Management Discussion and Analysis                  | 16              |
| Board's Report                                      | 20              |
| Corporate Governance Report                         | 36              |
| Independent Auditors' Report on Financial Statement | 60              |
| Balance Sheet                                       | 70              |
| Statement of Profit and Loss                        | 71              |
| Statement of Cash Flow                              | 72              |
| Statement of Changes in Equity                      | 73              |
| Notes to the Financial Statement                    | 74              |

## Company Information

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### BOARD OF DIRECTORS

Mr. Bharathan Rajagopalan Thatai  
*Chairman, Independent Director*

Prof. Dipak C. Jain  
*Independent Director*

Mr. K. Sudarshan  
*Independent Director*

Mr. Krishnakumar Thirumalai  
*Non-Executive Director*

Mr. Ketan Mody  
*Non-Executive Director*

Mr. Dinesh Taluja  
*Non-Executive Director*

Ms. Renuka Shastry  
*Non-Executive Director*

Mr. Asim Parekh  
*Non-Executive Director*

### CHIEF EXECUTIVE OFFICER

Mr. Sandipan Ghosh

### CHIEF FINANCIAL OFFICER

Mr. S. Gautham

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Utsav Saini

### REGISTERED OFFICE

8-2-596, 1<sup>st</sup> Floor, 1B,  
Sumedha Estates, Avenue - 4,  
Puzzolana Towers, St. No.1. Rd. No.10,  
Banjara Hills, Hyderabad - 500 034  
Tel No.: +91 40 4020 2124  
Email: [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com)  
Website: [www.lotuschocolate.com](http://www.lotuschocolate.com)

### REGISTRAR & SHARE TRANSFER AGENT

CIL SECURITIES LIMITED  
214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids, Hyderabad-500001  
Tel No.: +91 040 2320 2465  
(From 10:00 a.m. to 6:30 p.m. IST on all working days)  
Email: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)  
Website: [www.cilsecurities.com](http://www.cilsecurities.com)

### AUDIT COMMITTEE

Mr. Bharathan Rajagopalan Thatai, *Chairman*  
Prof. Dipak C. Jain  
Mr. K. Sudarshan  
Mr. Dinesh Taluja

### NOMINATION AND REMUNERATION COMMITTEE

Mr. K. Sudarshan, *Chairman*  
Prof. Dipak C. Jain  
Mr. Bharathan Rajagopalan Thatai  
Mr. Ketan Mody

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Dinesh Taluja, *Chairman*  
Prof. Dipak C. Jain  
Mr. Ketan Mody

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Bharathan Rajagopalan Thatai, *Chairman*  
Mr. K. Sudarshan  
Mr. Dinesh Taluja  
Mr. Ketan Mody

### RISK MANAGEMENT COMMITTEE

Mr. Dinesh Taluja, *Chairman*  
Mr. K. Sudarshan  
Mr. Ketan Mody

### STATUTORY AUDITOR

Deloitte Haskins and Sells LLP

### PLANT LOCATIONS

S. No 31 and 39, Sangareddy Road, Nastipur Village,  
Hathnoora Mandal, Doulatabad, Medak, Telangana, 502296  
Survey No 161/A, S.V. CO-OP Industrial Area, IDA Bollaram,  
Sangareddy District, Telangana, 502325

### BANKERS

Canara Bank  
Axis Bank

## NOTICE

**NOTICE** is hereby given that the Thirty-Fifth Annual General Meeting of the members of Lotus Chocolate Company Limited will be held on **Monday, September 30, 2024 at 11:30 a.m. (IST)** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. To appoint Mr. Krishnakumar Thirumalai (DIN: 00079047), 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. Krishnakumar Thirumalai (DIN: 00079047), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

3. To appoint Mr. Ketan Mody (DIN: 07723933), 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. Ketan Mody (DIN: 07723933), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

### SPECIAL BUSINESS

4. To approve the increase in borrowing limits of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 and, in this regard, to consider and pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed by the members of the Company through postal ballot on March 29, 2024 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be

and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to borrow any sum(s) of money(ies) at its discretion, for the purpose of the business of the Company, either from Bank(s) whether Indian or Foreign, Financial Institution(s) or any other lending institution(s)/ agency(ies)/ bodies corporate / any other person(s), from time to time, including by way of issuance of debentures whether secured, unsecured, convertible, non-convertible etc. which, together with the money(ies) already borrowed by the Company and remaining outstanding (apart from temporary loans obtained or to be obtained from the Company’s Bankers in the ordinary course of business) may exceed at any point of time, the aggregate of the paid-up share capital, free reserves and securities premium by a sum not exceeding ₹ 200,00,00,000/- (Rupees Two Hundred Crores only);

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required to give effect to this resolution including fixing the terms and conditions of all such money(ies) to be borrowed from time to time as to interest, repayment, security or otherwise, finalizing and executing necessary agreement(s) and such other documents as may be required, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer/ executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects.”

5. To approve creation of mortgage, charge, hypothecation etc. on the assets, properties or undertaking(s) of the Company under Section 180(1)(a) of the Companies Act, 2013 and, in this regard, to consider and pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company through postal ballot on March 29, 2024 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 made thereunder, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for

the time being in force) and the Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) to create mortgage, hypothecation and/or charge etc., on all or any moveable/ immovable properties or other assets of the Company wherever situated, both present and future, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, comprising the whole or substantially the whole of the undertaking(s) of the Company, in favour of the Lender(s), Agent(s), Trustee(s) or any other person(s), for securing the borrowings of the Company by way of loan(s)/financing facility(ies)/credit facility(ies) etc. and securities (comprising of fully/ partly convertible debentures and/ or non-convertible debentures and/or other debt instruments), issued/to be issued by the Company, from time to time, including the amount of interest and other charges, costs and expenses payable in respect of such borrowings, subject to the limits as approved by the members of the Company under Section 180(1)(c) of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required to give effect to this resolution including finalizing and executing necessary documents/ deeds/ writings/ papers/ agreements as may be required, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer/ executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.”

By order of the Board of Directors

**Utsav Saini**

Company Secretary and Compliance Officer

Mumbai, September 5, 2024

**Registered Office:**

8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates, Avenue-4,  
Puzzolana Towers, Street No.1, Road No. 10,  
Banjara Hills, Hyderabad, Telangana-500034  
CIN: L15200TG1988PLC009111  
Website: [www.lotuschocolate.com](http://www.lotuschocolate.com)  
Email: [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com)  
Tel No.: +91 40-4020 2124

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) has, vide its General Circular dated September 25, 2023, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 05, 2022 and December 28, 2022, (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. In terms of the provisions of Section 152 of the Act, Mr. Krishnakumar Thirumalai and Mr. Ketan Mody, Directors of the Company, retire by rotation at the Meeting.

The Nomination and Remuneration Committee and the Board of Directors of the Company commend their re-appointments.

Mr. Krishnakumar Thirumalai and Mr. Ketan Mody, Directors of the Company, are interested in the Ordinary Resolutions set out at Item Nos. 2 and 3 respectively, of the Notice with regard to their re-appointment. The relatives of Mr. Krishnakumar Thirumalai and Mr. Ketan Mody, may be deemed to be interested in the resolutions set out at Item Nos. 2 and 3 respectively of the Notice, to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.

6. Details of Directors retiring by rotation at this Meeting are provided in the 'Annexure' to the Notice.

**DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

7. **In compliance with the MCA Circulars and Securities and Exchange Board of India ('SEBI') Circular dated October 7, 2023, Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those members whose e-mail address is registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories. Members may note that this Notice and Annual Report for the financial year 2023-24 will also be available on the Company's website at [www.lotuschocolate.com](http://www.lotuschocolate.com), website of BSE Limited at [www.bseindia.com](http://www.bseindia.com), on the website of Company's Registrar and Share Transfer Agent, CIL Securities Limited at [www.cilsecurities.com](http://www.cilsecurities.com) and on the website of KFin Technologies Limited ("KFintech"), e-voting agency, at <https://evoting.kfintech.com>.**
8. For receiving all communication (including Annual Report) from the Company electronically:
- Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant. National Securities Depository Limited has provided a facility for registration / updation of e-mail address through the link: <https://eservices.nsdl.com>.
  - Members holding shares in physical mode are requested to follow the process set out in Note no. 16 in this Notice.

**PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

9. The Company will provide VC / OAVM facility to its Members for participating at the AGM.
- Members will be able to attend the AGM through VC / OAVM through JioEvents by using their login credentials provided in the accompanying communication.**

**Members are requested to follow the procedure given below:**

- Launch internet browser by typing / clicking on the

following link: <https://t.jio/v/lotuschocolateagm> (best viewed with Edge 80+, Firefox 78+, Chrome 83+, Safari 13+)

- Click on 'Shareholders **CLICK HERE**' button.
  - Enter the login credentials (i.e. User ID and password provided in the accompanying communication) and click on 'Login'.**
  - Upon logging-in, you will enter the Meeting Room.
- Members who do not have or who have forgotten their User ID and Password, may obtain / generate / retrieve the same, for attending the AGM, by following the procedure given in the instruction at Note No. 12.C.(vii) (III).**
  - Members who would like to express their views or ask questions during the AGM may register themselves at <https://emeetings.kfintech.com>. The Speaker Registration will be open from **Monday, September 16, 2024 to Wednesday, September 18, 2024**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions or number of speakers, depending upon availability of time appropriate for smooth conduct of the AGM.
  - All members attending the AGM will have the option to post their comments / queries through a dedicated Chat box that will be available below the Meeting Screen.
  - Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
  - Institutional / Corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to [anilglohia@gmail.com](mailto:anilglohia@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). Such authorisation should contain necessary authority in favour of its authorised representative(s) to attend the AGM.**
  - Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting.
  - Members who need assistance before or during the AGM, can contact KFintech at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call on toll free number 1800 309 4001 (from 9:00

a.m. (IST) to 6:00 p.m. (IST) on all working days). Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number ('EVEN') in all your communications.

10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of quorum under Section 103 of the Act.

#### PROCEDURE FOR 'REMOTE E-VOTING' AND E-VOTING AT THE AGM ('INSTA POLL')

##### 12. A. E VOTING FACILITY

The Company is providing to its members, facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means ('e-voting'). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ('remote e-voting').

Further, the facility for voting through electronic voting system will also be made available at the Meeting ('Insta Poll') and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

**The manner of voting, including voting remotely by (i) individual members holding shares of the Company in demat mode, (ii) members other than individuals holding shares of the Company in demat mode, (iii) members holding shares of the Company in physical mode and (iv) members who have not registered their e-mail address, is explained in the instructions given under C. and D. hereinbelow.**

**The remote e-voting facility will be available during the following voting period:**

|                                 |   |
|---------------------------------|---|
| Commencement of remote e-voting | 09:00 a.m. (IST) on Wednesday, September 25, 2024 |
| End of remote e-voting          | 05:00 p.m. (IST) on Sunday, September 29, 2024    |

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

**Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his / her / its shareholding in the paid-up equity share capital of the Company as on the cut-off date, i.e. Monday, September 23, 2024 ('Cut-off Date').**

Upon authorization by the Board of Directors, Mr. Anil Lohia, a Practising Chartered Accountant (Membership No.: 031626), Partner of Dayal and Lohia, Chartered Accountants or failing him Mr. Khushit Jain, a Practising Chartered Accountant (Membership No.: 608082), Partner of Dayal and Lohia, Chartered Accountants, have been appointed as Scrutinizer to scrutinize the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the votes cast through remote e-voting and Insta Poll shall be final.

##### B. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

- (i) **The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.**
- (ii) **Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**
- (iii) A member can opt for only single mode of voting, i.e. through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as 'INVALID'.
- (iv) **A person, whose name is recorded in the Register of Members / Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date, only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a Member as on the Cut-off Date, should treat the Notice for information purpose only.**
- (v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in this Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the Cut-off Date



who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

**C. REMOTE E VOTING:**

**(vi) INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY INDIVIDUAL MEMBERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE**

As per SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD/2/CIR/P/2023/120 dated July 11, 2023, all ‘individual members holding shares of the Company in demat mode’ can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s). The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:

**PROCEDURE TO LOGIN THROUGH WEBSITES OF DEPOSITORIES**

| National Securities Depository Limited (NSDL)   | Central Depository Services (India) Limited (CDSL)  |
|---|---|
| <p><b>1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <p>i. Type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>ii. Click on the button “<b>Beneficial Owner</b>” available for login under ‘<b>IDeAS</b>’ section.</p> <p>iii. A new page will open. Enter your User ID and Password for accessing IDeAS.</p> <p>iv. On successful authentication, you will enter your IDeAS service login. Click on “<b>Access to e-Voting</b>” under <b>Value Added Services</b> on the panel available on the lefthand side.</p> | <p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <p>i. Type in the browser / Click on any of the following links: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi / Login to My Easi option under Quick Login</b> (best operational in Internet Explorer 10 or above and Mozilla Firefox).</p> <p>ii. Enter your User ID and Password for accessing Easi / Easiest.</p> <p>iii. You will see Company Name: “Lotus Chocolate Company Limited” on the next screen. <b>Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</p> |

| National Securities Depository Limited (NSDL)  | Central Depository Services (India) Limited (CDSL)  |
|--|---|
| <p>v. You will be able to see Company Name: “Lotus Chocolate Company Limited” on the next screen. <b>Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider “KFinTech”</b> and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</p>  |   |
| <p><b>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure</b></p> <p>i. To register, type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>ii. Select option “<b>Register Online for IDeAS</b>” available on the left hand side of the page.</p> <p>iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.</p> <p>iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</p> | <p><b>2. Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <p>i. To register, type in the browser / Click on the following link: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a></p> <p>ii. Proceed to complete registration using your DP ID-Client ID (BO ID) etc.</p> <p>iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</p> |
| <p><b>3. Users may directly access the e-Voting module of NSDL as per the following procedure:</b></p> <p>i. Type in the browser / Click on the following link: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>ii. Click on the button “<b>Login</b>” available under “<b>Shareholder/Member</b>” section.</p>   | <p><b>3. Users may directly access the e-Voting module of CDSL as per the following procedure:</b></p> <p>i. Type in the browser / Click on the following link: <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a></p> <p>ii. Provide Demat Account Number and PAN.</p>  |

| National Securities Depository Limited (NSDL)   | Central Depository Services (India) Limited (CDSL)  | Contact details in case of any technical issue on NSDL Website   | Contact details in case of any technical issue on CDSL Website   |
|---|---|--|--|
| <p>iii. On the login page, enter User ID (i.e., 16-character demat account number held with NSDL, starting with IN), Login Type, i.e., through typing Password (in case you are registered on NSDL's e-voting platform) / through generation of OTP (in case your mobile / e-mail address is registered in your demat account) and Verification Code as shown on the screen.</p> <p>iv. You will be able to see Company Name: "Lotus Chocolate Company Limited" on the next screen. <b>Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider "KFintech"</b> and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.</p> | <p>iii. System will authenticate user by sending OTP on registered Mobile number &amp; E-mail as recorded in the Demat Account.</p> <p>iv. On successful authentication, you will enter the e-voting module of CDSL. <b>Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider "KFintech"</b> and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.</p> | <p>Members facing any technical issue during login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: <b>022-4886 7000 / 022-2499 7000</b></p> | <p>Members facing any technical issue during login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. <b>1800 210 9911</b></p> |

**(vii) INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY (I) MEMBERS OTHER THAN INDIVIDUALS HOLDING SHARES OF THE COMPANY IN DEMAT MODE AND (II) ALL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN PHYSICAL MODE**

- (I) (A) In case a member receives an e-mail from the Company / KFintech / CIL Securities Limited [for Members whose e-mail address is registered with the Company / Depository Participant(s)]:
- a. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
  - b. Enter the login credentials (User ID and password provided in the e-mail). The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFintech for e-voting, you can use the existing password for logging-in. If required, please visit <https://evoting.kfintech.com> or contact on toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days) for assistance on your existing password.
  - c. After entering these details appropriately, click on 'LOGIN'.
  - d. You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
  - e. You need to login again with the new credentials.

**Procedure to login through demat accounts / Website of Depository Participant**

Individual members holding shares of the Company in Demat mode can **access e-Voting facility provided by the Company using login credentials of their demat accounts** (online accounts) through their demat accounts / **websites of Depository Participants** registered with NSDL / CDSL. An option for 'e-Voting' will be available once they have successfully logged-in through their respective logins. Click on the option 'e-Voting' and they will be redirected to e-Voting modules of NSDL / CDSL (as may be applicable). **Click on the e-Voting link available against 'Lotus Chocolate Company Limited' or select e-Voting service provider 'KFintech'** and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

**Members who are unable to retrieve User ID / Password are advised to use 'Forgot User ID' / 'Forgot Password' options available on the websites of Depositories / Depository Participants.**

- f. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Lotus Chocolate Company Limited.
- g. On the voting page, enter the number of shares as on the Cut-off Date under either 'FOR' or 'AGAINST' or alternatively, you may partially enter any number under 'FOR' / 'AGAINST', but the total number under 'FOR' / 'AGAINST' taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to 'ABSTAIN' and vote will not be counted under either head.
- h. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- i. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item, it will be treated as 'ABSTAINED'.
- j. You may then cast your vote by selecting an appropriate option and click on 'SUBMIT'.
- k. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify.
- l. Once you confirm, you will not be allowed to modify your vote.
- m. Institutional / Corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id [anilglohia@gmail.com](mailto:anilglohia@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). Such authorisation should contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be 'Corporate Name EVEN'.
- (B) In case of a Member whose e-mail address is not registered / updated with the Company / CIL Securities Limited / Depository Participant(s), please follow the following steps to generate your login credentials:**
- a) **Members holding shares in physical mode, who have not registered / updated their email address with the Company / CIL Securities Limited, may get their e-mail address registered, by submitting Form ISR-1 (available on the website of the Company: [www.lotuschocolate.com](http://www.lotuschocolate.com)) duly filled and signed along with requisite supporting documents to CIL Securities Limited at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500001.**
- b) **Members holding shares in dematerialised mode who have not registered their e-mail address with their Depository Participant(s) are requested to register / update their e-mail address with the Depository Participant(s) with which they maintain their demat accounts.**
- c) After due verification, the Company / CIL Securities Limited will forward your login credentials to your registered e-mail address.
- d) Follow the instructions at I.(A).(a) to (m) to cast your vote.
- (II) Members can also update their mobile number and e-mail address in the 'user profile details' in their e-voting login on <https://evoting.kfintech.com>.
- (III) Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-off Date/ any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFintech in the manner as mentioned below:**
- (a) If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
Example for NSDL: MYEPWD IN12345612345678  
Example for CDSL: MYEPWD 1402345612345678
- (b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate password.
- (c) Member may call on KFintech's toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).
- (d) Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). After due verification of the request, User ID and password will be sent to the Member.
- (e) If the Member is already registered with KFintech's e-voting platform, then he / she / it can use his / her / its existing password for logging-in.
- (IV) In case of any query on e-voting, Members may refer to the 'Help' and 'FAQs' sections / E-voting user manual available through a dropdown menu in the 'Downloads' section of KFintech's website

for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given under Note No. 12(E).

#### D. INSTA POLL:

##### (viii) INFORMATION AND INSTRUCTIONS FOR INSTA POLL:

**Facility to vote through Insta Poll will be made available on the Meeting page (after you log into the Meeting) and will be activated once the Insta Poll is announced at the Meeting. An icon, 'Vote', will be available at the bottom left on the Meeting Screen. Once the voting at the Meeting is announced by the Chairman, Members who have not cast their vote using remote e-voting will be able to cast their vote by clicking on this icon.**

#### E. CONTACT DETAILS FOR ASSISTANCE ON E-VOTING:

##### (ix) Members are requested to note the following contact details for addressing e-voting related grievances:

Mr. V. Balakrishnan, Vice President  
KFin Technologies Limited  
(Unit: Lotus Chocolate Company Limited)  
Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032,  
Telangana.  
Toll-free No.: 1800 309 4001  
(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).  
E-mail: [evoting@kfintech.com](mailto:evoting@kfintech.com),  
[inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

#### F. E-VOTING RESULT:

- (x) The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or any person authorized by him. The result of e-voting will be announced within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company: [www.lotuschocolate.com](http://www.lotuschocolate.com) and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to BSE Limited. The result will also be displayed at the registered office of the Company.

- (xi) **Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e. Monday, September 30, 2024.**

#### Procedure for Inspection of Documents:

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM.

Members seeking to inspect such documents can send an e-mail to [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com) mentioning his / her / its folio number / DP ID and Client ID.

14. Members seeking any information with regard to the accounts or any matter to be considered at the AGM, are requested to write to the Company on or before Monday, September 23, 2024 by sending e-mail on [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com). The same will be replied by the Company suitably.

#### Other Information

15. As mandated by the SEBI, securities of the Company can be transferred / traded only in dematerialised form. Members holding shares in physical mode are advised to avail the facility of dematerialisation.
16. Members are requested to intimate / update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination etc., as per instructions set out below:
- For shares held in dematerialised mode to their Depository Participant for making necessary changes. NSDL has provided a facility for registration/ updation of e-mail address and opt-in/opt-out of nomination, which are available on NSDL's website at <https://eservices.nSDL.com>.
  - For shares held in physical mode by submitting to CIL Securities Limited the forms given below along with requisite supporting documents:

| Sr. No. | Particulars  | Form   |
|---------|--|--------|
| 1.      | Registration of PAN, postal address, e-mail address, mobile number thereof | ISR -1 |
| 2.      | Confirmation of signature of shareholder by the Banker                     | ISR-2  |
| 3.      | Registration of Nomination   | SH-13  |
| 4.      | Cancellation or Variation of Nomination                                    | SH-14  |
| 5.      | Declaration to opt out of Nomination                                       | ISR-3  |

17. Non-Resident Indian members are requested to inform the Company / CIL Securities Limited (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.
18. Members may please note that the Listing Regulations mandate transfer, transmission and transposition of securities of listed companies held in physical form only in demat mode. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; subdivision/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition etc. Accordingly, members are requested to make service requests for issue of duplicate securities certificate; renewal/exchange of securities certificate etc., by submitting a duly filled and signed Form ISR-4 along with requisite supporting documents to CIL Securities Limited as per the requirement of the aforesaid circular.

The aforesaid forms can be downloaded from the Company's website at [https://www.lotuschocolate.com/investor\\_relation](https://www.lotuschocolate.com/investor_relation) and is also available on the website of CIL Securities Limited at <https://www.cilsecurities.com/Downloads/RTA>.

All aforesaid documents/requests should be submitted to CIL Securities Limited, at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500001.

19. SEBI vide its Circular dated July 31, 2023 issued guidelines for members to resolve their grievances by way of **Online Dispute Resolution** ("ODR") through a common ODR portal.

Members are requested to first take up their grievance, if any, with CIL Securities Limited, Registrar and Share Transfer Agent of the Company. If the grievance is not redressed satisfactorily, the member may escalate the same through:

- i) SCORES Portal in accordance with the SCORES guidelines, and ii) if the member is not satisfied with the outcome, dispute resolution can be initiated through the ODR Portal at <https://smartodr.in/login>.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER**

The following Statement sets out all material facts relating to the special business proposed in this Notice:

**ITEM NO. 4 AND 5**

The Members of the Company through Special Resolutions passed by way of postal ballot on March 29, 2024 had authorised the Board of Directors of the Company to borrow funds up to an amount not exceeding ₹ 60 Crores and to provide security(ies) in connection with the borrowings of the Company, in terms of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 ("Act") respectively.

The Board of Directors, at its meeting held on July 17, 2024, had approved to increase the aforesaid limits considering the business requirements of the Company, subject to approval of members of the Company.

In accordance with the provisions of Sections 180(1)(c) and 180(1)(a) of the Act read with the Rules framed thereunder and the provisions of Listing Regulations as amended, the aforesaid proposals for increasing the borrowing powers and creating mortgage / charge on the properties of the Company in favour of the lenders etc. require approval of the Members of the Company by way of Special Resolutions.

Accordingly, approval of the members is sought to increase the borrowing limit and authorize the Board to borrow money(ies) up to an amount which may exceed at any point of time, the aggregate of its paid-up share capital, free reserves and securities premium by a sum not exceeding ₹ 200,00,00,000/- (Rupees Two Hundred Crores only) and to create mortgage / charge on the properties of the Company subject to aforesaid limits.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the said resolutions set out at Item Nos. 4 and 5 of the Notice.

The above proposals are in the interest of the Company and accordingly, the Board commends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the Members.

**ANNEXURE TO THE NOTICE DATED SEPTEMBER 5, 2024****Details of Directors retiring by rotation at the Meeting:**

| <b>Mr. Krishnakumar Thirumalai</b>  |  |
|---|--|
| DIN   | 00079047   |
| Age   | 65 years   |
| Qualifications  | MBA from Indian Institute of Management, Bangalore and BE (Hons) from Madras University. He also participated in a Management program at ISB Hyderabad in 2014.  |
| Experience (including expertise in specific functional area) / Brief Resume                   | He has over 4 decades of experience in the FMCG sector, across developing and emerging markets, handling strategy, marketing, sales, distribution and supply chain. He was the President of Coca Cola India & South West Asia and he was instrumental in making Coca Cola the largest beverage company in India as a market leader with a profitable growth. |
| Terms and conditions of re-appointment  | In terms of Section 152(6) of the Companies Act, 2013, Mr. Krishnakumar Thirumalai, who was appointed as Non-Executive Director at the Annual General Meeting held on August 10, 2023, is liable to retire by rotation.  |
| Remuneration (including sitting fees, if any) last drawn (FY 2023-24)                         | Nil  |
| Remuneration proposed to be paid  | Nil  |
| Date of first Appointment on the Board  | May 24, 2023   |
| Number of meetings of the Board attended  | FY 2023-24: 5 out of 5 meetings held<br>FY 2024-25 (till the date of this Notice): 3 out of 3 meetings held  |
| Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2024 | Nil  |
| Relationship with other Directors / Key Managerial Personnel                                  | Not related to any Director / Key Managerial Personnel   |
| Directorships of other Boards as on March 31, 2024  | <ul style="list-style-type: none"> <li>• E.I.D Parry (India) Limited</li> <li>• KSL Media Limited</li> <li>• Reliance Consumer Products Limited</li> </ul>   |
| Membership / Chairmanship of Committees of other Boards as on March 31, 2024                  | <b>E.I.D Parry (India) Limited</b>   |
|   | <ul style="list-style-type: none"> <li>• Stakeholders' Relationship Committee -Member</li> <li>• Corporate Social Responsibility Committee - Member</li> </ul>   |
|   | <b>Reliance Consumer Products Limited</b>  |
|   | <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee – Member</li> </ul>   |
|   | <b>KSL Media Limited</b>   |
|   | <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee – Member</li> </ul>   |
| Listed entities from which the Director has resigned in the past 3 years                      | Nil  |

| <b>Mr. Ketan Mody</b>   |  |
|---|--|
| DIN   | 07723933   |
| Age   | 47 years   |
| Qualifications  | Chartered Accountant   |
| Experience (including expertise in specific functional area) / Brief Resume                   | He has over two decades of experience spanning various industries including FMCG, Retail, & Telecom, Fashion & Lifestyle, in treasury, finance and strategy roles. His expertise lies in business strategy, operations, planning & strategic alliances. He has worked extensively in corporate development and inorganic growth, including mergers and acquisitions (M&A), partnerships, and joint ventures (JVs). |
| Terms and conditions of re-appointment  | In terms of Section 152(6) of the Companies Act, 2013, Mr. Ketan Mody, who was appointed as Non-Executive Director at the Annual General Meeting held on August 10, 2023, is liable to retire by rotation.   |
| Remuneration (including sitting fees, if any) last drawn (FY 2023-24)                         | Nil  |
| Remuneration proposed to be paid  | Nil  |
| Date of first Appointment on the Board  | May 24, 2023   |
| Number of meetings of the Board attended  | FY 2023-24: 5 out of 5 meetings held<br>FY 2024-25 (till the date of this Notice): 3 out of 3 meetings held  |
| Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2024 | Nil  |
| Relationship with other Directors / Key Managerial Personnel                                  | Not related to any Director / Key Managerial Personnel   |
| Directorships of other Boards as on March 31, 2024  | Sosyo Hajoori Beverages Private Limited  |
| Membership / Chairmanship of Committees of other Boards as on March 31, 2024                  | Nil  |
| Listed entities from which the Director has resigned in the past 3 years                      | Nil  |

## Management Discussion and Analysis

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### FORWARD-LOOKING STATEMENTS

Statements in the Management Discussion and Analysis Report, which describe the Company's objectives, projections, estimates and expectations, may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, commodity prices, changes in government regulations, tax laws and other factors such as litigation.

### COMPANY OVERVIEW

Lotus Chocolate Company Limited is one of India's select manufacturers of the finest chocolates, cocoa products and cocoa derivatives. Its products are supplied to chocolate makers and chocolate users across the country, from local bakeries to multi-national companies.

### VALUE CHAIN

Lotus Chocolate Company Limited is well known as a reliable business partner for the supply of cocoa and chocolate products. Starting from the cocoa bean processing to delivering fine chocolates, the Company's fully integrated manufacturing facility is built with the best in technologies and expertise.

### INDUSTRY OVERVIEW

#### Industry structure and developments

The Chocolates and Confectionery industry is estimated to be over ~INR 25,000 Crore in size (consumer spends) with Chocolates accounting for around 2/3<sup>rd</sup> of the industry and Confectionery accounting for ~1/3<sup>rd</sup>. The industry is expected to grow to over INR 35,000 Crore (CAGR of 10%) over the next 4 years.

Chocolates category is dominated by international players (Mondelez, Nestle, Ferrero, Mars which account for for 85% share) with Indian companies starting to make some headway only in recent time like Amul being the largest player.

Confectionery, on the contrary, is more fragmented in nature with Top 12 companies accounting for 80% share and largest player having 30% share. The category has large number of regional players having significant share in their respective strongholds.

*(Sources: Industry & Secondary Reports)*

#### Opportunities and Threats

The chocolates category has seen significant premiumization in last few years, which has created a void in the affordable segment. This presents a significant opportunity for the Company to create brands that will offer high quality at affordable price points.

Similarly, the confectionery category is fragmented with limited presence of national brands. We have the opportunity to build brands at scale with presence across the country, through high quality products and omni channel distribution.

In the B2B space, the growing trend of home bakers and increasing consumption of chocolate based products presents a massive opportunity, especially in the retail and HoReCa channels, which we aim to tap into.

Increase in global cocoa prices have resulted in significant increase in the input costs, with the trend expected to continue in the foreseeable future. This is likely to impact consumer prices in the category which might impact volume growth, however, the outlook for value growth remains healthy.



**Segment and Product wise performance**

|              | Product            | Vol (T)      | Val (₹ Cr)  | Realization (₹ /kg) |
|--------------|--------------------|--------------|-------------|---------------------|
|              |                    | YTD FY 2024  | YTD FY 2024 | YTD FY 2024         |
| B2B Business | Cocoa Mass         | 784          | 39          | 497                 |
|              | Cocoa Butter       | 805          | 50          | 621                 |
|              | Cocoa Powder       | 1,187        | 33          | 279                 |
|              | Choco Chips        | 4,002        | 53          | 133                 |
|              | Slabs              | 710          | 14          | 190                 |
|              | Ice Cream Covering | 215          | 3           | 135                 |
|              | Éclair Center      | 24           | 0           | 155                 |
|              | Others             | 71           | 2           | 212                 |
|              | <b>B2B Total</b>   | <b>7,798</b> | <b>194</b>  |                     |
| B2C Business | Eclairs            | 52           | 1           | 205                 |
|              | On & On            | 86           | 2           | 273                 |
|              | Kajooos            | 23           | 1           | 269                 |
|              | Tango              | 0            | 0           | 327                 |
|              | <b>B2C Total</b>   | <b>161</b>   | <b>4</b>    |                     |
|              | <b>Grand Total</b> | <b>7,959</b> | <b>198</b>  |                     |

**Outlook**

The business outlook for FY24-25 is positive with both value and volume expected to grow.

The focus remains on strengthening the B2B business while parallelly building presence in the B2C segment through omni channel distribution and portfolio encompassing products across key segment.

With global cocoa prices at all-time high, the industry will be impacted by significant shifts in consumer behaviour expected. In the short term, there is likely to be impact on volumes, while value growth will continue to be healthy. In due course, there is likely to be increased pace of innovation, as manufacturers endeavour to deliver superior experiences while minimizing price inflation.

**RISK MANAGEMENT**

Your Company maintains a robust system of internal controls, commensurate with the size and complexity of its business operations. The system provides, inter alia, a reasonable assurance of protection against any probable loss of the Company’s assets announcements and actions while the Company’s ‘code of conduct’ policy provides detailed guidance on disclosures and situations depicting conflict of interest. The organization has a zero tolerance policy towards unfair conduct or fraud.

- **Financing Risks**

Most of the Company’s debt is in the form of short-term debt from capital markets. This exposes the Company to the risk of non-availability of external capital due to macro factors such as liquidity, volatility in interest rates and general economic environment. The Company continually monitors funding requirements, evaluates market conditions and engages with multiple financial institutions to mitigate the risk of capital inadequacy.

- **Human Resource Risk**

Talented human resource is the backbone of any industry. The Company’s ability to operate its business and implement its strategies depends, in part, on the continued contributions of its executive officers and other key employees, who may be difficult to replace, retain or recruit amidst intense competition or due to scarcity of skilled individuals.

To attract and retain top talent, the Company has built an agile and integrated organizational design, supported by streamlined work processes and people policies, that support growth, learning and development.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board. In order to foster an improved internal control culture in the Company, wherein every employee is fully aware of all the major risk/ controls faced in his / her work sphere and assumes responsibility for the controls performed therein. The Self-Assessments by process /control owner are also used as the basis of CEO and CFO certification as required under Regulation 17(8) of the Listing Regulations. The Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

#### THE COMPANY'S FINANCIAL PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2024 IS SUMMARIZED BELOW:

| (₹ in crore)  |               |               |
|---|---------------|---------------|
| Particulars   | 2023-24       | 2022-23       |
| Revenue from Operations   | 200.03        | 62.72         |
| Other Income  | 1.12          | 0.10          |
| <b>Total Revenue</b>  | <b>201.15</b> | <b>62.82</b>  |
| Profit/(Loss) Before Depreciation, Amortisation, Interest and Taxes   | 4.07          | (6.53)        |
| Less: Interest  | 0.81          | 0.23          |
| Less: Depreciation and Amortisation Expense   | 1.02          | 0.17          |
| <b>Profit/(Loss) Before Tax</b>   | <b>2.24</b>   | <b>(6.93)</b> |
| Less: Tax Expense<br>(includes current tax, deferred tax, short /excess provision of tax relating to earlier years) | (2.82)        | 0.02          |
| <b>Profit/(Loss) After Tax for the Year</b>   | <b>5.06</b>   | <b>(6.95)</b> |
| Add: Other comprehensive Income   | (0.17)        | -             |
| Total Comprehensive Income for the Year   | 4.89          | (6.95)        |

*The figures for the current financial year 2023-24 are after giving effect of the amalgamation of Soubhagya Confectionery Private Limited with the Company, w.e.f. Appointed Date i.e. May 25, 2023. Accordingly, the figures for the current financial year 2023-24 is not comparable with the corresponding figures of the previous financial year.*

- Financials:**

The Financial Statements of the Company for the financial year ended March 31, 2024, have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and the provisions of Companies Act, 2013.

During the year under review, the operating turnover of the company increased to ₹ 200.03 crore as compared to ₹ 62.72 crore in the previous year.

The Profit before interest, depreciation and tax is ₹ 4.07 crore as compared to loss of ₹ 6.53 crore in the previous year.

The Profit Before Tax is ₹ 2.24 Crore as compared to loss of ₹ 6.93 crore in the previous year.

The Profit for the year is ₹ 5.06 crore as compared to loss of ₹ 6.95 Crore in the previous year.

- **Ratios**

Key financial parameters as on March 31, 2024 on the basis of audited financial statement for the year ending March 31, 2024 are as follows;

| <b>Particulars</b>             | <b>FY 2023-24</b> |
|--------------------------------|-------------------|
| Debtors Turnover (in times)    | 12.77             |
| Inventory Turnover (in times)  | 23.04             |
| Interest Coverage Ratio        | NA                |
| Current Ratio (in times)       | 2.16              |
| Debt Equity Ratio (in times)   | 0.30              |
| Operating Profit Margin (in %) | 1.52%             |
| Net Profit Margin (in %)       | 2.53%             |

**Material developments in Human Resources / Industrial Relations front, including number of people employed**

The Company has been steadfast in its commitment to nurturing, retaining, and developing talent, thereby enhancing the overall efficiency of the organization. Throughout the fiscal year 2023-24, the Company diligently focused on strategic recruitment efforts, resulting in the addition and backfilling of a total of 22 positions across various departments. This concerted effort bolstered our talent pipeline, culminating in an overall headcount of 85 dedicated professionals.

Significant efforts have been directed towards leadership development and enhancing technical and functional capabilities, aligning our team with the evolving needs of our industry. Our commitment to building a high-performing culture has been evident through numerous engagement initiatives, fostering a sense of belonging and motivation among our employees.

Furthermore, our robust reward and recognition programs have not only acknowledged exceptional contributions but also played a pivotal role in driving productivity improvements across the organization. As we continue to invest in our people, we are confident in our ability to sustain and enhance our overall efficiency and competitiveness in the market.

As we stride forward into the coming year, we remain resolute in our commitment to harnessing and optimizing our human capital, ensuring sustained growth and success for the Company.

## Board's Report

Dear Members,

The Board of Directors ("Board") present the Company's Thirty-Fifth Annual Report and the Company's audited financial statement for the financial year ended on March 31, 2024.

### FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2024 is summarized below:

(₹ in crore)

| Particulars   | 2023-24 | 2022-23 |
|---|---------|---------|
| Revenue from Operations   | 200.03  | 62.72   |
| Profit/(Loss) Before Depreciation, Amortisation, Interest and Taxes   | 4.07    | (6.53)  |
| Less: Interest  | 0.81    | 0.23    |
| Less: Depreciation and Amortisation Expense   | 1.02    | 0.17    |
| Profit/(Loss) Before Tax  | 2.24    | (6.93)  |
| Less: Tax Expense<br>(includes current tax, deferred tax, short /excess provision of tax relating to earlier years) | (2.82)  | 0.02    |
| Profit/(Loss) for the Year  | 5.06    | (6.95)  |
| Add: Other comprehensive Income   | (0.17)  | -       |
| Total Comprehensive Income for the Year   | 4.89    | (6.95)  |

The figures for the current financial year 2023-24 are after giving effect of the amalgamation of Soubhagya Confectionery Private Limited with the Company, w.e.f. Appointed Date i.e. May 25, 2023. Accordingly, the figures for the current financial year 2023-24 are not comparable with the corresponding figures of the previous financial year.

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

**Highlights of the Company's financial performance for the year ended March 31, 2024 are as under:**

During the year under review, the revenue from operations increased to ₹ 200.03 Crore (mainly due to giving effect of amalgamation of Soubhagya Confectionery Private Limited with the Company) as compared to ₹ 62.72 Crore in the previous year.

The Company has posted a profit of ₹ 5.06 crore for the current year as compared to a loss of ₹ 6.95 crore in the previous year.

### BUSINESS OPERATIONS

Your company has strengthened its position as one of the leading manufacturers of cocoa products in the country. Your company has two state-of-art manufacturing facilities near Hyderabad. Both facilities are equipped with the latest technologies in manufacturing with continued investment being undertaken for capacity enhancement.

Your company sources high quality cocoa beans both from Indian and global markets and manufactures cocoa derivatives including Cocoa Mass, Cocoa Butter and Cocoa Powder and also offers a range of choco chips and choco slabs which are supplied to leading Food Manufacturers, Ice-cream manufacturers and Bakeries across the country. In FY 2023-24, the company has also expanded its range of consumer products with the introduction of products in confectionery and chocolate categories and also building up an omni channel distribution pathway in general retail, standalone chains and modern trade outlets.

### DIVIDEND

The Board of Directors has not recommended any dividend for the year under review.

### MATERIAL EVENTS DURING THE YEAR UNDER REVIEW AND UPDATES THEREON

#### Change in control over the Company

Reliance Consumer Products Limited ("RCPL") had, pursuant to a Share Purchase Agreement entered into with Mr. Ananth P. Pai and Mr. Prakash P. Pai ('erstwhile promoters') acquired 65,48,935 Equity Shares of the Company from the erstwhile promoters on

May 24, 2023. During the year under review, consequent upon open offer made to the public shareholders of the Company in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, RCPL acquired 130 equity shares from the Public shareholders of the Company. RCPL holds 65,49,065 equity shares of the Company constituting 51% of the equity share capital of the Company. Accordingly, RCPL has become the promoter and holding company and holds sole control of the Company with effect from May 24, 2023.

#### **Soubhagya Confectionery Private Limited**

During the year under review, the Company had acquired the entire equity share capital of Soubhagya Confectionery Private Limited ("SCPL"). Accordingly, SCPL had become a wholly-owned subsidiary of the Company with effect from May 25, 2023.

During the year under review, the Board of Directors, on the recommendation of Audit Committee, approved a Scheme of Amalgamation of SCPL with the Company under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"). The Hon'ble National Company Law Tribunal, Hyderabad Bench ("Tribunal") vide its order dated April 3, 2024, allowed dispensation from holding of meetings of shareholders and creditors of SCPL and the Company. Further to the petition filed by the Company, Tribunal vide its order dated August 8, 2024 (effective date) sanctioned the Scheme, with Appointed Date being May 25, 2023. Accordingly, SCPL stands amalgamated with the Company.

#### **DETAILS OF MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

Except as stated above, no material changes and commitments occurred affecting the financial position of the Company between the end of the financial year and the date of this report.

#### **SHARE CAPITAL**

During the year under review, the Company has:

- redeemed 73,96,600, 10% Cumulative, Redeemable, Non-Convertible Preference Shares of ₹ 10/- each, at par.
- issued and allotted in aggregate, 5,07,93,200, 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable Preference Shares of ₹ 10/- each fully paid-up, at par, on preferential basis to Mr. Abhijeet Pai, Ms. Ashwini Pai, P.M.F. Estates Private Limited and Reliance Consumer Products Limited.

The paid-up share capital of the Company as on March 31, 2024 stands at ₹ 12,84,10,490/- divided into 1,28,41,049 Equity Shares of ₹ 10/- each and ₹ 50,79,32,000/- divided into 5,07,93,200, 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable Preference Shares of ₹ 10/- each.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is presented in a separate section, forming part of the Annual Report.

#### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY**

Soubhagya Confectionery Private Limited ("SCPL") became a wholly-owned subsidiary of the Company w.e.f. May 25, 2023. Thereafter, SCPL was amalgamated with the Company with Appointed Date being May 25, 2023, pursuant to the Scheme of Amalgamation approved by Hon'ble Tribunal vide its order dated August 08, 2024.

The Company does not have any subsidiary, joint venture or associate company as on the date of this 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.

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## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 ("the Act") have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively; and
- f) 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.

## CORPORATE GOVERNANCE

The Company is committed to maintain the standards of governance and has also implemented several good governance practices. The report on Corporate Governance as per Listing Regulations forms part of the Annual Report. Certificate from Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review:

- a) The Company has allotted in aggregate 5,07,93,200 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable Preference Shares of ₹ 10/- each fully paid-up to Mr. Abhijeet Pai, Ms. Ashwini Pai, P.M.F. Estates Private Limited and Reliance Consumer Products Limited.
- b) The Company has acquired 100% of the equity share capital of Soubhagya Confectionery Private Limited from Mr. Prakash Pai, Mr. Ananth Pai, Mr. Abhijeet Pai, Ms. Ashwini Pai, Mr. Aditya Pai and Mr. Aman Pai.

Except the above, the Company has not entered into any contract / arrangement / transaction with related parties which were material in accordance with the policy of the Company on Materiality of and dealing with related party transactions.

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

The Company had not entered into any contract / arrangement / transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company's Policy on Materiality of and dealing with Related Party Transactions is available on the website of the Company and can be accessed at: <https://www.lotuschocolate.com/documents/policies/Policy-of-Materiality-of-RPT.pdf>.

There were no materially significant related party transactions which could have potential conflict with interests of the Company at large. Members may refer to Note 33 of the Financial Statement which sets out related party disclosures pursuant to applicable Indian Accounting Standard ("Ind AS").

## CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ('CSR') Committee is responsible to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the objectives set out in the 'Corporate Social Responsibility Policy' ('CSR Policy').

The CSR policy, formulated by the CSR Committee and approved by the Board, continues unchanged. The CSR policy is available on the Company's website at <https://www.lotuschocolate.com/documents/policies/LCCL-CSR-Policy.pdf>.

The Annual Report on CSR activities is annexed herewith and marked as Annexure-I to this Report.

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**RISK MANAGEMENT**

The Board of the Company has formed a Risk Management Committee, on voluntary basis, to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness.

The Risk Management Committee oversees the risk management processes including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The details on the risk management are also covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**INTERNAL FINANCIAL CONTROLS**

The Company has an Internal Control System, commensurate with its size, scale and complexity of its operations.

The Internal Audit Team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby further strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its 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 disclosures etc.

The Company continues to have periodic internal audits conducted of all its critical functions and activities to ensure that systems and processes are followed across all areas.

The Audit Committee of the Board of the Company reviews the adequacy of internal control systems through such audits. The Internal Auditor reports directly to the Audit Committee.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Krishnakumar Thirumalai and Mr. Ketan Mody, Directors of the Company, retire by rotation at the ensuing Annual General Meeting. The Board of Directors, based on the recommendation of Nomination and Remuneration Committee ("NRC") has recommended their re-appointment.

Mr. Gottemukkala Venkatapathi Raju resigned from the Board with effect from close of business hours of May 24, 2023 pursuant to the terms of Share Purchase Agreement dated December 29, 2022 entered into between RCPL, Mr. Ananth P. Pai and Mr. Prakash P. Pai. Further, Mr. Gottemukkala Venkatapathi Raju also confirmed that there are no other material reasons other than those provided in his resignation letter dated May 24, 2023.

Further, Mr. Gangasani Sudhakar Reddy, Mr. Admala Surya Prakash Reddy and Ms. Usha Abbagani also resigned from the Board with effect from close of business hours of May 24, 2023. The Board places on record its sincere appreciation for the contribution made by them during their tenure on the Board of the Company.

The Board of Directors, based on the recommendation of the NRC, approved the appointment of Prof. Dipak C. Jain and Mr. K. Sudarshan as Additional Directors, designated as Independent Directors of the Company w.e.f. May 24, 2023 and at the Annual General Meeting held on August 10, 2023, the shareholders approved their appointment as Independent Directors of the Company for a period of 5 years upto May 23, 2028.

In the opinion of the Board, Prof. Dipak C. Jain and Mr. K. Sudarshan possess requisite expertise, proficiency, integrity and experience.

The Board of Directors, based on the recommendation of the NRC, also approved the appointment of Mr. Krishnakumar Thirumalai, Mr. Ketan Mody, Ms. Renuka Shastry and Mr. Dinesh Taluja as Additional Directors, designated as Non-Executive Directors of the Company. The shareholders of the Company, at the Annual General Meeting held on August 10, 2023, approved their appointment as Non-Executive Directors of the Company, liable to retire by rotation.

Mr. Subramanya Ram Ganpath ceased to be Whole-time Director of the Company upon completion of his term on November 02, 2023.

The Board of Directors, based on the recommendation of the NRC, approved the appointment of Mr. Asim Parekh as Additional Director, designated as Non-Executive Director of the Company with effect from January 03, 2024 and the shareholders approved

his appointment as Non-Executive Director of the Company, liable to retire by rotation, through resolution passed by postal ballot on March 29, 2024.

Mr. Vivekanand Prabhu resigned as Chief Financial Officer of the Company w.e.f. July 18, 2023. The Board of Directors, based on the recommendation of NRC and Audit Committee, also approved the appointment of Mr. S. Gautham as Chief Financial Officer of the Company w.e.f. July 18, 2023.

The Board of Directors, based on the recommendation of NRC, approved the appointment of Mr. Sikander Khullar as Chief Executive Officer of the Company w.e.f. July 18, 2023. Mr. Sikander Khullar resigned as Chief Executive Officer of the Company w.e.f. close of business hours of January 02, 2024.

The Board of Directors subsequently based on the recommendation of NRC, approved the appointment of Mr. Sandipan Ghosh as the Chief Executive Officer of the Company w.e.f. January 03, 2024.

Mr. Subodhakanta Sahoo resigned as Company Secretary and Compliance officer of the Company w.e.f. close of business hours of January 02, 2024. The Board of Directors based on the recommendation of NRC, approved the appointment of Mr. Utsav Saini as the Company Secretary and Compliance officer w.e.f. January 03, 2024.

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

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations;
- b) they have registered their names in the Independent Directors' Databank; and
- c) they have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Act.

The Nomination and Remuneration Policy as approved by the Board is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/policies/Nominations-and-remuneration-Policy.pdf>.

The Policy sets out the guiding principles for NRC for identifying persons who may be appointed in Senior Management and who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations.

The Policy also sets out the guiding principles for NRC for recommending to the Board, the remuneration of the Directors, Key Managerial Personnel and other Senior Managerial Personnel.

There has been no change in the aforesaid policy during the year.

## **PERFORMANCE EVALUATION**

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of Directors.

In accordance with the manner of evaluation specified by the NRC, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairman, the non-independent directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board based on the report of evaluation received from the respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

## **AUDITORS AND AUDITORS' REPORT**

### **STATUTORY AUDITORS**

Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of 5 consecutive years, at the 34<sup>th</sup> Annual General Meeting held on August 10, 2023 in place of VDNR & Associates, Chartered Accountants, who had resigned as Statutory Auditors of the Company during the year under review. Deloitte Haskins & Sells LLP have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Notes to the financial statements referred in the Auditors' Report are self-explanatory and do not call for any further comments.



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**SECRETARIAL AUDITOR**

The Board had appointed Ms. Rakhi Agarwal, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed and marked as Annexure-II to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**DISCLOSURES****Meetings of the Board**

Six Meetings of the Board of Directors were held during the year. The particulars of the meetings held and attendance of each Director are detailed in the Corporate Governance Report forming part of this Annual Report.

**Committees of Board**

The Company has several committees of the Board, which have been established as part of good Corporate Governance practices and to comply with the requirements of the relevant provisions of applicable laws and statutes.

**Audit Committee**

During the year under review, Mr. Gottemukkala Venkatapathi Raju and Ms. Usha Abbagani ceased to be the Directors of the Company and consequently ceased to be the members of the Audit Committee. The Audit Committee presently comprises of Mr. Bharathan Rajagopalan Thatai (Chairman), Prof. Dipak C. Jain, Mr. K. Sudarshan and Mr. Dinesh Taluja. All the recommendations made by the Audit Committee were accepted by the Board.

**Nomination and Remuneration Committee**

During the year under review, Mr. Gottemukkala Venkatapathi Raju and Ms. Usha Abbagani ceased to be the Directors of the Company and consequently ceased to be the Chairman and member of the NRC, respectively. The NRC presently comprises of Mr. K. Sudarshan (Chairman), Prof. Dipak C. Jain, Mr. Bharathan Rajagopalan Thatai and Mr. Ketan Mody.

**Corporate Social Responsibility Committee**

During the year under review, Ms. Usha Abbagani and Mr. Gangasani Sudhakar Reddy ceased to be the Directors of the Company and consequently ceased to be the members of the Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee presently comprises of Mr. Bharathan Rajagopalan Thatai (Chairman), Mr. K. Sudarshan, Mr. Ketan Mody and Mr. Dinesh Taluja.

**Stakeholders' Relationship Committee**

During the year under review, Ms. Usha Abbagani, Mr. Gottemukkala Venkatapathi Raju and Mr. Subramanya Ram Ganpath ceased to be the Directors of the Company and consequently ceased to be the Chairperson and members of the Stakeholders' Relationship Committee, respectively. The Stakeholders' Relationship Committee presently comprises of Mr. Dinesh Taluja (Chairman), Mr. Ketan Mody and Prof. Dipak C. Jain.

**Risk Management Committee**

During the year under review, Mr. Gangasani Sudhakar Reddy, Ms. Usha Abbagani and Mr. Subramanya Ram Ganpath, ceased to be the Directors of the Company and consequently ceased to be the Chairman and members of the Risk Management Committee, respectively. The Risk Management Committee presently comprises of Mr. Dinesh Taluja (Chairman), Mr. K. Sudarshan and Mr. Ketan Mody.

**WHISTLE BLOWER POLICY**

Your Company has in place a Whistle Blower Policy ('Policy'), to provide a formal mechanism to its employees and stakeholders to report instances of fraud, actual or suspected violations of applicable laws and regulations and the Code of Conduct. The Policy provides for a mechanism to report such concerns to the Chairman of the Audit Committee. The framework of the Policy strives to foster responsible and secure whistle blowing.

In terms of the Policy of the Company, no employee of the Company has been denied access to the Chairman of the Audit Committee. During the year under review, no protected disclosure concerning any reportable matter in accordance with the Policy of the Company was received by the Company.

The Policy is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/policies/Whistle-blower-Policy.pdf>.

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**PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE**

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

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITIES PROVIDED**

The Company has not provided any loan or guarantee, made any investments, or offered any security in connection with loans to any other body corporate or individual, except acquisition of 14,80,000 equity shares of ₹ 10/- each of Soubhagya Confectionery Private Limited, which stands amalgamated with the Company pursuant to scheme of amalgamation as on date of this report. (Please refer Note 36 to the financial statement).

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**ANNUAL RETURN**

The Annual Return of the Company as on March 31, 2024 is available on the Company's website and can be accessed at [https://www.lotuschocolate.com/documents/annual\\_return/2023-24](https://www.lotuschocolate.com/documents/annual_return/2023-24).

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Since there is no employee drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requirement of disclosure in terms of Section 197(12) of the Act read with said rule does not arise.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Pursuant to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com).

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d. Issue of any debentures, bonds, warrants or any other convertible securities.
- e. Any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- f. The Whole time Director has not received any remuneration or commission from the holding or subsidiary company.
- g. 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.
- h. No fraud has been reported by the Auditors to the Audit Committee or the Board.
- i. There was no amount transferred to the Reserves of the Company. Please refer to Statement of changes in Equity in the Financial Statement of the Company for details pertaining to changes during the year in Other Equity.
- j. There has been no change in the nature of business of the Company.
- k. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

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- l. There was no instance of one-time settlement with any Bank or Financial Institution.
  - m. Maintenance of cost records as prescribed by the Central Government under Section 148(1) of the Act.

**ACKNOWLEDGEMENT**

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

**For and on behalf of the Board of Directors**

**Bharathan Rajagopalan Thatai**

**Chairman**

Hyderabad, August 19, 2024

## ANNEXURE-I

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2023-24****1. Brief outline on CSR Policy of the Company:**

The Company follows established ethical standards for all its dealings and believes in inspiring trust and confidence. The Company strongly believes that, it exists not only for doing good business, but equally for the betterment of the Society. The Company has framed its CSR policy/ charter to focus on the following areas inter-alia:

- Happy Childhood;
- Health;
- Education;
- Environmental Sustainability; and
- Promoting Sports, Art and Culture etc.

**2. Composition of CSR Committee:**

| Sr. No. | Name of Director                           | Designation / Nature of Directorship             | Number of meetings of CSR Committee held during the year* | Number of meetings of CSR Committee attended during the year* |
|---------|--|--|---|---|
| 1.      | Mr. Bharathan Rajagopalan Thatai           | Chairman<br>(Non-Executive Independent Director) | 2   | 2   |
| 2.      | Mr. K. Sudarshan**<br>(w.e.f. 24.05.2023)  | Member<br>(Non-Executive Independent Director)   | 1   | 1   |
| 3.      | Mr. Ketan Mody**<br>(w.e.f. 24.05.2023)    | Member<br>(Non-Executive Director)               | 1   | 1   |
| 4.      | Mr. Dinesh Taluja**<br>(w.e.f. 24.05.2023) | Member<br>(Non-Executive Director)               | 1   | 1   |

\*details of meetings held and attended are considered as per their respective tenure.

\*\*Ms. Usha Abbagani and Mr. Gangasani Sudhakar Reddy ceased to be the Director of the Company w.e.f. May 24, 2023 and consequently ceased to be the members of the CSR Committee. They had attended one meeting held on May 22, 2023. Mr. K. Sudarshan, Mr. Ketan Mody and Mr. Dinesh Taluja were appointed as members of the Committee w.e.f. May 24, 2023.

**3. Web-links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

The web links are as under:

|                                    |   |
|------------------------------------|---|
| Composition of CSR Committee       | <a href="https://www.lotuschocolate.com/documents/disclosures/Composition_of_Various_Committee_of_Board_of_directors_0723.pdf">https://www.lotuschocolate.com/documents/disclosures/Composition_of_Various_Committee_of_Board_of_directors_0723.pdf</a> |
| CSR Policy                         | <a href="https://www.lotuschocolate.com/documents/policies/LCCL-CSR-Policy.pdf">https://www.lotuschocolate.com/documents/policies/LCCL-CSR-Policy.pdf</a>   |
| CSR projects approved by the Board | <a href="https://www.lotuschocolate.com/documents/2024/CSR_Projects_approved_by_the_Board_for_the_Financial_year_2023-24.pdf">https://www.lotuschocolate.com/documents/2024/CSR_Projects_approved_by_the_Board_for_the_Financial_year_2023-24.pdf</a>   |

**4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: Not Applicable  
 (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: Not Applicable  
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL  
 (d) Amount required to be set-off for the financial year, if any: NIL  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: NIL
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): The Company has spent ₹ 50,586/- (Other than ongoing project) during the year under review.  
 (b) Amount spent in Administrative Overheads: NIL  
 (c) Amount spent on Impact Assessment, if applicable: NIL  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 50,586/-  
 (e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹)  |                  |  |               |                  |
|--|--|------------------|--|---------------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |               |                  |
|  | Amount (in ₹)  | Date of transfer | Name of the Fund   | Amount (in ₹) | Date of transfer |
| 50,586/-   | NIL  |                  | -  | -             | -                |

- (f) Excess amount for set-off, if any:

| Sr. No. | Particulars   | Amount (in ₹) |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | NIL           |
| (ii)    | Total amount spent for the Financial Year   | 50,586        |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]   | 50,586        |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | NIL           |
| (v)     | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | 50,586        |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| (1)            | (2)                          | (3)   | (4)   | (5)                                       | (6)   |                  | (7)   | (8)                |
|----------------|------------------------------|---|---|---|---|------------------|---|--------------------|
| Sr. No.        | Preceding financial Year (s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any |                  | Amount remaining to be spent in Succeeding Financial Years (in ₹) | Deficiency, if any |
|                |                              |   |   |   | Amount (in ₹)   | Date of Transfer |   |                    |
| Not Applicable |                              |   |   |   |   |                  |   |                    |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes/No

If Yes, enter the number of Capital assets created/ acquired - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sr. No.        | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner |      |                    |
|----------------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1)            | (2)   | (3)                                  | (4)              | (5)                        | (6)   |      |                    |
|                |   |                                      |                  |                            | CSR Registration Number, if applicable                            | Name | Registered address |
| Not Applicable |   |                                      |                  |                            |   |      |                    |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of immovable property as well as boundaries)

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135:**

Not applicable

**For and on behalf of the Board of Directors**

**Bharathan Rajagopalan Thatai**  
Chairman, CSR Committee

**Sandipan Ghosh**  
Chief Executive Officer

Place : Hyderabad  
Date : August 19, 2024

## ANNEXURE-II

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

*[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,  
**LOTUS CHOCOLATE COMPANY LIMITED**  
8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates,  
Avenue-4, Puzzolana Towers, Street No.1,  
Road No. 10, Banjara Hills, Hyderabad,  
Telangana-500034

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lotus Chocolate Company Limited (“Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification on the Company’s 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 other authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (“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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there-under;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there-under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client to the extent applicable;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit period)
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit period)
  - (g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit period)
  - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit period) and
  - (i) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. (Not Applicable to the Company during the Audit period)

- 
- vi) The other laws, as informed by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry, which inter-alia includes:
- (a) Food Safety and Standards Act, 2006
  - (b) Advertising Standards Council of India
  - (c) Legal Metrology Act, 2009
  - (d) Bureau of Indian Standards Act, 2016
  - (e) Drugs and Cosmetics Act, 1940
- vii) I have also examined compliance with the applicable clauses/regulations of the following:
- (a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs; and
  - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”).

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I, further report that,

The Board of Directors of the Company is duly constituted in compliance with the applicable provisions of the Act and SEBI LODR. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with above.

Adequate Notice was given to all the Directors to schedule the meetings of the Board and the Committees. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with applicable provisions where meetings held at shorter notice.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I 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.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except below:

- (a) As per Share Purchase Agreement dated December 29, 2022 entered into by Reliance Consumer Products Limited (RCPL) with Mr. Ananth P. Pai and Mr. Prakash P. Pai (‘Erstwhile Promoters’), RCPL has acquired 51% of the total equity share capital of the Company and accordingly, became holding company of the Company. Additionally, pursuant to the Shareholders Agreement dated December 29, 2022 entered into with the Erstwhile Promoters and the other members of the promoter group of the Company, RCPL has become the ‘Promoter’ of the Company and exercising sole control over the Company w.e.f. May 24, 2023;
- (b) During the year under review, the Company has:
  - redeemed 73,96,600, 10% Cumulative, Redeemable, Non-Convertible Preference Shares of ₹ 10/- (Rupees Ten only) each at par, on May 24, 2023.
  - issued and allotted in aggregate, 5,07,93,200 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable Preference Shares (“NCRPS”) of ₹ 10/- (Rupees Ten only) each fully paid-up at par, on preferential basis to Mr. Abhijeet Pai, Ms. Ashwini Pai, P.M.F. Estates Private Limited and RCPL on May 24, 2023.
- (c) Pursuant to the Share Purchase Agreement dated December 29, 2022 entered into by the Company with Soubhagya Confectionary Private Limited (SCPL) and its shareholders the Company has acquired 100% of the equity share capital of SCPL w.e.f. May 25, 2023 and accordingly, SCPL became wholly-owned subsidiary of the Company from that date; and



- 
- (d) The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on January 02, 2024 approved a Scheme of Amalgamation of SCPL with the Company w.e.f. Appointed Date i.e. May 25, 2023 subject to approval of Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT). The Scheme was filed with the NCLT on February 07, 2024.

I have relied on the information supplied and representation made by the company and its officers, agents, for systems and mechanism followed by the company for compliance under the applicable Acts, Laws and Regulations to the Company.

**Place: Hyderabad**  
**Date: June 28, 2024**

**RAKHI AGARWAL**  
**COMPANY SECRETARY**  
**FCS NO.7047**  
**CP NO.6270**  
**UDIN No: F007047F000633081**

To,  
The Members,  
**LOTUS CHOCOLATE COMPANY LIMITED,**  
8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates,  
Avenue-4, Puzzolana Towers, Street No.1,  
Road No. 10, Banjara Hills, Hyderabad,  
Telangana-500034

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.

**Place: Hyderabad**  
**Date: June 28, 2024**

**RAKHI AGARWAL**  
**COMPANY SECRETARY**  
**FCS NO.7047**  
**CP NO.6270**  
**UDIN: F007047F000633081**

**ANNEXURE-III****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with rules 8(3) of the Companies (Accounts) Rules, 2014 relevant disclosures are given below:

**(A) Conservation of Energy****(i) The steps taken or impact on conservation of energy:**

The Company has a well-structured energy management system in place and regular efforts are made to optimize process parameters and conserve energy. The Company has installed/in process of installing energy saving devices viz. CFL lamps, LED lamps, solar lighting system, Power Capacitors, Steam Condensate Recovery, Street Lighting Timer. The Company has taken various measures to curb waste of water which has resulted saving in power cost.

**(ii) Steps taken by the Company for utilizing alternate sources of energy:**

The Company is in process of installing solar panels to cater to its power requirement.

**(iii) The capital investment on energy conservation equipments:**

There is no capital investment on energy conservation equipment during the year under review. However, the Company has adopted various energy efficient measures to the extent feasible, as mentioned in (A)(i) above.

**(B) Technology Absorption****(i) Efforts made in technology absorption:**

The efforts are being made to adopt feasible technology in the operations of the Company.

**(ii) Benefits derived:**

The Company will start deriving benefits upon full implementation of feasible technology as mentioned in (B)(i) above.

**(iii) Information regarding imported technology (imported during last three years):**

The Company has not imported any technology during last three years.

**(iv) Expenditure incurred on research and development:**

The Company has not incurred any expenditure on Research and Development during the year under review.

**(C) Foreign Exchange Earnings and Outgo:**

Foreign Exchange earned in terms of Actual Inflows - Nil.

Foreign Exchange outgo in terms of Actual Outflows – ₹ 11.74 Crore

**For and on behalf of the Board of Directors**

**Bharathan Rajagopalan Thatai**  
**Chairman**

Place : Hyderabad

Date : August 19, 2024

## Corporate Governance Report

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This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and contains the details of systems and processes adopted / followed at Lotus Chocolate Company Limited ('Lotus' or 'the Company'):

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credos and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the Board in managing the Company in a transparent manner for maximizing long-term value of the Company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time, social.

Hence, it harmonizes the need for a Company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the Company. We believe that Corporate Governance is an upward-moving target that we collectively strive towards achieving and also the same is not just a destination, but a journey to constantly improve sustainable value creation.

### CORPORATE GOVERNANCE STRUCTURE, POLICIES AND PRACTICES

Good Corporate Governance practices are being followed by the Company and steps are being taken to develop suitable policies / guidelines. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge their responsibilities in an effective manner.

The Company Secretary assists in convening and conducting the Board, Committee and Shareholders meetings, dissemination of information to all stakeholders of the Company, co-ordination with the concerned Regulator(s) and all other stakeholders of the Company.

### ETHICS / GOVERNANCE POLICIES

The Company strives to conduct the business and strengthen relationship in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has inter-alia adopted various codes and policies, as outlined below, to carry out its duties in an ethical manner.

- Code of Conduct for prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information
- Code of Conduct of Directors and Key Managerial Personnel
- Whistle Blower Policy
- Policy on prevention of sexual harassment of women at workplace
- Corporate Social Responsibility Policy
- Policy for Preservation of Documents
- Risk Management Policy
- Nomination and Remuneration Policy
- Policy for determining Material Subsidiary
- Policy on materiality of and dealing with Related Party Transactions
- Policy for determining materiality of events and information
- Archival policy

### CODE OF CONDUCT

The Company has a Code of Conduct ("Code") in place applicable to all the Directors and employees of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of laws. The Code is available on the Company's website at [https://www.lotuschocolate.com/documents/disclosures/Code\\_of\\_Conduct\\_of\\_Directors.pdf](https://www.lotuschocolate.com/documents/disclosures/Code_of_Conduct_of_Directors.pdf).

A declaration on confirmation of compliance of the Code by Directors and Senior Management of the Company, signed by Chief Executive Officer forms part of this Report.

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## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has laid down a Code of Conduct for prevention of Insider Trading, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The intention of the Code of Conduct is to prohibit dealing in the securities of the Company while in possession of any Unpublished Price Sensitive Information. The Code is available on the Company's website at <https://www.lotuschocolate.com/documents/policies/Code-of-Conduct-and-Fair-Disclosure-for-Insider-Trading.pdf>.

## WHISTLE-BLOWER POLICY

The Company has in place a Whistle Blower Policy ('Policy'), to provide a formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud etc.

The Policy provides for a mechanism to report such concerns to the Chairman of the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. In terms of the Policy of the Company, no personnel of the Company have been denied access to the Audit Committee. During the year under review, no protected disclosure concerning any reportable matter in accordance with the Policy of the Company was received by the Company. The Policy is available on the website of the Company.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has constituted a Risk Management Committee on voluntary basis which has been entrusted with the responsibility to assist the Board and Audit Committee in overseeing and managing the Company's risk management framework.

The Company has robust internal control systems and procedures including internal financial controls with reference to financial statements commensurate with its nature of business.

Periodical internal audits are being conducted of critical functions and activities to ensure that proper systems are in place and due processes are being followed across the Board. The Audit Committee of the Board of the Company also reviews the adequacy of internal control systems.

## AUDITS AND INTERNAL CHECKS AND BALANCES

Deloitte Haskins and Sells LLP, Chartered Accountants, are the Statutory Auditors of the Company and group internal audit cell, co-sourced with professional firms of Chartered Accountants are the Internal Auditors of the Company. The Statutory Auditors and the Internal Auditors perform independent reviews of the ongoing effectiveness of the Company's Management System which integrates various components of the systems of internal control.

## CORPORATE GOVERNANCE PRACTICES

The Company strives for best Corporate Governance standards and practices. Some of the implemented governance norms and practices include the following:

- The Company has independent Board Committees covering matters related to Risk Management, Corporate Social Responsibility, Audit, Stakeholders' Relationship, Remuneration of the Directors, Key Managerial Personnel etc. and the Nomination of Board members.
- The Company has a separate Internal Audit Function that provides risk-based assurance across all material areas of Risk and Compliance exposures.
- The Company undergoes Annual Secretarial Audit from a Company Secretary in whole-time practice.

## BOARD OF DIRECTORS

### Composition and Category of Directors

In compliance with the requirement of Regulation 17 of Listing Regulations, the Company has requisite number and category of Directors on its Board to uphold the independence of the Board and separate the functions of Governance and Management through Board and Committees. As on March 31, 2024, the Board of the Company comprises of 8 (Eight) Directors out of which 3 (Three) are Independent Directors and 5 (Five) are Non-Executive Non-Independent Directors including one Woman Director.

During the year under review, 6 (Six) Board meetings were held on May 22, 2023, May 24, 2023, July 18, 2023, October 17, 2023, January 02, 2024 and January 16, 2024. The maximum gap between any two Board Meetings was not more than 120 days at any time.

The composition of the Board and other relevant details relating to Directors for the financial year ended March 31, 2024 are given below:

| Name of Directors                               | Designation         | Category               | Number of Board Meetings <sup>1</sup> |          | Attendance at previous AGM held on August 10, 2023 | No. of other Directorship(s) <sup>5</sup> | Names of other listed entities along with category of Directorship | No. of committee memberships in other company(ies) as on March 31, 2024 <sup>y</sup> | No. of Chairmanship in committees of other company(ies) as on March 31, 2024 <sup>y</sup> |
|---|---------------------|------------------------|---------------------------------------|----------|--|---|--|--|---|
|   |                     |                        | Held                                  | Attended |  |   |  |  |   |
| Mr. Bharathan Rajagopalan Thatai                | Chairman            | Independent Director   | 6                                     | 6        | Yes  | 2   | Nil  | NIL  | NIL   |
| Prof. Dipak C. Jain**                           | Director            | Independent Director   | 5                                     | 5        | Yes  | 5   | Nil  | 7  | 1   |
| Mr. K. Sudarshan**                              | Director            | Independent Director   | 5                                     | 5        | Yes  | 16  | Nil  | 8  | NIL   |
| Mr. Krishnakumar Thirumalai <sup>6</sup>        | Director            | Non-Executive Director | 5                                     | 5        | Yes  | 3   | EID Parry (India) Limited – Independent Director                   | 1  | NIL   |
| Mr. Ketan Mody <sup>6</sup>                     | Director            | Non-Executive Director | 5                                     | 5        | Yes  | 1   | Nil  | NIL  | NIL   |
| Ms. Renuka Shastry <sup>6</sup>                 | Director            | Non-Executive Director | 5                                     | 5        | Yes  | 1   | Nil  | NIL  | NIL   |
| Mr. Dinesh Taluja <sup>6</sup>                  | Director            | Non-Executive Director | 5                                     | 5        | Yes  | 9   | Just Dial Limited – Non-Executive Director                         | 3  | 2   |
| Mr. Asim Parekh <sup>6</sup>                    | Director            | Non-Executive Director | 1                                     | 1        | NA   | NIL                                       | NA   | NA   | NA  |
| Mr. Subramanya Ram Ganpath <sup>#</sup>         | Whole-time Director | Executive Director     | 4                                     | 4        | Yes  | NA  | NA   | NA   | NA  |
| Mr. Gottemukkala Venkatapathi Raju <sup>†</sup> | Director            | Independent Director   | 1                                     | 1        | NA   | NA  | NA   | NA   | NA  |
| Mr. Gangasani Sudhakar Reddy <sup>*</sup>       | Director            | Non-Executive Director | 1                                     | 1        | NA   | NA  | NA   | NA   | NA  |
| Mr. Admala Surya Prakash Reddy <sup>*</sup>     | Director            | Non-Executive Director | 1                                     | 1        | NA   | NA  | NA   | NA   | NA  |
| Ms. Usha Abbagani <sup>*</sup>                  | Director            | Non-Executive Director | 1                                     | 1        | NA   | NA  | NA   | NA   | NA  |

<sup>1</sup>details of meetings held and attended are considered as per their respective tenure.

<sup>\*</sup>ceased to be Directors w.e.f. May 24, 2023.

<sup>#</sup>completed his term as a Whole-Time Director of the Company, on November 02, 2023. Upon completion of his term, he ceased to be a Director of the Company.

<sup>\*\*</sup>appointed as Independent Director w.e.f. May 24, 2023.

<sup>6</sup>appointed as Non-Executive Director w.e.f. May 24, 2023.

<sup>†</sup>appointed as Non-Executive Director w.e.f. January 03, 2024.

<sup>y</sup> for determination of limits of committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee shall be considered.

<sup>5</sup> excludes Directorships in foreign companies and Section 8 companies.

**Disclosure of relationships between Directors *inter-se***

None of the Directors of the Company are related to any other Director on the Board as on March 31, 2024.

**Number of Shares and Convertible Instruments held by Non-Executive Directors**

The Company does not have any convertible instruments and none of the Non-Executive Directors hold any equity shares in the Company as on March 31, 2024.

**Core skills / expertise / competencies of Directors as on March 31, 2024**

The Board comprises of qualified and experienced members who possess required skills, expertise and competencies that allows them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Experience and knowledge of FMCG sector
- Knowledge of Sales, Marketing, Corporate Strategy and Planning
- Expertise and knowledge in Legal & Compliance and Corporate Governance
- Expertise / knowledge in Accounting, Finance, Taxation and Risk Management
- Wide Management and Leadership experience

Given below is a list of core skills/ expertise/ competencies of the individual Directors:

| Sr. No. | Name of the Director             | Area of skills / expertise / competencies*   |
|---------|----------------------------------|--|
| 1.      | Mr. Bharathan Rajagopalan Thatai | <ul style="list-style-type: none"> <li>• Experience and knowledge of FMCG sector</li> <li>• Expertise/knowledge in Accounting, Finance, Taxation and Risk Management</li> </ul>  |
| 2.      | Prof. Dipak C. Jain              | <ul style="list-style-type: none"> <li>• Expertise/knowledge in Accounting, Finance, Taxation and Risk Management</li> <li>• Knowledge of Sales, Marketing, Corporate Strategy and Planning</li> <li>• Wide Management and Leadership experience</li> </ul>  |
| 3.      | Mr. K. Sudarshan                 | <ul style="list-style-type: none"> <li>• Expertise/knowledge in Accounting, Finance, Taxation and Risk Management</li> <li>• Wide Management and Leadership experience</li> </ul>  |
| 4.      | Mr. Krishnakumar Thirumalai      | <ul style="list-style-type: none"> <li>• Experience and knowledge of FMCG sector</li> <li>• Expertise/knowledge in Accounting, Finance, Taxation and Risk Management</li> <li>• Knowledge of Sales, Marketing, Corporate Strategy and Planning</li> <li>• Wide Management and Leadership experience</li> </ul> |
| 5.      | Mr. Ketan Mody                   | <ul style="list-style-type: none"> <li>• Experience and knowledge of FMCG sector</li> <li>• Expertise/knowledge in Accounting, Finance, Taxation and Risk Management</li> <li>• Knowledge of Sales, Marketing, Corporate Strategy and Planning</li> <li>• Wide Management and Leadership experience</li> </ul> |
| 6.      | Ms. Renuka Shastry               | <ul style="list-style-type: none"> <li>• Expertise and knowledge in Legal &amp; Compliance and Corporate Governance</li> <li>• Wide Management and Leadership experience</li> </ul>  |
| 7.      | Mr. Dinesh Taluja                | <ul style="list-style-type: none"> <li>• Expertise/knowledge in Accounting, Finance, Taxation and Risk Management</li> <li>• Wide Management and Leadership experience</li> <li>• Knowledge of Sales, Marketing, Corporate Strategy and Planning</li> </ul>  |
| 8.      | Mr. Asim Parekh                  | <ul style="list-style-type: none"> <li>• Experience and knowledge of FMCG sector</li> <li>• Knowledge of Marketing, Corporate Strategy and Planning</li> <li>• Wide Management and Leadership experience</li> </ul>  |

\*These skills / competencies are broad-based, encompassing several areas of expertise / experience. Each Director may possess varied combinations of skills / experience within the described set of parameters.

**Board Independence**

The Board of the Company comprises of 3 (three) Independent Directors out of total 8 (eight) Directors, as on March 31, 2024.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, declares that he meets the criteria of independence as prescribed under the law and that he is

not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

#### **Familiarisation programmes for Board Members**

The Board members are provided with necessary documents, reports and policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, business strategy and risks involved.

The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company at [https://www.lotuschocolate.com/documents/disclosures/Familiarization\\_of\\_Independent\\_Directors](https://www.lotuschocolate.com/documents/disclosures/Familiarization_of_Independent_Directors).

#### **BOARD COMPENSATION**

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management etc. is available on the website of the Company.

The Company's Nomination and Remuneration Policy is directed towards rewarding performance based on review of achievements.

#### **Remuneration of the Executive Director for the financial year 2023-24**

(₹ in Lakhs)

| Name of Director            | Salary & allowances | Perquisite | Retiral benefits | Performance Linked Incentives / Commission | Total | Stock options |
|-----------------------------|---------------------|------------|------------------|--|-------|---------------|
| Mr. Subramanya Ram Ganpath* | 4.35                | -          | -                | -  | 4.35  | -             |

\*completed his term as Whole-Time director of the Company on November 02, 2023. Upon completion of his term, he ceased to be a Director of the Company.

Non-Executive Directors are liable to retire by rotation. Further, there are no service contracts and no separate provision for payment of severance fees.

The Company has not provided other benefits such as Bonus and pension to its Directors. None of the Directors has received any loans and advances from the Company during the year under review.

#### **Criteria of making Payment to Non-Executive Directors**

The Independent Directors of the Company are entitled for sitting fees for attending meetings of Board/Committees thereof. The Non-Executive Non-Independent Directors of the Company are not entitled to receive sitting fees for any Board/Committee meetings attended by them.

#### **Remuneration of Non-Executive Independent Directors for FY 2023-24**

(₹ in Lakhs)

| Name of Director                     | Sitting Fees   |
|--------------------------------------|----------------|
| Mr. Bharathan Rajagopalan Thatai     | 5.95           |
| Prof. Dipak C. Jain*                 | 5.60           |
| Mr. K. Sudarshan*                    | 8.05           |
| Mr. Gottemukkala Venkatapathi Raju** | Not Applicable |
| <b>Total</b>                         | <b>19.60</b>   |

\*Appointed w.e.f. May 24, 2023.

\*\*ceased to be Director w.e.f. May 24, 2023

During the year, there were no pecuniary relationships or transactions with the Non-Executive Independent Directors, except payment of sitting fees to Independent Directors for attending meeting of Board and its Committees.

The tenure of Independent Directors of the Company is for 5 (five) years from their respective date of appointment.



### Performance evaluation criteria for Directors

The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria, provides certain parameters like attendance, acquaintance with business, communication inter-se between board members, effective participation, domain knowledge, compliance with code of conduct, strategy, etc., which is in compliance with applicable laws, regulations and guidelines.

### BOARD COMMITTEES

The Board has constituted various Committees, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee and may constitute other functional Committees, from time to time, depending on business needs. The recommendations of the Committees are submitted to the Board for approval. During the year, all recommendations of the Committees were approved by the Board.

Details of the Board Committees and other related information are provided hereunder:

### AUDIT COMMITTEE

#### Brief terms of reference

The terms of reference stipulated by the Board to the Audit Committee, *inter alia*, includes the following:

- Recommend appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by them.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions with related parties of the Company.
- Review the functioning of the Whistle Blower mechanism/ oversee the vigil mechanism.

The detailed terms of reference of the Committee are available on the website of the Company which can be accessed at [https://www.lotuschocolate.com/documents/disclosures/Terms\\_of\\_Reference\\_of\\_Various\\_Committees.pdf](https://www.lotuschocolate.com/documents/disclosures/Terms_of_Reference_of_Various_Committees.pdf).

#### Composition:

The Audit Committee of the Board of Directors of the Company comprises of the following members:

| Sr. No. | Name of the Members                  | Designation                     |
|---------|--------------------------------------|---------------------------------|
| 1.      | Mr. Bharathan Rajagopalan Thatai     | Chairman - Independent Director |
| 2.      | Prof. Dipak C. Jain*                 | Member - Independent Director   |
| 3.      | Mr. K. Sudarshan*                    | Member - Independent Director   |
| 4.      | Mr. Dinesh Taluja*                   | Member - Non-Executive Director |
| 5.      | Mr. Gottemukkala Venkatapathi Raju** | Member - Independent Director   |
| 6.      | Ms. Usha Abbagani**                  | Member - Non-Executive Director |

\*Appointed as member of the Audit Committee w.e.f. May 24, 2023.

\*\*Ceased to be a Director of the Company and consequently member of the Audit Committee w.e.f. May 24, 2023.

**Meeting and attendance:**

During the year under review, 6 (Six) meetings of the Committee were held on May 22, 2023, July 18, 2023, October 17, 2023, January 02, 2024, January 16, 2024 and March 26, 2024. The details of the meetings and attendance therein are given below:

| Sr. No. | Name of the Members                 | No. of Committee Meetings |          |
|---------|-------------------------------------|---------------------------|----------|
|         |                                     | Held                      | Attended |
| 1.      | Mr. Bharathan Rajagopalan Thatai    | 6                         | 6        |
| 2.      | Prof. Dipak C. Jain*                | 5                         | 5        |
| 3.      | Mr. K. Sudarshan*                   | 5                         | 5        |
| 4.      | Mr. Dinesh Taluja*                  | 5                         | 5        |
| 5.      | Mr. Gottemukkala Venkatapathi Raju* | 1                         | 1        |
| 6.      | Ms. Usha Abbagani*                  | 1                         | 1        |

\*details of meetings held and attended are considered as per their respective tenure.

The representatives of Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings held quarterly, to review the financial results. The recommendations made by the Audit Committee from time to time have been followed. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

**NOMINATION AND REMUNERATION COMMITTEE****Brief terms of reference:**

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee, *inter alia*, includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of the Directors.
- Devise a policy on Board Diversity.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The detailed terms of reference of the Committee are available on the website of the Company which can be accessed at [https://www.lotuschocolate.com/documents/disclosures/Terms\\_of\\_Reference\\_of\\_Various\\_Committees.pdf](https://www.lotuschocolate.com/documents/disclosures/Terms_of_Reference_of_Various_Committees.pdf).

**Composition:**

The Nomination and Remuneration Committee comprises of the following members:

| Sr. No. | Name of the Members                  | Designation                     |
|---------|--------------------------------------|---------------------------------|
| 1.      | Mr. K. Sudarshan*                    | Chairman - Independent Director |
| 2.      | Mr. Bharathan Rajagopalan Thatai     | Member - Independent Director   |
| 3.      | Prof. Dipak C. Jain*                 | Member - Independent Director   |
| 4.      | Mr. Ketan Mody*                      | Member - Non-Executive Director |
| 5.      | Mr. Gottemukkala Venkatapathi Raju** | Chairman - Independent Director |
| 6.      | Ms. Usha Abbagani**                  | Member - Non-Executive Director |

\*Appointed as member of the Nomination and Remuneration Committee w.e.f. May 24, 2023.

\*\*Ceased to be a Director of the Company and consequently member of the Nomination and Remuneration Committee w.e.f. May 24, 2023.

**Meeting and Attendance:**

During the year under review, 6 (Six) meetings of the Committee were held on May 22, 2023, May 24, 2023, July 18, 2023, October 17, 2023, January 02, 2024 and January 16, 2024. The details of the meetings and attendance therein are given below:

| Sr. No. | Name of the Members                 | No. of Committee Meetings |          |
|---------|-------------------------------------|---------------------------|----------|
|         |                                     | Held                      | Attended |
| 1.      | Mr. K. Sudarshan*                   | 4                         | 4        |
| 2.      | Mr. Bharathan Rajagopalan Thatai    | 6                         | 6        |
| 4.      | Mr. Ketan Mody*                     | 4                         | 4        |
| 5.      | Mr. Gottemukkala Venkatapathi Raju* | 2                         | 1        |
| 6.      | Ms. Usha Abbagani*                  | 2                         | 2        |

\*details of meetings held and attended are considered as per their respective tenure.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**Brief terms of reference:**

The terms of reference stipulated by the Board to the Stakeholders' Relationship Committee, *inter alia*, includes the following:

- Resolve grievances of security holders of the Company including complaints related to transfer / transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the security holders of the Company.

The detailed terms of reference of the Committee are available on the website of the Company which can be accessed at [https://www.lotuschocolate.com/documents/disclosures/Terms\\_of\\_Reference\\_of\\_Various\\_Committees.pdf](https://www.lotuschocolate.com/documents/disclosures/Terms_of_Reference_of_Various_Committees.pdf).

**Composition:**

The Stakeholders' Relationship Committee comprises of the following members:

| Sr. No. | Name of the Members                  | Designation                          |
|---------|--------------------------------------|--------------------------------------|
| 1.      | Mr. Dinesh Taluja*                   | Chairman - Non-Executive Director    |
| 2.      | Mr. K. Sudarshan <sup>§</sup>        | Member- Independent Director         |
| 3.      | Prof. Dipak C. Jain <sup>&amp;</sup> | Member- Independent Director         |
| 4.      | Mr. Ketan Mody*                      | Member - Non-Executive Director      |
| 5.      | Ms. Usha Abbagani**                  | Chairperson - Non-Executive Director |
| 6.      | Mr. Gottemukkala Venkatapathi Raju** | Member - Independent Director        |
| 7.      | Mr. Subramanya Ram Ganpath***        | Member - Executive Director          |

\*Appointed as members of the Stakeholders' Relationship Committee w.e.f. May 24, 2023.

<sup>§</sup> Mr. K. Sudarshan was appointed as member of the Stakeholders' Relationship Committee w.e.f. May 24, 2023 and ceased to be a member of the Stakeholders' Relationship committee with effect from December 22, 2023.

<sup>&</sup> Prof. Dipak C. Jain was appointed as member of the Stakeholders' Relationship Committee with effect from December 22, 2023.

\*\*Ceased to be Director of the Company and consequently member of the Stakeholders' Relationship Committee w.e.f. May 24, 2023.

\*\*\*Completed his term as Whole-Time Director of the Company on November 02, 2023. Upon completion of his term, he ceased to be a Director of the Company and consequently member of the Stakeholders' Relationship Committee.

**Meeting and Attendance:**

During the year under review, 5 (five) meetings of the Committee were held on June 09, 2023, July 14, 2023, August 23, 2023, September 20, 2023 and October 17, 2023. The details of the meetings and attendance therein are given below:

| Sr. No. | Name of the Members         | No. of Committee Meetings |          |
|---------|-----------------------------|---------------------------|----------|
|         |                             | Held                      | Attended |
| 1.      | Mr. Dinesh Taluja           | 5                         | 5        |
| 2.      | Mr. Ketan Mody              | 5                         | 5        |
| 3.      | Mr. K. Sudarshan            | 5                         | 5        |
| 4.      | Mr. Subramanya Ram Ganpath* | 5                         | 5        |

\*details of meetings held and attended are considered as per his tenure.

Note: Ms. Usha Abbagani and Mr. Gottemukkala Venkatapathi Raju were members of the Stakeholders' Relationship Committee who ceased to be Directors of the Company and consequently members of the Stakeholders' Relationship Committee w.e.f. May 24, 2023. Prof. Dipak C. Jain was appointed as member of the Stakeholders' Relationship Committee w.e.f. December 22, 2023.

**Compliance Officer**

Mr. Utsav Saini is the Company Secretary and Compliance Officer of the Company with effect from January 03, 2024. Mr. Subodhakanta Sahoo, resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. January 02, 2024.

**Status of Investor Complaints for the Financial Year**

|   |   |
|---|---|
| No. of complaints received                                  | 2 |
| No. of complaints resolved to the satisfaction of investors | 2 |
| No. of pending complaints                                   | 0 |

**RISK MANAGEMENT COMMITTEE****Brief terms of reference:**

The terms of reference stipulated by the Board to the Risk Management Committee, *inter alia*, includes the following:

- Formulate / review risk management plan and risk management policy.
- Oversee implementation / monitoring of Risk Management Plan and Policy including evaluating and validating the adequacy of risk management systems.
- Periodically review and evaluate the Risk Management Policy and Practices with respect to risk assessment and risk management processes.
- Review of cyber security and related risks.

The detailed terms of reference of the Committee are available on the website of the Company which can be accessed at [https://www.lotuschocolate.com/documents/disclosures/Terms\\_of\\_Reference\\_of\\_Various\\_Committees.pdf](https://www.lotuschocolate.com/documents/disclosures/Terms_of_Reference_of_Various_Committees.pdf).

**Composition:**

The Risk Management Committee, constituted on voluntary basis, comprises of the following members:

| Sr. No. | Name of the Members            | Designation                       |
|---------|--------------------------------|-----------------------------------|
| 1.      | Mr. Dinesh Taluja*             | Chairman - Non-Executive Director |
| 2.      | Mr. K. Sudarshan*              | Member - Independent Director     |
| 3.      | Mr. Ketan Mody*                | Member - Non-Executive Director   |
| 4.      | Mr. Gangasani Sudhakar Reddy** | Chairman - Non-Executive Director |
| 5.      | Ms. Usha Abbagani**            | Member - Non-Executive Director   |
| 5.      | Mr. Subramanya Ram Ganpath***  | Member - Executive Director       |

\*Appointed as member of the Risk Management Committee w.e.f. May 24, 2023.

\*\*Ceased to be a Director of the Company and consequently member of the Risk Management Committee w.e.f. May 24, 2023.

\*\*\* Completed his term as Whole-Time Director of the Company on November 02, 2023. Upon completion of his term, he ceased to be a Director of the Company and consequently member of the Risk Management Committee.

**Meeting and Attendance:**

During the year under review, 1 (one) meeting of the Committee was held on March 26, 2024. The details of the meeting and attendance therein are given belows:

| Sr. No. | Name of the Members | No. of Committee Meetings |          |
|---------|---------------------|---------------------------|----------|
|         |                     | Held                      | Attended |
| 1.      | Mr. Dinesh Taluja*  | 1                         | 1        |
| 2.      | Mr. K. Sudarshan*   | 1                         | 1        |
| 3.      | Mr. Ketan Mody*     | 1                         | 1        |

\*details of meeting held and attended are considered as per their respective tenure.

Note: Ms. Usha Abbagani and Mr. Gangasani Sudhakar Reddy were members of the Risk Management Committee who ceased to be Directors of the Company and consequently members of the Risk Management Committee w.e.f. May 24, 2023. Mr. Subramanya Ram Ganpath completed his term as Whole-Time Director of the Company on November 02, 2023. Upon completion of his term, he ceased to be a Director of the Company and consequently member of the Risk Management Committee.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

**Brief terms of reference:**

The terms of reference stipulated by the Board to the Corporate Social Responsibility Committee, *inter alia*, includes the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the implementation of the CSR Policy of the Company from time to time.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

**Composition:**

The CSR Committee comprises of the following members:

| Sr. No. | Name of the Members              | Designation                     |
|---------|----------------------------------|---------------------------------|
| 1.      | Mr. Bharathan Rajagopalan Thatai | Chairman - Independent Director |
| 2.      | Mr. K. Sudarshan*                | Member - Independent Director   |
| 3.      | Mr. Ketan Mody*                  | Member - Non-Executive Director |
| 4.      | Mr. Dinesh Taluja*               | Member - Non-Executive Director |
| 5.      | Ms. Usha Abbagani**              | Member - Non-Executive Director |
| 6.      | Mr. Gangasani Sudhakar Reddy**   | Member - Non-Executive Director |

\*Appointed as member of the CSR Committee w.e.f. May 24, 2023.

\*\*Ceased to be a Director of the Company and consequently member of the CSR Committee w.e.f. May 24, 2023.

**Meeting and Attendance:**

During the year under review, 2 (two) meetings of the Committee were held on May 22, 2023 and July 18, 2023. The details of the meetings and attendance therein are given below:

| Sr. No. | Name of the Members              | No. of Committee Meetings |          |
|---------|----------------------------------|---------------------------|----------|
|         |                                  | Held                      | Attended |
| 1.      | Mr. Bharathan Rajagopalan Thatai | 2                         | 2        |
| 2.      | Mr. K. Sudarshan*                | 1                         | 1        |
| 3.      | Mr. Ketan Mody*                  | 1                         | 1        |
| 4.      | Mr. Dinesh Taluja*               | 1                         | 1        |
| 5.      | Ms. Usha Abbagani*               | 1                         | 1        |
| 6.      | Mr. Gangasani Sudhakar Reddy*    | 1                         | 1        |

\*details of meetings held and attended are considered as per their respective tenure.

Detailed Annual Report on CSR Activities for the financial year 2023-24 is annexed and marked as Annexure-I to the Board's Report. The Company Secretary and Compliance Officer is the Secretary to all the Committees constituted by the Board.

**FRAMEWORK FOR MONITORING SUBSIDIARY COMPANIES**

Soubhagya Confectionery Private Limited ("SCPL") became a wholly-owned subsidiary of the Company w.e.f. May 25, 2023. The Company monitors performance of its subsidiary company, broadly basis the factors prescribed under Regulation 24 of the Listing Regulations. SCPL has been amalgamated with the Company pursuant to a scheme of amalgamation approved by the Hon'ble National Company Law Tribunal vide its order dated August 08, 2024.

The Policy for determining material subsidiary is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/policies/Policy-on-material-subsiary.pdf>.

**PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY**

| Name of Senior Management Personnel | Category                               |
|-------------------------------------|--|
| Mr. Sandipan Ghosh                  | Chief Executive Officer                |
| Mr. S. Gautham                      | Chief Financial Officer                |
| Mr. Utsav Saini                     | Company Secretary & Compliance Officer |
| Mr. Kaushik Desai                   | Human Resources                        |
| Mr. Varudu Lakshmana Murthy         | Procurement                            |

During the year under review, except as stated in the Board's report regarding changes in KMPs, there has been no change in the Senior Management of the Company.

**GENERAL BODY MEETINGS****Annual General Meetings and Extra-ordinary General Meeting**

The date, time and venue of the Annual General Meetings (AGM) and Extra-ordinary General Meeting (EGM) held during preceding three years and the Special Resolution(s) passed thereat, are as follows:

| Year    | Type of Meeting | Date               | Time       | Venue  | Special Resolution(s) Passed  |
|---------|-----------------|--------------------|------------|--|---|
| 2022-23 | AGM             | August 10, 2023    | 11:30 a.m. | Held through video conferencing (Deemed venue - 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana – 500034) | 1. Appointment of Prof. Dipak C. Jain as an Independent Director<br>2. Appointment of Mr. Krishnan Sudarshan as an Independent Director<br>3. Adoption of the restated Articles of Association of the Company |
| 2022-23 | EGM             | February 16, 2023  | 11:30 a.m. | Held through video conferencing (Deemed venue - 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana – 500034) | 1. Approved the limit under Section 186 of the Companies Act, 2013.<br>2. Issue and allotment of Redeemable Preference Shares by way of a preferential allotment on a Private Placement Basis.                |
| 2021-22 | AGM             | September 30, 2022 | 9:00 a.m.  | Held through video conferencing (Deemed venue - 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana - 500034) | No Special Resolution was passed.   |
| 2020-21 | AGM             | September 18, 2021 | 9:00 a.m.  | Held through video conferencing (Deemed venue - 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana - 500034) | No Special Resolution was passed.   |

**Resolution(s) passed through Postal Ballot**

During the year, the Members of the Company approved the appointment of Mr. Asim Parekh as a Non-Executive Director of the Company, vide an Ordinary Resolution and approved the increase in borrowing limits of the Company and creation of mortgage, charge, hypothecation etc. on the assets, properties or undertaking(s) of the Company, vide Special Resolutions passed through Postal Ballot by remote e-voting only on March 29, 2024.

**Procedure adopted for Postal Ballot**

In accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, read with other relevant circulars, including General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA Circulars”), resolutions were proposed to be passed by means of Postal Ballot, only by way of remote e-voting process (“e-voting”). The Company had engaged the services of Central Depository Services (India) Limited as the agency to provide e-voting facility.

Ms. Rakhi Agarwal, a Practising Company Secretary (Membership No.: F7047), acted as Scrutinizer for conducting the Postal Ballot, through e-voting process, in a fair and transparent manner.

In accordance with MCA Circulars, the Postal Ballot Notice dated February 26, 2024, was sent only by electronic mode to those Members whose names appeared on the Register of Members / List of Beneficial Owners as on Friday, February 23, 2024 (“Cut-Off Date”) received from the Depositories and whose e-mail addresses were registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories. The manner of e-voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) shareholders other than individuals holding shares of the Company in the demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) shareholders who have not registered their e-mail addresses, were explained in the Postal Ballot Notice.

Members cast their vote(s) through remote e-voting from 9:00 a.m. (IST) on Thursday, February 29, 2024 till 5:00 p.m. (IST) on Friday, March 29, 2024.

The Scrutinizer submitted her report on March 29, 2024, after the completion of scrutiny and result of the e-voting was announced on April 01, 2024. The summary of voting results is given below:

| <b>Resolutions passed through postal ballot</b>  | <b>Votes in favour of the Resolution (% of total number of valid votes)</b> | <b>Votes against the Resolution (% of total number of valid votes)</b> | <b>Result</b>                            |
|--|---|--|--|
| Appointment of Mr. Asim Bhupatrai Parekh as a Non-Executive Director of the Company  | 99.67   | 0.33   | Passed with more than requisite Majority |
| Increase in borrowing limits of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013   | 99.67   | 0.33   |  |
| Creation of mortgage, charge, hypothecation etc. on the assets, properties or undertaking(s) of the Company under Section 180(1)(a) of the Companies Act, 2013 | 99.67   | 0.33   |  |

The said resolutions were passed with more than requisite majority on March 29, 2024. Voting result of postal ballot is available on the website of the Stock Exchange and the Company.

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations / any other applicable laws.

## **MEANS OF COMMUNICATION**

### **Quarterly Results**

The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchange and published in 'Financial Express' and 'Nava Telangana' newspapers. They are also available on the website of the Company.

### **Newspapers Publication**

The official news releases, if any, are published in Financial Express (English) and Nava Telangana (Telugu) and the same are displayed on the Company's website i.e. [www.lotuschocolate.com](http://www.lotuschocolate.com).

### **Website**

The Company's website [www.lotuschocolate.com](http://www.lotuschocolate.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

### **Annual Report**

The Annual Report containing, *inter alia*, Audited Financial Statement, Board's Report, Auditors' Report, and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.

### **Letters / e-mails to Investors**

The Company has communicated through various letters / e-mails / SMS with its shareholders during the year. This includes intimation for dematerialisation of shares, updating e-mail, PAN, bank account details, Nomination details etc. The Company has sent communications to its shareholders from time to time, in due compliance of relevant SEBI Circulars.

### **BSE Listing Centre**

Listing Centre is a web-based application designed by BSE for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.

### **SEBI Complaints Redress System (SCORES)**

Investor complaints are processed at SEBI in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports by concerned companies and online viewing by investors of actions taken on the complaint and their current status.



### Online Dispute Resolution Portal (ODR)

In accordance with SEBI Circular dated July 31, 2023, the Company has registered itself on the ODR Portal. The ODR Portal harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market and can be accessed through <https://smartodr.in/>.

### Designated Exclusive Email-ID

The Company has designated the following email-IDs exclusively for investor servicing:

- For queries on Annual Report: [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com)
- For queries in respect of shares in physical mode: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)

### GENERAL SHAREHOLDER INFORMATION

|                                   |   |
|-----------------------------------|---|
| <b>Annual General Meeting</b>     | Monday, September 30, 2024 at 11:30 a.m. (IST) through Video Conferencing/Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting.<br>Deemed venue of the meeting is the registered office of the Company at 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana - 500034 |
| <b>Financial Year</b>             | April 01 to March 31  |
| <b>Financial Calendar</b>         | (Tentative) Results for the quarter ending:<br>June 30, 2024 – Third week of July, 2024<br>September 30, 2024 – Third week of October, 2024<br>December 31, 2024 – Third week of January, 2025<br>March 31, 2025 – Third week of April, 2025<br>Annual General Meeting – August / September 2025  |
| <b>Dividend Payment Date</b>      | Not Applicable  |
| <b>Listing on Stock Exchanges</b> | BSE Limited (BSE),<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001  |
| <b>Stock Code</b>                 | 523475  |
| <b>ISIN</b>                       | INE026D01011  |
| <b>Payment of Listing Fees</b>    | Annual listing fees for the financial year 2024-25 has been paid by the Company within due date to BSE Limited  |
| <b>Payment of Depository Fees</b> | Annual Custody / Issuer fee for the financial year 2024-25 has been paid by the Company within the due date based on invoices received from the Depositories.   |
| <b>Preference shares</b>          | The preference shares issued by the Company during the year are not listed on any stock exchange (ISIN: INE026D04023)   |

### Fees to the Statutory Auditors

The total fees paid by the Company to Statutory Auditors during the financial year 2023-24 is ₹ 16.06 lakh. Statutory auditors of subsidiary company are not part of any network firm / network entity of statutory auditor of the Company.

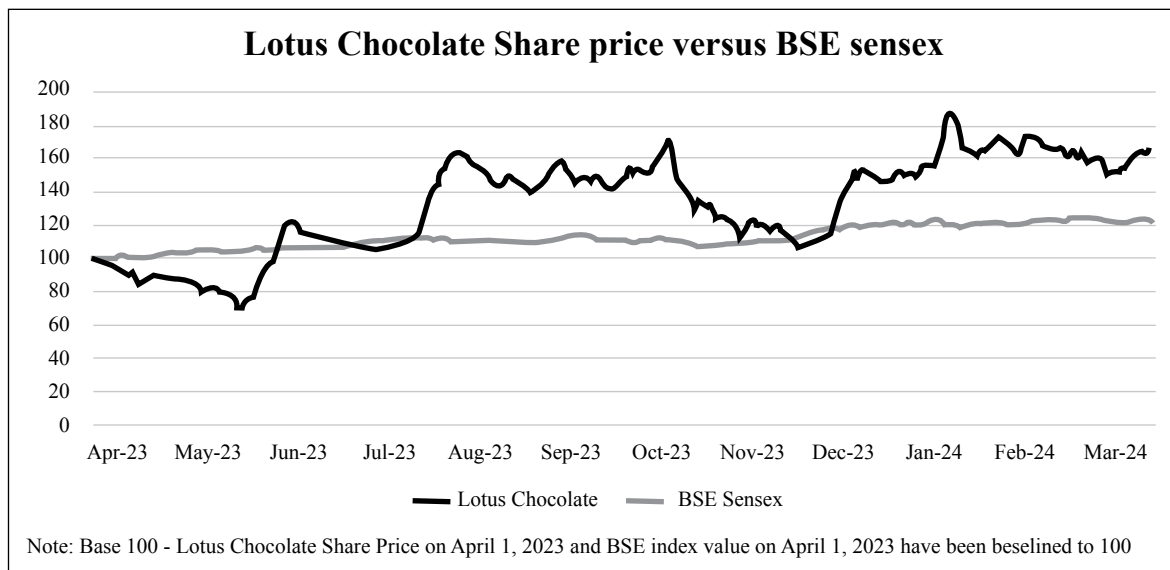
### Credit Rating

The Company does not have any debt instruments or any fixed deposits scheme or programme. Hence, credit rating in relation to aforesaid purpose is not applicable to the Company.

**Stock Market Price Data**

| Month          | BSE Limited (BSE) |               |              |
|----------------|-------------------|---------------|--------------|
|                | High Price (₹)    | Low Price (₹) | Volume (No.) |
| April 2023     | 216.45            | 173.05        | 2,70,488     |
| May 2023       | 189.45            | 139.05        | 2,54,926     |
| June 2023      | 258.95            | 185.20        | 4,35,188     |
| July 2023      | 298.20            | 215.00        | 2,36,126     |
| August 2023    | 345.55            | 285.20        | 2,05,585     |
| September 2023 | 336.40            | 284.95        | 1,16,682     |
| October 2023   | 359.95            | 252.10        | 1,50,692     |
| November 2023  | 284.75            | 214.65        | 50,480       |
| December 2023  | 332.75            | 213.00        | 1,35,643     |
| January 2024   | 408.35            | 291.15        | 3,57,161     |
| February 2024  | 367.95            | 322.30        | 1,25,198     |
| March 2024     | 351.00            | 301.35        | 1,17,853     |

[Source: This information is compiled from the data available on the website of BSE Limited.]

**Share price Vs BSE Sensex****Registrar and Share Transfer Agent**

CIL Securities Limited

214, Raghava Ratna Towers,

Chirag Ali Lane, Abids

Hyderabad, Telangana 500001

Tel No.: 91 040 2320 2465

(From 10.00 a.m. to 6:30 p.m. IST on all working days)

Email: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)

Website [www.cilsecurities.com](http://www.cilsecurities.com)

**Share Transfer System**

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In this regard, communication regarding dematerialisation of shares and explaining procedure thereof, is available on the website of the Company.

The Company has received a certificate from a Company Secretary in Practice, certifying that during the year, all certificates for transfer, transmission, exchange, deletion of names etc. were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchange.

**Shareholding Pattern as on March 31, 2024**

| Sr. No     | Category of shareholders   | Number of shareholders | Total number of shares (Fully Paid-up) | % of total number of shares (A+B+C) |
|------------|--|------------------------|--|-------------------------------------|
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group</b>                             |                        |  |                                     |
| (1)        | Indian   | 9                      | 92,54,150                              | 72.07                               |
| (2)        | Foreign  | -                      | -                                      | -                                   |
|            | <b>Total Shareholding of Promoter and Promoter Group</b>                       | <b>9</b>               | <b>92,54,150</b>                       | <b>72.07</b>                        |
| <b>(B)</b> | <b>Public Shareholding</b>   |                        |  |                                     |
| (1)        | Institutions   | 4                      | 3,400                                  | 0.02                                |
| (2)        | Non-institutions   | 12,525                 | 35,83,499                              | 27.91                               |
|            | <b>Total Public Shareholding</b>   | <b>12,529</b>          | <b>35,86,899</b>                       | <b>27.93</b>                        |
| <b>(C)</b> | <b>Non-Promoter Non-Public</b>   |                        |  |                                     |
| (1)        | Shares held by Custodian(s) against which Depository Receipts have been issued | -                      | -                                      | -                                   |
|            | <b>Total shares held by Non-Promoter Non-Public</b>                            | <b>-</b>               | <b>-</b>                               | <b>-</b>                            |
|            | <b>Total (A) + (B) + (C)</b>   | <b>12,538</b>          | <b>1,28,41,049</b>                     | <b>100.00</b>                       |

**Distribution of Shareholding by size as March 31, 2024**

| Category (Shares) | No. of Shareholders | No. of Shares      | % of total Shares |
|-------------------|---------------------|--------------------|-------------------|
| 0-500             | 12,133              | 11,60,040          | 9.03              |
| 501-1000          | 320                 | 2,58,971           | 2.02              |
| 1001-2000         | 150                 | 2,29,067           | 1.78              |
| 2001-3000         | 54                  | 1,35,762           | 1.06              |
| 3001-4000         | 21                  | 76,029             | 0.59              |
| 4001-5000         | 17                  | 79,465             | 0.62              |
| 5001-10000        | 27                  | 2,07,694           | 1.62              |
| Above 10000       | 37                  | 1,06,94,021        | 83.28             |
| <b>Total</b>      | <b>12,759</b>       | <b>1,28,41,049</b> | <b>100.00</b>     |

Note: Without PAN consolidation basis

**Dematerialisation of Shares & Liquidity**

| Mode of Holding                             | % of total shares |
|---|-------------------|
| National Securities Depository Limited      | 62.00             |
| Central Depository Services (India) Limited | 31.25             |
| Physical                                    | 6.75              |
| <b>Total</b>                                | <b>100.00</b>     |

**Outstanding GDR's / ADR's / Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDR's / ADR's / Warrants or any other convertible instruments.

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**Employee Stock Options**

The Company does not have any employee stock option scheme.

**Commodity Price Risks / Foreign Exchange Risk and Hedging Activities**

The Company has in place a risk management framework for identification, monitoring and mitigation of commodity price and foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework. For further details, please refer the Risk Management section of the Management Discussion and Analysis Report.

**Plant Locations**

- S. No 31 and 39, Sangareddy Road, Nastipur Village, Hathnoora Mandal, Doulatabad, Medak, Telangana, 502296
- Survey No 161/A, S.V. CO-OP Industrial Area, IDA Bollaram, Sangareddy District, Telangana, 502325

**Any query on the Annual Report**

Mr. Utsav Saini  
Company Secretary and Compliance Officer  
8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates,  
Avenue 4, Puzzolana Towers, Street No. 1,  
Road No. 10, Banjara hills, Hyderabad Telangana – 500034  
E mail: [investors@lotuschocolate.com](mailto:investors@lotuschocolate.com)  
Website: [www.lotuschocolate.com](http://www.lotuschocolate.com)

**Depository Services**

**For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories**

**National Securities Depository Limited**

Trade World, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Lower Parel, Mumbai – 400 013  
Tel No.: 091 022 24972964-70  
Fax : 091 022 24972993 / 24976351  
Email: [info@nsdl.co.in](mailto:info@nsdl.co.in).

**Central Depository Services (India) Limited**

A-Wing, 25<sup>th</sup> floor, Marathon Futurex,  
Mafatlal Mill Compounds,  
NM Joshi Marg, Lower Parel,  
Mumbai - 400 013 (MH)  
Tel No.: 022 2302 3333  
Fax: 022 2300 2043  
Email: [investors@cdslindia.com](mailto:investors@cdslindia.com)

**OTHER DISCLOSURES****Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

The Company's Policy on Materiality of and dealing with Related Party Transactions is available on the website of the Company and can be accessed at <https://www.lotuschocolate.com/documents/policies/Policy-of-Materiality-of-RPT.pdf>.

All the contracts/arrangements/ transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis.

During the FY 2023-24, respectively contracts/ arrangements/transactions entered into with related parties were in accordance with the Policy on Materiality of and dealing with Related Party Transactions. The Company has disclosed transactions with the related parties as set out in Note 33 of Financial Statement, forming part of the Annual Report.

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**Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There were no instances of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any other statutory authority.

**Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has complied with the provisions related to the constitution of Internal Complaints Committee which has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) of the Company are covered under this policy. During the year, no complaint was received by the Company.

**Disclosure of loans and advances in the nature of loans to Firms/Companies in which directors are interested**

During the year under review, the Company has not given any loans or advances to any firm/company in which its Directors are interested.

**Agreements relating to the Company**

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

**Adoption of Mandatory and Discretionary Requirements**

The Company has complied with all mandatory applicable requirements of Regulation 34 of the Listing Regulations. The Company has adopted the following discretionary requirements of Listing Regulations:

**(a) Audit Qualification**

The Company is in the regime of unmodified opinions on financial statements.

**(b) Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee.

**Weblink where policy on dealing with related party transactions is available**

The policy on dealing with related party transactions is available on the website of the Company at <https://www.lotuschocolate.com/documents/policies/Policy-of-Materiality-of-RPT.pdf>.

**Instances of not accepting any recommendation of the Committee by the Board**

There are no cases, during the year under review, where the recommendations of any Committees of Board, have not been accepted by the Board.

**Disclosure with respect to Demat suspense account/unclaimed suspense account:**

The Company does not have any Demat Suspense / Unclaimed Suspense Account

**Unclaimed Dividend**

Not Applicable

**Transfer of Shares to Investor Education and Protection Fund**

Not Applicable

**The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations.**

**CODE OF CONDUCT DECLARATION**

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and other employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

The Code of Conduct Declaration is annexed herewith and marked as Annexure I to this Report.

**CEO AND CFO CERTIFICATION**

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, a copy of which is attached to this Report. The Whole-time Director/CEO and CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

The CEO and CFO Certification is annexed herewith and marked as Annexure II to this Report.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

Certificate from Ms. Rakhi Agarwal, Practising Company Secretary (Membership No.: F7047), confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report as Annexure III.

**COMPLIANCE CERTIFICATE OF THE PRACTISING COMPANY SECRETARY**

Certificate from Ms. Rakhi Agarwal, Practising Company Secretary (Membership No.: F7047), confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report as Annexure IV.

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**ANNEXURE I****CODE OF CONDUCT DECLARATION**

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

**Sandipan Ghosh**  
Chief Executive Officer

Date : April 15, 2024  
Place: Hyderabad

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**ANNEXURE II****CEO AND CFO CERTIFICATION**

To,  
The Board of Directors  
**Lotus Chocolate Company Limited**

1. We have reviewed the financial statements and cash flow Statements of Lotus Chocolate Company Limited (“the Company”) for the year ended March 31, 2024 and to the best of our knowledge and belief;
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company’s internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware.

**Sandipan Ghosh**  
**Chief Executive Officer**

**S. Gautham**  
**Chief Financial Officer**

Date: August 19, 2024  
Place: Hyderabad



## ANNEXURE III

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Members of  
**Lotus Chocolate Company Limited,**  
8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates,  
Avenue-4, Puzzolana Towers, Street No.1,  
Road No. 10, Banjara Hills, Hyderabad,  
Telangana-500034

I, Rakhi Agarwal, Practicing Company Secretary, have examined the relevant registers records, forms, returns and disclosures received from the Directors of **Lotus Chocolate Company Limited** having CIN L15200TG1988PLC009111 and having its Registered Office at 8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana-500034 (hereinafter referred as “the Company”) produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| <b>Sr. No.</b> | <b>Name of Directors</b>            | <b>DIN</b> | <b>Date of Appointment</b> |
|----------------|-------------------------------------|------------|----------------------------|
| 1.             | Mr. Bharathan Rajagopalan Thatai    | 02464132   | 26.11.2014                 |
| 2.             | Mr. Gottemukkala Venkatapathi Raju* | 02435073   | 30.01.2009                 |
| 3.             | Mr. Gangasani Sudhakar Reddy*       | 07261620   | 22.02.2021                 |
| 4.             | Mr. Admala Surya Prakash Reddy*     | 07567290   | 05.08.2022                 |
| 5.             | Ms. Usha Abbagani*                  | 09056155   | 12.02.2021                 |
| 6.             | Mr. Subramanya Ram Ganpath**        | 02395478   | 05.11.2008                 |
| 7.             | Mr. Krishnan Sudarshan              | 01029826   | 24.05.2023                 |
| 8.             | Mr. Krishnakumar Thirumalai         | 00079047   | 24.05.2023                 |
| 9.             | Prof. Dipak Chand Jain              | 00228513   | 24.05.2023                 |
| 10.            | Ms. Renuka Shastry                  | 02578917   | 24.05.2023                 |
| 11.            | Mr. Ketan Pravinchandra Mody        | 07723933   | 24.05.2023                 |
| 12.            | Mr. Dinesh Taluja                   | 08144541   | 24.05.2023                 |
| 13.            | Mr. Asim Bhupatrai Parekh           | 00056125   | 03.01.2024                 |

\*ceased to be Directors of the Company w.e.f. May 24, 2023.

\*\*ceased to be Director of the Company upon completion of tenure as Whole-time Director w.e.f. November 02, 2023.

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Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: June 20, 2024

**Rakhi Agarwal**  
**Company Secretary in Practice**  
FCS NO.: 7047  
CP NO.: 6270  
UDIN No.: F007047F000597406

## ANNEXURE- IV

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Lotus Chocolate Company Limited**  
8-2-596, 1<sup>st</sup> Floor, 1B, Sumedha Estates,  
Avenue-4, Puzzolana Towers, Street No.1,  
Road No. 10, Banjara Hills, Hyderabad,  
Telangana-500034

I have examined the compliance of conditions of Corporate Governance by Lotus Chocolate Company Limited (“the Company”) for the year ended March 31, 2024 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the management and my examination was limited to procedures and implementation thereof, adopted by Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me and representations made by the management, I certify that, the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI Listing Regulations for the financial year ended on March 31, 2024.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: June 20, 2024

**Rakhi Agarwal**  
**Company Secretary in Practice**  
FCS NO.: 7047  
CP NO.: 6270  
UDIN No.: F007047F000597417

## Independent Auditors' Report

**To**  
**The Members of**  
**Lotus Chocolate Company Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Lotus Chocolate Company Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sr. No. | Key Audit Matter  | Auditor’s Response   |
|---------|---|--|
| 1       | <p><b>Revenue Recognition</b></p> <p>Revenue is recognised when control of the goods is transferred to the customers. Control is transferred upon shipment of goods to the customers provided that the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. For revenue transactions close to balance sheet date, it is essential to verify whether the transfer of control of the goods by the Company to the customer has occurred before the balance sheet date or otherwise.</p> <p>We have considered revenue recognition as a key audit matter as there is a risk of revenue not being recorded in the correct accounting period on account of the ability to establish with certainty the point of time when control has been transferred.</p> <p>Refer note 2.2 (2) for the accounting policy on revenue recognition.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of the process followed by the management for recording revenue.</li> <li>• Assessed the appropriateness of the relevant accounting policy.</li> <li>• Evaluated the design and implementation of internal controls over recognition of revenue in the appropriate period in accordance with the Company’s accounting policy.</li> <li>• On a test-check basis, tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs.</li> <li>• On a test-check basis, performed test of details of sales recorded close to the balance sheet date, which included the following: <ul style="list-style-type: none"> <li>➤ Analysed the terms and conditions of the underlying contract with the customer</li> <li>➤ Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.</li> </ul> </li> <li>• Assessed the relevant disclosures made in the Ind AS financial statements.</li> </ul> |

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our 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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The comparative financial statements of the Company for the year ended 31<sup>st</sup> March, 2023, prepared in accordance with Ind AS included in these financial statements were audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial statements dated 22<sup>nd</sup> May, 2023 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of this matter.

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

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- 
- e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The Management has represented that, to the best of it’s knowledge and belief and as disclosed in the note 35(e) of the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) The Management has represented, that, to the best of it’s knowledge and belief and as disclosed in the 35(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
    - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
  - vi. The Company migrated / upgraded to a new accounting software on 16<sup>th</sup> December, 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31<sup>st</sup> March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated for all relevant transactions recorded in the software except for the period from 1<sup>st</sup> April, 2023 to 15<sup>th</sup>

December, 2023 where the earlier software was used. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of the new accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
(Firm's Registration No. 117366W/W-100018)

**Varsha A. Fadte**  
Partner  
Membership No. 103999  
UDIN: 24103999BKENIC7783

Place: Panaji, Goa  
Date: 19<sup>th</sup> August, 2024



## Annexure “A” To the Independent Auditors’ Report

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(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **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”)**

We have audited the internal financial controls with reference to financial statements of Lotus Chocolate Company Limited (“the Company”) as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control 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 issued by the Institute of Chartered Accountants of India (“ICAI”) (“Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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**

A company’s internal financial control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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 control 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**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
(Firm's Registration No. 117366W/W-100018)

**Varsha A. Fadte**  
Partner  
(Membership No. 103999)  
UDIN: 24103999BKENIC7783

Place: Panaji, Goa  
Date: 19<sup>th</sup> August, 2024

## Annexure “B” To the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.  
(B) The Company does not have any intangible assets.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment during the year (Also, refer note 36 to the financial statements regarding amalgamation of a wholly owned subsidiary).
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company had a sanctioned working capital facility in excess of ₹5 crores from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans, stood guarantee, or provided security to any other entity during the period, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The investment made during the year in a subsidiary company is, in our opinion, prima facie, not prejudicial to the Company’s interest. The said subsidiary company has thereafter been amalgamated with the Company during the year (refer note 36 to the financial statements). The Company has not provided any guarantees or given any security or loan or advances in the nature of loans that are prejudicial to the Company’s interest.
- (c) The Company has not granted loans or provided advances in the nature of loan that are payable on demand.
- (d) The Company has not granted loans or provided advances in the nature of loans and hence the question of overdue amount remaining outstanding as at the balance sheet date does not arise.
- (e) The Company has not granted any loans or advances which have fallen due during the period.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the period. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made in a subsidiary company during the year which has thereafter been amalgamated with the Company during the year (refer note 36 to the financial statements). The Company has not granted any loans or provided guarantees and securities.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause 3(vi) of the Order is not applicable.

## (vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March, 2024 on account of disputes are given below:

| Name of Statute   | Nature of Dues | Forum where Dispute is Pending  | Period to which the amount relates | Amount involved including the amount paid under protest (₹ in lakhs) | Amount Paid under Protest (₹ in lakhs) |
|-------------------|----------------|---------------------------------|------------------------------------|--|--|
| Customs Act, 1962 | Customs Duty   | Hon'ble High Court of Telangana | 2014- 2019                         | 287.41   | -                                      |
| Customs Act, 1962 | Customs Duty   | Hon'ble High Court of Telangana | 2014- 2018                         | 238.74   | 238.74                                 |

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiary company, which has thereafter been amalgamated with the Company during the year (refer note 36 to the financial statements). The Company did not have any associate or joint venture during the year.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary company, which has thereafter been amalgamated with the Company during the year (refer note 36 to the financial statements). The Company does not have investments in joint ventures or associate companies.

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- (b) The Company has made private placement of Redeemable, Non-Cumulative, Non-Convertible Preference Shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 177 and section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) We have considered, the internal audit reports issued to the Company during the year.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable.
- The Group does not have any CIC as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to ₹ 675.96 lakhs in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans 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) The Company has fully spent the amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Varsha A. Fadte**  
Partner  
Membership No.103999  
UDIN: 24103999BKENIC7783

Place: Panaji, Goa  
Date: 19<sup>th</sup> August, 2024

## Balance Sheet as at 31st March, 2024

| Particulars  | Notes  | (Amount ₹ in Lakhs)      |                          |
|--|--------|--------------------------|--------------------------|
|  |        | As at<br>31st March 2024 | As at<br>31st March 2023 |
| <b>Assets</b>                                      |        |                          |                          |
| <b>Non-Current Assets</b>                          |        |                          |                          |
| Property, Plant and Equipment                      | 3      | 1,556.49                 | 194.77                   |
| Capital Work-in-Progress                           | 4      | 58.05                    | -                        |
| Goodwill (Refer Note 36)                           |        | 18.59                    | -                        |
| Deferred Tax Assets (net)                          | 5      | 275.36                   | -                        |
| Other Non-Current Assets                           | 6(a)   | 574.22                   | 57.30                    |
| <b>Total Non-Current Assets</b>                    |        | <b>2,482.71</b>          | <b>252.07</b>            |
| <b>Current Assets</b>                              |        |                          |                          |
| Inventories  | 7      | 1,091.93                 | 644.39                   |
| Financial Assets                                   |        |                          |                          |
| Trade Receivables                                  | 8      | 2,689.51                 | 442.18                   |
| Cash and Cash Equivalents                          | 9      | 569.33                   | 40.76                    |
| Other Financial Assets                             | 10     | 162.35                   | 17.76                    |
| Other Current Assets                               | 6(b)   | 313.79                   | 80.89                    |
| <b>Total Current Assets</b>                        |        | <b>4,826.91</b>          | <b>1,225.98</b>          |
| <b>Total Assets</b>                                |        | <b>7,309.62</b>          | <b>1,478.05</b>          |
| <b>Equity and Liabilities</b>                      |        |                          |                          |
| <b>Equity</b>                                      |        |                          |                          |
| Equity Share Capital                               | 11     | 1,284.10                 | 1,283.80                 |
| Other Equity                                       | 12     | 2,961.25                 | (1,198.20)               |
| <b>Total equity</b>                                |        | <b>4,245.35</b>          | <b>85.60</b>             |
| <b>Liabilities</b>                                 |        |                          |                          |
| <b>Non-Current Liabilities</b>                     |        |                          |                          |
| Financial Liabilities                              |        |                          |                          |
| Borrowings   | 13(a)  | -                        | 400.00                   |
| Other Financial Liabilities                        | 14     | 730.38                   | -                        |
| Provisions   | 15(a)  | 94.30                    | 36.16                    |
| Deferred Tax Liabilities (net)                     | 5      | -                        | 2.95                     |
| <b>Total Non-Current Liabilities</b>               |        | <b>824.68</b>            | <b>439.11</b>            |
| <b>Current Liabilities</b>                         |        |                          |                          |
| Financial Liabilities                              |        |                          |                          |
| Borrowings   | 13(b)  | 528.80                   | 167.93                   |
| Trade Payables Due to:                             |        |                          |                          |
| (i) Micro and Small Enterprises                    | 16     | 952.22                   | -                        |
| (i) Other than Micro and Small Enterprises         | 16     | 596.24                   | 721.29                   |
| Provisions   | 15(b)  | 20.70                    | -                        |
| Other Current Liabilities                          | 17     | 141.63                   | 64.12                    |
| <b>Total Current Liabilities</b>                   |        | <b>2,239.59</b>          | <b>953.34</b>            |
| <b>Total Equity and Liabilities</b>                |        | <b>7,309.62</b>          | <b>1,478.05</b>          |
| Material Accounting Policies                       | 1 - 2  |                          |                          |
| See accompanying Notes to the Financial Statements | 3 - 38 |                          |                          |

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No:117366W/W-100018

For and on behalf of the Board

**Varsha A Fadte**  
Partner  
Membership No: 103999

**Bharathan Rajagopalan Thatai**  
Chairman  
DIN: 02464132

**Dinesh Taluja**  
Director  
DIN: 08144541

**Renuka Shastry**  
Director  
DIN: 02578917

**S Gautham**  
Chief Financial Officer

**Krishnakumar Thirumalai**  
Director  
DIN: 00079047

**Dipak C. Jain**  
Director  
DIN: 00228513

**Asim Parekh**  
Director  
DIN: 00056125

**Utsav Saini**  
Company Secretary

**Ketan Mody**  
Director  
DIN: 07723933

**Krishnan Sudarshan**  
Director  
DIN: 01029826

**Sandipan Ghosh**  
Chief Executive Officer

**Date: August 19, 2024**

## Statement of Profit and Loss for the year ended 31st March, 2024

| Particulars   | Notes  | (Amount ₹ in Lakhs)                    |  |
|---|--------|--|--|
|   |        | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
| <b>Income</b>   |        |  |  |
| Revenue from Operations   | 19     | 20,003.13                              | 6,271.81                               |
| Other Income  | 20     | 111.94                                 | 10.16                                  |
| <b>Total Income</b>   |        | <b>20,115.07</b>                       | <b>6,281.97</b>                        |
| <b>Expenses</b>   |        |  |  |
| Cost of Materials Consumed  | 21     | 16,713.75                              | 5,667.60                               |
| Purchases of Stock-in-Trade   |        | 213.59                                 | -                                      |
| Changes in inventories of Finished goods, Stock-in-Trade and Work-in-Progress | 22     | 99.63                                  | 166.01                                 |
| Employee Benefits Expense   | 23     | 895.49                                 | 351.13                                 |
| Finance Costs   | 24     | 80.79                                  | 23.23                                  |
| Depreciation and Amortisation expense   | 25     | 102.05                                 | 17.22                                  |
| Other Expenses  | 26     | 1,785.88                               | 656.10                                 |
| <b>Total Expenses</b>   |        | <b>19,891.18</b>                       | <b>6,881.29</b>                        |
| <b>Profit/(loss) before Exceptional items</b>                                 |        | <b>223.89</b>                          | <b>(599.32)</b>                        |
| <b>Exceptional Items</b>  |        |  |  |
| Receivables/payables written off (net)  |        | -                                      | 93.86                                  |
| <b>Profit/(loss) before Tax</b>   |        | <b>223.89</b>                          | <b>(693.18)</b>                        |
| <b>Tax Expenses</b>   |        |  |  |
| Current Tax   | 18     | -                                      | -                                      |
| Deferred Tax  | 18     | (281.63)                               | 2.49                                   |
| <b>Total Tax Expenses</b>   |        | <b>(281.63)</b>                        | <b>2.49</b>                            |
| <b>Profit / (loss) for the year</b>   |        | <b>505.52</b>                          | <b>(695.67)</b>                        |
| <b>Other comprehensive income</b>   |        |  |  |
| Items that will not be reclassified to Profit and Loss:                       |        |  |  |
| Actuarial Gain/(Loss) on Remeasurement of Defined Benefit Obligations         |        | (13.24)                                | -                                      |
| Income Tax relating to Defined Benefit Obligations                            |        | (3.32)                                 | -                                      |
| <b>Total Comprehensive Income for the year</b>                                |        | <b>488.96</b>                          | <b>(695.67)</b>                        |
| <b>Earnings Per Equity Share (EPS)</b>  |        |  |  |
| Basic (₹)   | 27     | 3.84                                   | (5.42)                                 |
| Diluted (₹)   | 27     | 3.84                                   | (5.42)                                 |
| Material Accounting Policies  | 1 - 2  |  |  |
| See accompanying Notes to the Financial Statements                            | 3 - 38 |  |  |

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No:117366W/W-100018

For and on behalf of the Board

**Varsha A Fade**  
Partner  
Membership No: 103999

**Bharathan Rajagopalan Thatai**  
Chairman  
DIN: 02464132

**Dinesh Taluja**  
Director  
DIN: 08144541

**Renuka Shastry**  
Director  
DIN: 02578917

**S Gautham**  
Chief Financial Officer

**Krishnakumar Thirumalai**  
Director  
DIN: 00079047

**Dipak C. Jain**  
Director  
DIN: 00228513

**Asim Parekh**  
Director  
DIN: 00056125

**Utsav Saini**  
Company Secretary

**Ketan Mody**  
Director  
DIN: 07723933

**Krishnan Sudarshan**  
Director  
DIN: 01029826

**Sandipan Ghosh**  
Chief Executive Officer

Date: August 19, 2024

## Cash Flow Statement for the year ended 31st March, 2024

| Particulars   | (Amount ₹ in Lakhs)                    |  |
|---|--|--|
|   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
| <b>A. Cash Flows from Operating Activities</b>                                    |  |  |
| <b>Profit/(Loss) Before Tax</b>   | <b>223.89</b>                          | <b>(693.18)</b>                        |
| Adjustments for:  |  |  |
| Depreciation and Amortisation Expense   | 1 02.05                                | 17.22                                  |
| Finance Cost  | 80.79                                  | 23.23                                  |
| Unpaid calls, written off   | 0.30                                   | -                                      |
| Provision for Defined Benefit Plans   | 65.60                                  | -                                      |
| Interest Income on Fixed Deposit  | (67.84)                                | -                                      |
| <b>Operating Profit before Working Capital Changes</b>                            | <b>404.79</b>                          | <b>(652.73)</b>                        |
| Adjustments for (increase)/decrease in Operating Assets                           |  |  |
| Trade Receivables   | (2,247.33)                             | 502.85                                 |
| Inventories   | (447.54)                               | 561.64                                 |
| Other Financial Assets  | (97.47)                                | 4.36                                   |
| Loans and Advances  | -                                      | 0.32                                   |
| Other Current Assets  | (232.90)                               | 177.83                                 |
| Other Non Current Assets  | (272.73)                               | -                                      |
| Adjustments for increase/(decrease) in Operating Liabilities                      |  |  |
| Trade Payables  | 827.17                                 | (414.69)                               |
| Other Financial liabilities   | -                                      | 107.38                                 |
| Other Current Liabilities   | 77.52                                  | -                                      |
| <b>Cash (used in) / generated from Operations</b>                                 | <b>(1,988.49)</b>                      | <b>286.96</b>                          |
| Income Tax Paid (Net)   | (108.14)                               | (2.49)                                 |
| <b>Net Cash (used in) / generated from Operating Activities (A)</b>               | <b>(2,096.63)</b>                      | <b>284.47</b>                          |
| <b>B. Cash Flows from Investing Activities</b>                                    |  |  |
| Capital Expenditure on Property, Plant and Equipment (including capital advances) | (1,707.11)                             | (51.53)                                |
| Goodwill on Amalgamation (Refer Note 36)  | (18.59)                                | -                                      |
| Interest Income on Fixed Deposit  | 67.84                                  | -                                      |
| <b>Net Cash Used in Investing Activities (B)</b>                                  | <b>(1,657.86)</b>                      | <b>(51.53)</b>                         |
| <b>C. Cash Flows from Financing Activities</b>                                    |  |  |
| Repayment of Loans from Related Parties   | (400.00)                               | -                                      |
| Redemption of Preference Shares   | (739.66)                               | -                                      |
| Issue of Preference Shares  | 5,079.32                               | -                                      |
| Short Term Borrowings   | 360.87                                 | -                                      |
| Interest Expense on Borrowings  | (19.59)                                | (23.23)                                |
| Repayment long term borrowings  | -                                      | (204.70)                               |
| <b>Net Cash generated from / (used in) Financing Activities (C)</b>               | <b>4,280.94</b>                        | <b>(227.93)</b>                        |
| <b>Net increase in Cash and Cash Equivalents (A+B+C)</b>                          | <b>526.45</b>                          | <b>5.00</b>                            |
| Cash and Cash Equivalents at the beginning of the year                            | 40.76                                  | 35.76                                  |
| Cash and Cash Equivalents acquired on Amalgamation (Refer Note 36)                | 2.12                                   | -                                      |
| Cash and Cash Equivalents at the end of the year (Refer Note 9)                   | <b>569.33</b>                          | <b>40.76</b>                           |

As per our Report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No:117366W/W-100018

For and on behalf of the Board

**Varsha A Fadte**

Partner

Membership No: 103999

**Bharathan Rajagopalan Thatai**

Chairman

DIN: 02464132

**Krishnakumar Thirumalai**

Director

DIN: 00079047

**Ketan Mody**

Director

DIN: 07723933

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DIN: 00228513

**Krishnan Sudarshan**

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**Renuka Shastry**

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**Asim Parekh**

Director

DIN: 00056125

**Sandipan Ghosh**

Chief Executive Officer

**S Gautham**

Chief Financial Officer

**Utsav Saini**

Company Secretary

Date: August 19, 2024



## Statement of Changes in Equity for the year ended 31st March, 2024

### (a) Share Capital

| Particulars  | Number of Shares   | Amount in Lakhs |
|--|--------------------|-----------------|
| <b>Equity shares of ₹ 10/- each fully paid</b>               |                    |                 |
| <b>Balance as at 1st April, 2022</b>                         | <b>1,28,41,049</b> | <b>1,284.10</b> |
| Changes in equity share capital during the current year      | -                  | -               |
| Calls Unpaid from members other than directors               | -                  | (0.30)          |
| <b>Balance as at 31st March, 2023</b>                        | <b>1,28,41,049</b> | <b>1,283.80</b> |
| <b>Balance as at 1st April, 2023</b>                         | <b>1,28,41,049</b> | <b>1,283.80</b> |
| Changes in equity share capital during the current year      | -                  | -               |
| Calls Unpaid from members other than directors - written off | -                  | 0.30            |
| <b>Balance as at 31st March, 2024</b>                        | <b>1,28,41,049</b> | <b>1,284.10</b> |

### (b) Other Equity

| Particulars  | Instruments classified as Other Equity (Preference share capital) | Reserves and Surplus |                    |                          |                   | Other  | Total             |
|--|---|----------------------|--------------------|--------------------------|-------------------|--|-------------------|
|  |   | Capital Reserve      | Securities Premium | State Investment Subsidy | Retained Earnings | Re-measurement Gains or Losses on Employee Defined Benefit Plans |                   |
| <b>Balance as at 1st April, 2022</b>                         | <b>739.66</b>   | <b>274.14</b>        | <b>379.68</b>      | <b>15.00</b>             | <b>(1,911.01)</b> | -  | <b>(502.53)</b>   |
| Loss for the year  | -   | -                    | -                  | -                        | (695.67)          | -  | (695.67)          |
| <b>Balance as at 31st March, 2023</b>                        | <b>739.66</b>   | <b>274.14</b>        | <b>379.68</b>      | <b>15.00</b>             | <b>(2,606.68)</b> | -  | <b>(1,198.20)</b> |
| <b>Balance as at 1st April, 2023</b>                         | <b>739.66</b>   | <b>274.14</b>        | <b>379.68</b>      | <b>15.00</b>             | <b>(2,606.68)</b> | -  | <b>(1,198.20)</b> |
| Profit for the year  | -   | -                    | -                  | -                        | 505.52            | -  | 505.52            |
| Preference shares redeemed during the year                   | (739.66)  | -                    | -                  | -                        | -                 | -  | (739.66)          |
| Equity component of Preference shares issued during the year | 4,410.15  | -                    | -                  | -                        | -                 | -  | 4,410.15          |
| Remeasurement on net defined benefit liability, net of tax   | -   | -                    | -                  | -                        | -                 | (16.56)  | (16.56)           |
| <b>Balance as at 31st March, 2024</b>                        | <b>4,410.15</b>   | <b>274.14</b>        | <b>379.68</b>      | <b>15.00</b>             | <b>(2,101.16)</b> | <b>(16.56)</b>   | <b>2,961.25</b>   |

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No:117366W/W-100018

For and on behalf of the Board

**Varsha A Fadte**  
Partner  
Membership No: 103999

**Bharathan Rajagopalan Thatai**  
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DIN: 07723933

**Krishnan Sudarshan**  
Director  
DIN: 01029826

**Sandipan Ghosh**  
Chief Executive Officer

Date: August 19, 2024

## Notes forming part of the Financial Statements

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### NOTE 1:

#### 1 Corporate Information

Lotus Chocolate Company Limited (“the Company”) (CIN: L15200TG1988PLC009111) is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar nature products. The Company is a Public Limited Company incorporated in India as per the provisions of the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE). The Registered office of the Company is situated at #8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No.10, Banjara Hills, Hyderabad, Telangana - 500034 India. The Company has its manufacturing facilities located at Nastipur Village, Doulatabad, Hathnoora Mandal, Sangareddy Dist - 502296, Telangana and at Survey No 161/A, S.V. CO-OP Industrial Area, IDA Bollaram, Sangareddy District – 502325, Telangana. Also refer note 36 on amalgamation.

### NOTE 2:

#### 2 Material Accounting Policies

##### 2.1 Basis of preparation of financial statements

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair values:

- i) Certain Financial Assets and Liabilities (including derivative instruments),
- ii) Defined Benefit Plans- Plan Assets and
- iii) Equity settled Share Based payments

The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time. The Company follows indirect method prescribed in Ind AS 7 – Statement of Cash Flows for presentation of its cash flows. The Company’s financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (00,000) except when otherwise stated.

##### 2.2 Summary of Material Accounting Policies

###### 1. Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification considering an operating cycle of 12 months being the time elapsed between deployment of resources and the realisation/ settlement in cash and cash equivalents thereagainst.

###### 2. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Dividend income is accounted for when the right to receive the income is established.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale/redemption on investment on trade date of transaction.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

###### 3. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that

## Notes forming part of the Financial Statements

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date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### 4. Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### 5. Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### *Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### *Deferred tax*

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 6. Property, plant and equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

### 7. Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

## Notes forming part of the Financial Statements

|                        |               |
|------------------------|---------------|
| Buildings              | 30 Years      |
| Plant and Machinery    | 8 to 15 years |
| Electric Installations | 10 Years      |
| Office Equipment       | 5 Years       |
| Computers              | 3 Years       |
| Furniture and Fixtures | 10 Years      |
| Vehicles               | 8 Years       |

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/ disposal.

### 8. Inventories

Inventories are valued as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

- **Work-in- progress (WIP), finished goods and stock-in-trade:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 9. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### 10. Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date 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 (as defined below) 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 the cash-generating unit. For the purpose of impairment testing, assets 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 (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 11. Employee Benefits

#### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## Notes forming part of the Financial Statements

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### Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

### Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method certified by the actuaries. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

### Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

## 12. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## 13. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 14. Financial instruments

### a. Financial Assets

Purchase and sale of Financial Assets are recognized using trade date accounting. Trade receivables that do not contain a significant financing component are measured at transaction price. All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established. Other Financial Assets are generally measured at Fair Value Through Profit or Loss (FVTPL) except where the Company, based on the business model objectives, measures these at Amortised Cost or Fair Value Through Other Comprehensive Income (FVTOCI). The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For Trade Receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used."

### b. Financial liabilities

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are determined to approximate fair value due to the short maturity of these instruments.

## Notes forming part of the Financial Statements

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### 2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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 next financial years.

#### **Provision and contingent liability**

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

#### **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As at 31st March, 2024 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

## Notes to Financial Statements for the year ended 31st March, 2024

### NOTE 3:

(Amount ₹ in Lakhs)

#### PROPERTY, PLANT AND EQUIPMENT

| Particulars                               | Land   | Buildings | Furnitures & Fixtures | Plant & Machinery | Office Equipment | Electric Installations | Computers | Vehicles | Factory Equipment | Lab Equipment | Total    |
|---|--------|-----------|-----------------------|-------------------|------------------|------------------------|-----------|----------|-------------------|---------------|----------|
| <b>Gross carrying value</b>               |        |           |                       |                   |                  |                        |           |          |                   |               |          |
| Balance as at 1st April, 2022             | 2.31   | 222.58    | 25.66                 | 1,951.00          | 12.44            | 51.92                  | 28.77     | 15.92    | -                 | -             | 2,310.60 |
| Additions                                 | -      | -         | -                     | 47.90             | 0.97             | -                      | 2.66      | -        | -                 | -             | 51.53    |
| Disposals                                 | -      | -         | -                     | -                 | -                | -                      | -         | -        | -                 | -             | -        |
| Balance as at 31st March, 2023            | 2.31   | 222.58    | 25.66                 | 1,998.90          | 13.41            | 51.92                  | 31.43     | 15.92    | -                 | -             | 2,362.13 |
| Additions on Amalgamation (Refer Note 36) | 821.00 | 329.00    | 6.00                  | 189.93            | -                | 15.00                  | 0.11      | 0.03     | 9.01              | 6.98          | 1,377.06 |
| Additions                                 | -      | 5.39      | 17.15                 | 89.61             | 3.27             | 3.22                   | 16.79     | -        | 0.18              | 0.37          | 135.98   |
| Disposals                                 | -      | 16.97     | 13.63                 | 966.96            | 11.24            | 0.99                   | 28.47     | 15.92    | -                 | -             | 1,054.18 |
| Balance as at 31st March, 2024            | 823.31 | 540.00    | 35.18                 | 1,311.48          | 5.44             | 69.15                  | 19.86     | 0.03     | 9.19              | 7.35          | 2,820.99 |

|                                |   |        |       |          |       |       |       |       |      |      |          |
|--------------------------------|---|--------|-------|----------|-------|-------|-------|-------|------|------|----------|
| <b>Depreciation</b>            |   |        |       |          |       |       |       |       |      |      |          |
| Balance as at 1st April, 2022  | - | 177.14 | 25.40 | 1,843.52 | 12.01 | 50.19 | 27.74 | 14.14 | -    | -    | 2,150.14 |
| Charge for the period          | - | 1.44   | -     | 15.16    | 0.25  | 0.25  | -     | 0.12  | -    | -    | 17.22    |
| Disposals                      | - | -      | -     | -        | -     | -     | -     | -     | -    | -    | -        |
| Balance as at 31st March, 2023 | - | 178.58 | 25.40 | 1,858.68 | 12.26 | 50.44 | 27.74 | 14.26 | -    | -    | 2,167.36 |
| Charge for the period          | - | 14.33  | 1.22  | 81.05    | 0.49  | 0.52  | 3.52  | 0.10  | 0.10 | 0.72 | 102.05   |
| Disposals                      | - | 12.75  | 13.48 | 925.56   | 10.66 | 0.99  | 27.11 | 14.36 | -    | -    | 1,004.91 |
| Balance as at 31st March, 2024 | - | 180.16 | 13.14 | 1,014.17 | 2.09  | 49.97 | 4.15  | 0.00  | 0.10 | 0.72 | 1,264.50 |

|                                |        |        |       |        |      |       |       |      |      |      |          |
|--------------------------------|--------|--------|-------|--------|------|-------|-------|------|------|------|----------|
| <b>Net carrying value</b>      |        |        |       |        |      |       |       |      |      |      |          |
| Balance as at 1st April, 2022  | 2.31   | 45.44  | 0.26  | 107.48 | 0.43 | 1.73  | 1.03  | 1.78 | -    | -    | 160.46   |
| Balance as at 31st March, 2023 | 2.31   | 44.00  | 0.26  | 140.22 | 1.15 | 1.48  | 3.69  | 1.66 | -    | -    | 194.77   |
| Balance as at 31st March, 2024 | 823.31 | 359.84 | 22.04 | 297.31 | 3.35 | 19.18 | 15.71 | 0.03 | 9.09 | 6.63 | 1,556.49 |

### NOTE 4:

(Amount ₹ in Lakhs)

#### CAPITAL WORK-IN-PROGRESS

##### Capital Work-in-progress

| Particulars              | As at 31st March, 2024 | As at 31st March, 2023 |
|--------------------------|------------------------|------------------------|
| Capital Work-in-progress | 58.05                  | -                      |

##### Ageing of Capital Work-in-progress as on 31st March, 2024

| Particulars              | Amount in capital work-in-progress for a period of |             |             |           | Total        |
|--------------------------|--|-------------|-------------|-----------|--------------|
|                          | < 1 year   | 1 - 2 years | 2 - 3 years | > 3 years |              |
| Capital Work-in-progress | 58.05  | -           | -           | -         | 58.05        |
| <b>Total</b>             | <b>58.05</b>                                       | <b>-</b>    | <b>-</b>    | <b>-</b>  | <b>58.05</b> |

##### Ageing of Capital Work-in-progress as on 31st March, 2023

| Particulars              | Amount in capital work-in-progress for a period of |             |             |           | Total    |
|--------------------------|--|-------------|-------------|-----------|----------|
|                          | < 1 year   | 1 - 2 years | 2 - 3 years | > 3 years |          |
| Capital Work-in-progress | -  | -           | -           | -         | -        |
| <b>Total</b>             | <b>-</b>   | <b>-</b>    | <b>-</b>    | <b>-</b>  | <b>-</b> |

## Notes to Financial Statements for the year ended 31st March, 2024

### NOTE 5:

(Amount ₹ in Lakhs)

#### DEFERRED TAX

##### Deferred Tax Asset (Net)

##### Particulars

##### Amount

##### The movement on the Deferred Tax account is as follows:

|   |               |
|---|---------------|
| At the start of the year                  | (2.95)        |
| Charge to Profit and Loss (Refer Note 18) | 281.63        |
| Charge/ (Credit) to OCI                   | (3.32)        |
| <b>At the end of year</b>                 | <b>275.36</b> |

##### Charge/(Credit) to

| Component of Deferred tax Liabilities                   | As at<br>31st March, 2023 | Statement of<br>Profit or Loss | Other<br>comprehensive<br>Income | As at<br>31st March, 2024 |
|---|---------------------------|--------------------------------|----------------------------------|---------------------------|
| Deferred tax liability on Property, Plant and Equipment | (2.95)                    | (4.78)                         | -                                | (7.73)                    |
| Deferred tax Asset on Provision for employee benefits   | -                         | 32.26                          | (3.32)                           | 28.94                     |
| Deferred tax Asset on Carry forward losses              | -                         | 254.15                         | -                                | 254.15                    |
| <b>Deferred Tax Asset/(Deferred Tax Liability)</b>      | <b>(2.95)</b>             | <b>281.63</b>                  | <b>(3.32)</b>                    | <b>275.36</b>             |

### NOTE 6:

(Amount ₹ in Lakhs)

#### OTHER ASSETS

##### Particulars

As at  
31st March, 2024      As at  
31st March, 2023

##### (a) Non Current

|   |               |              |
|---|---------------|--------------|
| Advance tax   | 114.55        | 6.41         |
| Balances with Government Authorities                  | 84.89         | 50.89        |
| Customs Duty paid under protest (Ref Note No. 28)     | 238.74        | -            |
| Advance for purchase of Property, Plant and Equipment | 136.04        | -            |
| <b>Total</b>  | <b>574.22</b> | <b>57.30</b> |

##### (b) Current

|   |               |              |
|---|---------------|--------------|
| Advances to Suppliers                           | 238.65        | 45.52        |
| Employee Advances                               | 1.02          | 0.91         |
| Balances with Government Authorities (GST, VAT) | 66.09         | 31.61        |
| Prepaid Expenses                                | 8.03          | 2.85         |
| <b>Total</b>                                    | <b>313.79</b> | <b>80.89</b> |



## Notes to Financial Statements for the year ended 31st March, 2024

**NOTE 7:**

(Amount ₹ in Lakhs)

**INVENTORIES**

**Particulars**

**As at  
31st March, 2024**      **As at  
31st March, 2023**

(At lower of cost and net realisable value)

|                            |                 |               |
|----------------------------|-----------------|---------------|
| Raw Materials              | 486.49          | 150.07        |
| Work-in-progress           | 154.00          | 287.59        |
| Finished Goods             | 251.44          | 125.02        |
| Stock-in-Trade             | 52.54           | -             |
| Stores and Spares and Fuel | 76.00           | 58.50         |
| Packing Material           | 71.46           | 23.21         |
| <b>Total</b>               | <b>1,091.93</b> | <b>644.39</b> |

**NOTE 8:**

(Amount ₹ in Lakhs)

**TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)**

**Particulars**

**As at  
31st March, 2024**      **As at  
31st March, 2023**

**Non-Current**

|  |          |          |
|--|----------|----------|
| Considered Good                          | -        | -        |
| Considered Doubtful                      | -        | 55.74    |
| Less: Allowance for Doubtful receivables | -        | (55.74)  |
| <b>Total</b>                             | <b>-</b> | <b>-</b> |

**Current**

|                   |                 |               |
|-------------------|-----------------|---------------|
| Trade Receivables | 2,689.51        | 442.18        |
| <b>Total</b>      | <b>2,689.51</b> | <b>442.18</b> |

**Ageing for Trade Receivables as at 31st March, 2024**

| Particulars   | Outstanding for the following periods from due date of payment |                   |             |             |           | Total           |
|---|--|-------------------|-------------|-------------|-----------|-----------------|
|   | < 6 months   | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years |                 |
| Undisputed - Considered Good                                    | 2,689.51   | -                 | -           | -           | -         | 2,689.51        |
| Undisputed - which have significant increase in the credit risk | -  | -                 | -           | -           | -         | -               |
| Undisputed - Credit Impaired                                    | -  | -                 | -           | -           | -         | -               |
| Disputed - Considered good                                      | -  | -                 | -           | -           | -         | -               |
| Disputed - which have significant increase in credit risk       | -  | -                 | -           | -           | -         | -               |
| Disputed - Credit Impaired                                      | -  | -                 | -           | -           | -         | -               |
|   | <b>2,689.51</b>  | -                 | -           | -           | -         | <b>2,689.51</b> |

## Notes to Financial Statements for the year ended 31st March, 2024

### Ageing for Trade Receivables as at 31st March, 2023

| Particulars   | Outstanding for the following periods<br>from due date of payment |                      |             |             |           | Total         |
|---|---|----------------------|-------------|-------------|-----------|---------------|
|   | < 6<br>months   | 6 months -<br>1 year | 1 - 2 years | 2 - 3 years | > 3 years |               |
| Undisputed - Considered Good                                    | 442.18  | -                    | -           | -           | -         | 442.18        |
| Undisputed - which have significant increase in the credit risk | -   | -                    | -           | -           | -         | -             |
| Undisputed - Credit Impaired                                    | -   | -                    | -           | -           | -         | -             |
| Disputed - Considered good                                      | -   | -                    | -           | -           | -         | -             |
| Disputed - which have significant increase in credit risk       | -   | -                    | -           | -           | -         | -             |
| Disputed - Credit Impaired                                      | -   | -                    | -           | -           | -         | -             |
|   | <b>442.18</b>   | -                    | -           | -           | -         | <b>442.18</b> |

#### NOTE 9:

(Amount ₹ in Lakhs)

#### CASH AND CASH EQUIVALENTS

##### Particulars

|                     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---------------------|---------------------------|---------------------------|
| Balances with Banks | 569.10                    | 40.72                     |
| Cash on Hand        | 0.23                      | 0.04                      |
| <b>Total</b>        | <b>569.33</b>             | <b>40.76</b>              |

#### NOTE 10:

(Amount ₹ in Lakhs)

#### OTHER FINANCIAL ASSETS

##### Particulars

|                     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---------------------|---------------------------|---------------------------|
| Security Deposit    | 5.00                      | 5.40                      |
| Interest Receivable | 4.23                      | 12.36                     |
| Other Deposits      | 27.54                     | -                         |
| Other Receivables*  | 125.58                    | -                         |
| <b>Total</b>        | <b>162.35</b>             | <b>17.76</b>              |

\* Comprises contractually reimbursable expenses

#### NOTE 11:

(Amount ₹ in Lakhs)

#### SHARE CAPITAL

##### Particulars

|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Authorised Share Capital</b>   |                           |                           |
| 1,40,00,000 Equity Shares of ₹ 10/- each  | 1,400.00                  | 1,400.00                  |
| 5,87,93,200 Preference shares of ₹ 10/- each  | 5,879.32                  | 5,879.32                  |
| <b>Total</b>  | <b>7,279.32</b>           | <b>7,279.32</b>           |
| <b>Issued, Subscribed and Fully paid-up Share Capital</b>   |                           |                           |
| <b>Equity Share Capital</b>   |                           |                           |
| 1,28,41,049 Equity Shares of ₹ 10/- each (As at 31st March, 2023: 1,28,41,049 Equity Shares of ₹ 10/- each) | 1,284.10                  | 1,284.10                  |
| Less: Calls Unpaid from members other than directors  | -                         | 0.30                      |
| <b>Total</b>  | <b>1,284.10</b>           | <b>1,283.80</b>           |

## Notes to Financial Statements for the year ended 31st March, 2024

(a) Of the above, 6,549,065 (Previous year - Nil) equity shares of ₹ 10 each fully paid-up are held by Reliance Consumer Products Limited, the Holding Company.

**(b) Details of shareholdings of promoters**

| Name of Promoters                              | As at 31st March, 2024    |                          |                          | As at 31st March, 2023    |                          |                          |
|--|---------------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|
|  | No. of Equity Shares Held | % of Total Equity Shares | % Change during the year | No. of Equity Shares Held | % of Total Equity Shares | % Change during the year |
| <b>Equity shares of ₹ 10/- each fully paid</b> |                           |                          |                          |                           |                          |                          |
| Reliance Consumer Products Limited             | 65,49,065                 | 51.00%                   | 51.00%                   | -                         | -                        | -                        |
| Abhijeet Pai*                                  | 4,52,139                  | 3.52%                    | -                        | 4,52,139                  | 3.52%                    | -                        |
| Aman Pai*                                      | 4,07,139                  | 3.17%                    | -                        | 4,07,139                  | 3.17%                    | -                        |
| Aditya Pai*                                    | 4,07,139                  | 3.17%                    | -                        | 4,07,139                  | 3.17%                    | -                        |
| Ananth Peraje Pai*                             | 3,85,805                  | 3.00%                    | -25.50%                  | 36,60,272                 | 28.50%                   | -                        |
| Prakash Peraje Pai*                            | 3,84,804                  | 3.00%                    | -25.50%                  | 36,59,272                 | 28.50%                   | -                        |
| Ashwini Pai*                                   | 3,27,139                  | 2.55%                    | -                        | 3,27,139                  | 2.55%                    | -                        |
| Vandana Poornima Pai*                          | 1,88,420                  | 1.47%                    | -                        | 1,88,420                  | 1.47%                    | -                        |
| Nivedita Pai*                                  | 1,52,500                  | 1.19%                    | -                        | 1,52,500                  | 1.19%                    | -                        |
| <b>Total</b>                                   | <b>92,54,150</b>          | <b>72.07%</b>            | <b>-</b>                 | <b>92,54,020</b>          | <b>72.07%</b>            | <b>-</b>                 |

\* Ceased to be promoters of the Company during the year ended 31<sup>st</sup> March, 2024.

**(c) Details of shareholders holding more than 5% shares in the Company**

| Particulars                            | As at 31st March, 2024    |                          | As at 31st March, 2023    |                          |
|--|---------------------------|--------------------------|---------------------------|--------------------------|
|  | No. of Equity Shares Held | % of Total Equity Shares | No. of Equity Shares Held | % of Total Equity Shares |
| Equity shares of ₹10/- each fully paid |                           |                          |                           |                          |
| Reliance Consumer Products Limited     | 65,49,065                 | 51.00%                   | -                         | -                        |
| Ananth Peraje Pai*                     | 3,85,805                  | 3.00%                    | 36,60,338                 | 28.50%                   |
| Prakash Peraje Pai*                    | 3,84,804                  | 3.00%                    | 36,59,337                 | 28.50%                   |

\* Shareholding percentage reduced to 3% of total equity share capital during the year.

**(d) Rights, Preference and Restrictions attached to the Shares:**

The Company has only one class of equity shares having face value of ₹ 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

## Notes to Financial Statements for the year ended 31st March, 2024

### NOTE - 12:

(Amount ₹ in Lakhs)

#### OTHER EQUITY

##### a) Other Equity

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Capital Reserve</b>                                       |                           |                           |
| As per last balance sheet                                    | 274.14                    | 274.14                    |
| <b>As at year end</b>  | <b>274.14</b>             | <b>274.14</b>             |
| <b>Securities Premium</b>                                    |                           |                           |
| As per last balance sheet                                    | 379.68                    | 379.68                    |
| <b>As at year end</b>  | <b>379.68</b>             | <b>379.68</b>             |
| <b>State Investment Subsidy</b>                              |                           |                           |
| As per last balance sheet                                    | 15.00                     | 15.00                     |
| <b>As at year end</b>  | <b>15.00</b>              | <b>15.00</b>              |
| <b>Retained Earnings</b>                                     |                           |                           |
| As per last balance sheet                                    | (2,606.68)                | (1,911.01)                |
| Add: profit for the year                                     | 505.52                    | (695.67)                  |
| <b>As at year end</b>  | <b>(2,101.16)</b>         | <b>(2,606.68)</b>         |
| <b>Other Comprehensive Income</b>                            |                           |                           |
| As per last balance sheet                                    | -                         | -                         |
| Add: movement (net ) for the year                            | (16.56)                   | -                         |
| <b>As at year end</b>  | <b>(16.56)</b>            | -                         |
| <b>Preference share capital</b>                              |                           |                           |
| As per last balance sheet                                    | 739.66                    | 739.66                    |
| Redeemed during the year                                     | (739.66)                  | -                         |
| Equity component of Preference shares issued during the year | 4,410.15                  | -                         |
| <b>As at year end</b>  | <b>4,410.15</b>           | <b>739.66</b>             |
| <b>Total</b>   | <b>2,961.25</b>           | <b>(1,198.20)</b>         |

##### (b) Details of shareholders holding more than 5% shares in the Company

| Particulars   | As at 31st March, 2024              |                              | As at 31st March, 2023     |                              |
|---|-------------------------------------|------------------------------|----------------------------|------------------------------|
|   | No. of 0.01% Preference Shares Held | % of Total Preference Shares | 10% Preference Shares Held | % of Total Preference Shares |
| <b>Redeemable Preference Shares of ₹ 10/- each fully paid</b> |                                     |                              |                            |                              |
| Reliance Consumer Products Limited                            | 25,396,600                          | 50.00%                       | -                          | -                            |
| Abhijeet Pai  | 6,349,150                           | 12.50%                       | -                          | -                            |
| Ashwini Pai   | 6,349,150                           | 12.50%                       | -                          | -                            |
| P.M.F. Estates Pvt Ltd  | 12,698,300                          | 25.00%                       | -                          | -                            |
| Ananth Peraje Pai   | -                                   | -                            | 3,698,300                  | 50.00%                       |
| Prakash Peraje Pai  | -                                   | -                            | 3,698,300                  | 50.00%                       |
|   | <b>50,793,200</b>                   | <b>100.00%</b>               | <b>7,396,600</b>           | <b>100.00%</b>               |

## Notes to Financial Statements for the year ended 31st March, 2024

### (c) Rights, Preference and Restrictions attached to the Preference Shares:

- i) **With respect to Preference Shares issued during the year:** Non-cumulative, non-convertible, non-participating and redeemable Preference Shares have right to preferential dividend of 0.01% per annum on non-cumulative basis. Preference share holders carry no voting rights. The Preference shares are payable after a period of 20 years.
- ii) **With respect to Preference Shares redeemed during the year:** Preference Shares have right to preferential dividend of 10% per annum on cumulative basis and also for redemption of principal over the equity shares. Preference share holders have right to vote only on the matters concerning the Preference shares.

#### NOTE - 13:

(Amount ₹ in Lakhs)

#### BORROWINGS

| Particulars                                  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>(a) Non Current</b>                       |                           |                           |
| Loans from Related Parties (Unsecured)       | -                         | 400.00                    |
| <b>Total</b>                                 | -                         | <b>400.00</b>             |
| <b>(b) Current</b>                           |                           |                           |
| Cash Credit facility from Bank (Secured)*    | -                         | 167.93                    |
| Cash Credit facility from Bank (unsecured)** | 528.80                    | -                         |
| <b>Total</b>                                 | <b>528.80</b>             | <b>167.93</b>             |

\*Secured by : Primary - Stocks and Receivables, Collateral - Land and Building admeasuring 7.775 acres in the survey No. 31 and 39 situated at Nasthipur Village, Hathnoora Mandal, Sanga Reddy Dist, Telangana belonging to the Company, Plant and machineries and other Fixed Assets, present and future excluding vehicles. The charges have been closed subsequent to year-end.

\*\* Cash Credit facility carries an interest of 9.10% per annum (previous year 10% per annum).

#### NOTE - 14:

(Amount ₹ in Lakhs)

#### OTHER FINANCIAL LIABILITIES

| Particulars                                    | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Non-Current</b>                             |                           |                           |
| Debt Component of Redeemable Preference Shares | 730.38                    | -                         |
| <b>Total</b>                                   | <b>730.38</b>             | -                         |

\* The Company has issued 5,07,93,200, 0.01% Redeemable, Non Cumulative, Non Convertible, Non participating Preference Shares of ₹ 10/- each on a preferential allotment during the year. The Preference Shares are payable after a period of 20 years.

#### NOTE - 15:

(Amount ₹ in Lakhs)

#### PROVISIONS

| Particulars                        | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|------------------------------------|---------------------------|---------------------------|
| <b>(a) Non Current</b>             |                           |                           |
| Provision for Employee Benefits    |                           |                           |
| Provision for Gratuity             | 83.07                     | 36.16                     |
| Provision for Compensated absences | 11.23                     | -                         |
| <b>Total</b>                       | <b>94.30</b>              | <b>36.16</b>              |

## Notes to Financial Statements for the year ended 31st March, 2024

### (b) Current

|                                    |              |          |
|------------------------------------|--------------|----------|
| Provision for Employee Benefits    |              |          |
| Provision for Gratuity             | 6.96         | -        |
| Provision for Compensated absences | 13.74        | -        |
| <b>Total</b>                       | <b>20.70</b> | <b>-</b> |

### NOTE - 16:

(Amount ₹ in Lakhs)

### TRADE PAYABLES

|  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <b>Particulars</b>                         | <b>As at<br/>31st March, 2024</b> | <b>As at<br/>31st March, 2023</b> |
| Micro, Small and Medium Enterprises (MSME) | 952.22                            | -                                 |
| Other than MSME                            | 596.24                            | 721.29                            |
| <b>Total</b>                               | <b>1,548.46</b>                   | <b>721.29</b>                     |

### Ageing for Trade Payables as at 31st March, 2024

| Particulars              | Outstanding for the following periods from due date of payment |             |             |           | Total           |
|--------------------------|--|-------------|-------------|-----------|-----------------|
|                          | < 1 year   | 1 - 2 years | 2 - 3 years | > 3 years |                 |
| Undisputed dues - MSME   | 952.22   | -           | -           | -         | 952.22          |
| Undisputed dues - Others | 596.24   | -           | -           | -         | 596.24          |
| Disputed dues - MSME     | -  | -           | -           | -         | -               |
| Disputed dues - Others   | -  | -           | -           | -         | -               |
| <b>Total</b>             | <b>1,548.46</b>  | <b>-</b>    | <b>-</b>    | <b>-</b>  | <b>1,548.46</b> |

### Ageing for Trade Payables as at 31st March, 2023

| Particulars              | Outstanding for the following periods from due date of payment |             |             |           | Total         |
|--------------------------|--|-------------|-------------|-----------|---------------|
|                          | < 1 year   | 1 - 2 years | 2 - 3 years | > 3 years |               |
| Undisputed dues - MSME   | -  | -           | -           | -         | -             |
| Undisputed dues - Others | 721.23   | 0.06        | -           | -         | 721.29        |
| Disputed dues - MSME     | -  | -           | -           | -         | -             |
| Disputed dues - Others   | -  | -           | -           | -         | -             |
| <b>Total</b>             | <b>721.23</b>  | <b>0.06</b> | <b>-</b>    | <b>-</b>  | <b>721.29</b> |

### Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes to Financial Statements for the year ended 31st March, 2024

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| (A) (i) Principal amount remaining unpaid  | 952.22                    | -                         |
| (A) (ii) Interest amount remaining unpaid  | -                         | -                         |
| (B) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                               | -                         | -                         |
| (C) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -                         | -                         |
| (D) Interest accrued and remaining unpaid  | -                         | -                         |
| (E) 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 enterprises  | -                         | -                         |

**NOTE - 17:**

(Amount ₹ in Lakhs)

**OTHER CURRENT LIABILITIES**

| Particulars             | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-------------------------|---------------------------|---------------------------|
| Advances from customers | 1.43                      | 1.55                      |
| Statutory dues payable  | 105.16                    | 3.62                      |
| Others*                 | 35.04                     | 58.95                     |
| <b>Total</b>            | <b>141.63</b>             | <b>64.12</b>              |

\* Includes Salaries and expenses payable

**NOTE - 18:**

(Amount ₹ in Lakhs)

**TAXATION**

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Tax Expenses recognised in the Statement of Profit or Loss</b> |                           |                           |
| Current Tax   | -                         | -                         |
| Deferred Tax  | 281.63                    | (2.49)                    |
| <b>Total Tax Expenses Recognised in the Current Year</b>          | <b>281.63</b>             | <b>(2.49)</b>             |

The Tax expense for the year can be reconciled to the accounting profit as follows

| Particulars  |               |                 |
|--|---------------|-----------------|
| <b>Profit before tax</b>                                   | <b>223.89</b> | <b>(693.18)</b> |
| Applicable Tax rate  | 25.168%       | 25.168%         |
| Computed Tax expenses                                      | 56.35         | (174.46)        |
| Tax effect of:   |               |                 |
| Expenses disallowed  | 45.23         | 46.08           |
| Additional Allowances                                      | (22.90)       | (7.24)          |
| <b>Current Tax provision</b>                               | <b>74.95</b>  | <b>(135.63)</b> |
| Current Tax provision adjusted with Brought forward losses | (74.95)       | 135.63          |
| <b>Current Tax provision (A)</b>                           | <b>-</b>      | <b>-</b>        |

## Notes to Financial Statements for the year ended 31st March, 2024

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| Incremental Deferred tax liability on Property, Plant and Equipment  | (4.78)                    | (2.49)                    |
| Deferred tax Asset on Provision for employee benefits                | 32.26                     | -                         |
| Deferred tax Asset on Carry forward losses                           | 254.15                    | -                         |
| <b>Deferred Tax Asset/(Deferred Tax Liability) (B)</b>               | <b>281.63</b>             | <b>(2.49)</b>             |
| <b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b> | <b>281.63</b>             | <b>(2.49)</b>             |
| Charged/(Credited) to Other Comprehensive Income                     | (3.32)                    | -                         |

NOTE - 19: (Amount ₹ in Lakhs)

### REVENUE FROM OPERATIONS

| Particulars              | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--------------------------|--|--|
| Revenue from Operations* | 20,003.13                              | 6,271.81                               |
| <b>Total</b>             | <b>20,003.13</b>                       | <b>6,271.81</b>                        |

\*Net-off Taxes

NOTE - 20: (Amount ₹ in Lakhs)

### OTHER INCOME

| Particulars                  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|------------------------------|--|--|
| Interest on Bank Deposits    | 67.84                                  | 4.38                                   |
| Exchange Gain (Net)          | 15.50                                  | 5.78                                   |
| Credit balances written back | 28.60                                  | -                                      |
| <b>Total</b>                 | <b>111.94</b>                          | <b>10.16</b>                           |

NOTE - 21: (Amount ₹ in Lakhs)

### COST OF MATERIALS CONSUMED

| Particulars                               | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| <b>Raw Materials</b>                      |  |  |
| Opening Stock                             | 150.07                                 | 556.67                                 |
| Acquired on Amalgamation                  | 126.95                                 | -                                      |
| Purchases (Raw Materials)                 | 16,634.05                              | 5,045.02                               |
| Closing Stock                             | (486.49)                               | (150.07)                               |
| <b>Cost of Raw Materials Consumed (A)</b> | <b>16,424.58</b>                       | <b>5,451.62</b>                        |



## Notes to Financial Statements for the year ended 31st March, 2024

| Particulars                                   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| <b>Packing Materials</b>                      |  |  |
| Opening Stock                                 | 23.21                                  | 75.35                                  |
| Acquired on Amalgamation                      | 9.57                                   | -                                      |
| Purchases (Packing Materials)                 | 327.85                                 | 163.84                                 |
| Closing Stock                                 | <u>(71.46)</u>                         | <u>(23.21)</u>                         |
| <b>Cost of Packing Materials Consumed (B)</b> | <b><u>289.17</u></b>                   | <b><u>215.98</u></b>                   |
| <b>Total Cost of Materials Consumed (A+B)</b> | <b><u>16,713.75</u></b>                | <b><u>5,667.60</u></b>                 |

NOTE - 22:

(Amount ₹ in Lakhs)

### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

|   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| <b>Finished Goods</b>   |  |  |
| Opening Stock   | 125.02                                 | 199.37                                 |
| Acquired on Amalgamation  | 107.00                                 | -                                      |
| Closing Stock   | <u>(251.44)</u>                        | <u>(125.02)</u>                        |
| <b>(Increase) / Decrease in Inventories of Finished Goods (A)</b> | <b><u>(19.42)</u></b>                  | <b><u>74.35</u></b>                    |
| <b>Work-in-Progress</b>   |  |  |
| Opening Stock   | 287.59                                 | 379.25                                 |
| Acquired on Amalgamation  | 38.00                                  | -                                      |
| Closing Stock   | <u>(154.00)</u>                        | <u>(287.59)</u>                        |
| <b>(Increase) / Decrease in Inventories Work-in-Progress (B)</b>  | <b><u>171.59</u></b>                   | <b><u>91.66</u></b>                    |
| <b>Stock-in-Trade</b>   |  |  |
| Opening Stock   | -                                      | -                                      |
| Closing Stock   | <u>(52.54)</u>                         | <u>-</u>                               |
| <b>(Increase) / Decrease in Inventories Stock-in-Trade (C)</b>    | <b><u>(52.54)</u></b>                  | <b><u>-</u></b>                        |
| <b>Total (Increase) / Decrease in Inventories (A+B+C)</b>         | <b><u>99.63</u></b>                    | <b><u>166.01</u></b>                   |

NOTE - 23:

(Amount ₹ in Lakhs)

### EMPLOYEE BENEFITS EXPENSE

|   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Salaries and Wages                        | 805.37                                 | 332.99                                 |
| Contribution to Provident and other funds | 67.08                                  | 16.13                                  |
| Staff Welfare expenses                    | <u>23.04</u>                           | <u>2.01</u>                            |
| <b>Total</b>                              | <b><u>895.49</u></b>                   | <b><u>351.13</u></b>                   |

## Notes to Financial Statements for the year ended 31st March, 2024

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

### **Defined Contribution Plan**

Contribution to defined contribution plan, recognised as expenses for the year is as under:

| <b>Particulars</b>                        | <b>FY 2023-24</b> | <b>FY 2022-23</b> |
|---|-------------------|-------------------|
| Employer’s Contribution to Provident Fund | 18.07             | 10.45             |

The Company’s Provident Fund is exempted under section 17 of Employee’s Provident Fund and Miscellaneous Provisions Act, 1952.

### **I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation**

| <b>Particulars</b>   | <b>Gratuity (unfunded)</b> |
|--|----------------------------|
|  | <b>2023-24</b>             |
| Defined benefit obligation at beginning of the year                        | 36.16                      |
| Current service cost   | 9.43                       |
| Add: Transfer on Amalgamation  | 82.67                      |
| Interest cost  | 8.15                       |
| Actuarial (Gain)/ loss   | (39.50)                    |
| Benefits paid  | (6.88)                     |
| Transfer In/(Out)  | -                          |
| <b>Defined Benefit Obligation at year end- Recognized in Balance Sheet</b> | <b>90.03</b>               |

### **II. Reconciliation of Fair Value of Assets and Obligations**

| <b>Particulars</b>                                     | <b>Gratuity (unfunded)</b> |
|--|----------------------------|
|  | <b>2023-24</b>             |
| Fair Value of Plan Assets                              | -                          |
| Present Value of Obligation                            | 90.03                      |
| Amount recognised in Balance Sheet (Surplus / Deficit) | (90.03)                    |

### **III. Expenses recognised during the year**

| <b>Particulars</b>  | <b>Amount</b>  |
|---|----------------|
| <b>In Income Statement</b>                                    |                |
| Current Service Cost  | 9.43           |
| Interest Cost   | 8.15           |
| Return on Plan Assets   | -              |
| <b>Net Cost</b>   | <b>17.58</b>   |
| <b>In Other Comprehensive income</b>                          |                |
| Actuarial (Gain)/ Loss  | (39.50)        |
| Return on Plan Assets   | -              |
| <b>Net (Income)/ Expense for the period Recognised in OCI</b> | <b>(39.50)</b> |

## Notes to Financial Statements for the year ended 31st March, 2024

### IV. Actuarial Assumptions

| Particulars                              | Amount     |
|--|------------|
| Mortality Table (IALM)                   | 2012-14    |
|  | (Ultimate) |
| Discount Rate (per annum)                | 7.29%      |
| Rate of Escalation in Salary (per annum) | 6.50%      |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Gratuity plan is unfunded and hence the expected contribution for the next year is considered as Nil.

### V. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected Salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

| Particulars   | As at 31st March, 2024 |          |
|---|------------------------|----------|
|   | Decrease               | Increase |
| Change in discounting rate ( delta effect of +/- 1%)        | 93.29                  | 82.90    |
| Change in rate of salary increase ( delta effect of +/- 1%) | 82.38                  | 93.77    |

Actuarial valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. These plans typically expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk as below:

*Interest risk:* A decrease in the bond interest rate will increase the plan liability.

*Longevity risk:* The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

*Salary risk:* The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### NOTE - 24:

(Amount ₹ in Lakhs)

#### FINANCE COSTS

| Particulars                                     | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest on debt component of Preference Shares | 61.20                                  | -                                      |
| Interest Expense on Borrowings                  | 19.59                                  | 23.23                                  |
| <b>Total</b>                                    | <b>80.79</b>                           | <b>23.23</b>                           |

### NOTE - 25:

(Amount ₹ in Lakhs)

#### DEPRECIATION AND AMORTISATION EXPENSE

|                      | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|----------------------|--|--|
| Depreciation Expense | 102.05                                 | 17.22                                  |
| <b>Total</b>         | <b>102.05</b>                          | <b>17.22</b>                           |

## Notes to Financial Statements for the year ended 31st March, 2024

### NOTE - 26:

(Amount ₹ in Lakhs)

#### OTHER EXPENSES

| Particulars                                   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| <b>A Selling Expenses</b>                     |  |  |
| Marketing and Other Selling Expenses          | 85.06                                  | 9.69                                   |
| Freight Outwards                              | 458.83                                 | 116.42                                 |
| <b>Total Selling Expenses (A)</b>             | <b>543.89</b>                          | <b>126.11</b>                          |
| <b>B Administrative Expenses</b>              |  |  |
| Travelling and Conveyance                     | 35.52                                  | 13.05                                  |
| Legal and Professional Charges                | 306.12                                 | 23.78                                  |
| Rates and Taxes                               | 18.74                                  | 20.01                                  |
| Software Charges                              | 3.80                                   | -                                      |
| Insurance Charges                             | 8.50                                   | 4.39                                   |
| Postage, Telephone & Courier Charges          | 9.76                                   | 2.66                                   |
| Statutory Audit Fees                          | -                                      | -                                      |
| (i) Statutory Audit Fees                      | 10.06                                  | 2.50                                   |
| (ii) Limited review Fees                      | 6.00                                   | -                                      |
| CSR Expenditure                               | 0.58                                   | 5.64                                   |
| Fees for Increase in Authorised Share Capital | -                                      | 43.09                                  |
| General Expenses                              | 38.18                                  | 12.78                                  |
| Office Maintenance Expenses                   | 5.95                                   | 0.55                                   |
| Commission and Brokerage                      | 7.18                                   | -                                      |
| Advertisement Expenses                        | 7.16                                   | -                                      |
| Balances written off                          | 3.75                                   | -                                      |
| Provision for Doubtful Debts                  | 2.90                                   | 55.74                                  |
| Rent  | 1.47                                   | -                                      |
| Other Miscellaneous expenses                  | 6.48                                   | -                                      |
| <b>Total Administrative Expenses (B)</b>      | <b>472.15</b>                          | <b>184.19</b>                          |
| <b>Operating Expenses</b>                     |  |  |
| Consumption of Stores and Spares              | 188.69                                 | 48.15                                  |
| Power and Fuel                                | 445.05                                 | 250.33                                 |
| Repairs and Maintenance                       | 42.91                                  | 6.09                                   |
| Security Charges                              | 36.20                                  | 14.25                                  |
| Factory Maintenance                           | 40.98                                  | 14.87                                  |
| Warehouse Expenses                            | 10.00                                  | 6.11                                   |
| Transit Insurance                             | 2.63                                   | -                                      |
| Other Manufacturing Expenses                  | 3.35                                   | 6.00                                   |
| Freight Inward                                | 0.03                                   | -                                      |
| <b>Total Operating Expenses (C)</b>           | <b>769.84</b>                          | <b>345.80</b>                          |
| <b>Total Other Expenses (A+B+C)</b>           | <b>1,785.88</b>                        | <b>656.10</b>                          |

## Notes to Financial Statements for the year ended 31st March, 2024

**NOTE - 27:**

(Amount ₹ in Lakhs)

**EARNINGS PER SHARE (EPS)**

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Profit/(loss) after Tax for the year  | 505.52                                 | (695.67)                               |
| Less: Preference Dividend   | (12.33)                                | -                                      |
| (A) Net Profit after Tax attributable to Equity Shareholders                    | 493.19                                 | (695.67)                               |
| (B) Weighted Average Number of Equity Shares for the period (Basic and Diluted) | 1,28,41,049                            | 1,28,38,040                            |
| <b>Basic EPS (A/B)</b>  | <b>3.84</b>                            | <b>(5.42)</b>                          |
| <b>Dilutive EPS (A/B)</b>   | <b>3.84</b>                            | <b>(5.42)</b>                          |

**NOTE - 28:**

(Amount ₹ in Lakhs)

**CONTINGENT LIABILITIES**

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| In the respect of Customs Duty for the period 2014-2019. Company filed writ petition before High court of Telangana along with stay application. Honourable High Court granted stay and the matter is pending for hearing.  | 287.41                    | 287.41                    |
| In the respect of Custom Duty for the period from 2014-2018 (devolved on Amalgamation (refer note 36)). The amount under protest was paid on 23rd May, 2023 though the final decision by the court is not yet pronounced. The management is of the opinion that the decision shall be in the favour of the Company. | 238.74                    | -                         |
| Accrued and unpaid Preference Dividend  | -                         | 1,304.89                  |

**Capital Commitments:**

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for in books of accounts | 783.27                    | -                         |

**NOTE - 29:**

(Amount ₹ in Lakhs)

**CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

| Particulars              | As at 31st March,<br>2024 | As at 31st March,<br>2023 |
|--------------------------|---------------------------|---------------------------|
| Net Debt                 | 528.80                    | 567.93                    |
| Total Equity             | 4,245.35                  | 85.60                     |
| <b>Net Gearing Ratio</b> | <b>0.12</b>               | <b>6.63</b>               |

## Notes to Financial Statements for the year ended 31st March, 2024

### NOTE - 30:

(Amount ₹ in Lakhs)

#### FINANCIAL INSTRUMENTS

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

#### Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of the financial instruments if any, is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

| Particulars                               | As at 31st March, 2024<br>Carrying Amount | As at 31st March, 2023<br>Carrying Amount |
|---|---|---|
| <b>Financial Assets At Amortised Cost</b> |   |   |
| Trade Receivables                         | 2,689.51                                  | 442.18                                    |
| Cash and cash equivalents                 | 569.33                                    | 40.76                                     |
| Other Financial Assets                    | 162.35                                    | 17.76                                     |
|   |   |   |
| <b>Financial Liabilities</b>              |   |   |
| Trade Payables                            | 1,548.46                                  | 721.29                                    |
| Borrowings                                | 528.80                                    | 567.93                                    |
| Other Financial Liabilities               | 730.38                                    | -   |

Except for the above, there are no Financial assets or liabilities which are valued at other than Amortized cost.

#### 1. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instruments. The value of a financial instrument may change as a result of changes in the interest rates, Commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings. The Company's commodity risk is managed centrally through well-established trading operations and control processes.

#### 2. Credit Risk

Credit risk arises when a customer or counter party does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk on its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

#### 3. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

#### Foreign Currency Exposure

The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of purchases denominated in foreign currencies. As a policy, the Company is in the process of adopting a hedging process.

## Notes to Financial Statements for the year ended 31st March, 2024

### Unhedged foreign currency exposure

- a. The Company has not taken any forward contracts to hedge its risk associated with foreign currency fluctuations.  
 b. Particulars of unhedged foreign currency exposures as at the reporting date:

| Forex amount   | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------|------------------------|------------------------|
| 1. USD 50,850  | 42.39                  | -                      |
| 2. EURO 37,300 | 32.43                  | -                      |

**NOTE - 31:**

(Amount ₹ in Lakhs)

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule VII thereof by the Company during the year is ₹ Nil (Previous year ₹ 5.64 lakhs). Expenditure incurred related to Corporate Social Responsibility is ₹ 0.51 lakhs (Previous year ₹ 5.64 lakhs).

| Corporate Social Responsibility             | As at 31st March, 2024              | As at 31st March, 2023                              |
|---|-------------------------------------|---|
| Amount required to be spent during the year | -                                   | 5.64  |
| Amount spent during the year                | 0.51                                | 5.64  |
| <b>Shortfall at the end of the year</b>     | -                                   | -   |
| <b>Total of previous year's Shortfall</b>   | -                                   | -   |
| Nature of CSR Activities                    | Contribution to Reliance Foundation | Contribution to L.V. Prasad Hyderabad Eye Institute |

**NOTE - 32:**

(Amount ₹ in Lakhs)

### ANALYTICAL RATIOS

| Ratio                                       | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 | Reasons for variances  |
|---|-------------------------------------|-------------------------------------|--|
| Current Ratio (in times)                    | 2.16                                | 1.31                                | Increase in sales to institutional customers (who are having credit period of 30 days) resulted in increase in the trade receivables and Cash and Cash equivalents |
| Debt-Equity Ratio (in times)                | 0.30                                | 6.64                                | The decrease in the ratio is due to an increase in the equity due to issue of preference shares during the year and profits earned.                                |
| Debt Service Coverage Ratio (in times)      | 32.02                               | -28.21                              | The change in the debt service coverage ratio is due to increase in the profits earned during the year.  |
| Return on Equity Ratio (in %)               | 22.78%                              | -177.57%                            | The change in the return on equity is due to increase in the profits earned during the year.   |
| Inventory Turnover Ratio (in times)         | 23.04                               | 6.56                                | The business was able to significantly increase sales by maintaining a slightly higher inventory   |
| Trade Receivables Turnover Ratio (in times) | 12.77                               | 9.04                                | Increase in sales led to increase in receivables which has inturn led to increase in trade receivable turnover ratio   |
| Trade Payables Turnover Ratio (in times)    | 28.08                               | 10.01                               | Increase in raw material prices and procurement has led to increase in trade payables turnover ratio.  |
| Working Capital Turnover Ratio (in times)   | 13.99                               | 8.92                                | Increase in Current Asset which are comparatively higher than Current Liabilities has resulted in better working capital ratio.                                    |

## Notes to Financial Statements for the year ended 31st March, 2024

| Ratio                             | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 | Reasons for variances   |
|-----------------------------------|--|--|---|
| Net Profit Ratio (in %)           | 2.53%                                  | -11%                                   | Business became profitable hence net profit ratio moved from negative to positive                     |
| Return on Capital Employed (in %) | 4.50%                                  | -143%                                  | Due to operational efficiency and increase in assets turnover ratio the ROCE percentage has increased |

| Ratio                                       | Numerator   | Denominator                              |
|---|---|--|
| Current Ratio (in times)                    | Total current assets  | Total current liabilities                |
| Debt-Equity Ratio (in times)                | Total debt (including debt component of Redeemable Preference Shares) | Total equity                             |
| Debt Service Coverage Ratio (in times)      | Profit for the year + Non-cash operating expenses + Interest          | Interest payments + Principal repayments |
| Return on Equity Ratio (in %)               | Profit for the year less Preference dividend (if any)                 | Average total equity                     |
| Inventory Turnover Ratio (in times)         | Revenue from operations   | Average inventory                        |
| Trade Receivables Turnover Ratio (in times) | Revenue from operations (credit sales)                                | Average trade receivables                |
| Trade Payables Turnover Ratio (in times)    | Cost of material consumed and other expenses                          | Average trade payables                   |
| Working Capital Turnover Ratio (in times)   | Revenue from operations   | Average working capital                  |
| Net Profit Ratio (in %)                     | Profit for the year   | Revenue from operations                  |
| Return on Capital Employed (in %)           | Profit before tax and Long Term Finance Costs                         | Total Equity + Long Term Debt            |

NOTE - 33:

(Amount ₹ in Lakhs)

### RELATED PARTY DISCLOSURES

#### A. List of Related Parties

- I. Reliance Industries Limited (Ultimate Holding Company)\*
- II. Reliance Retail Ventures Limited (Parent Company of Holding Company)\*
- III. Reliance Consumer Products Limited (Holding Company)\*
- IV. Reliance Retail Limited (Fellow Subsidiary)\*

#### V. Key Managerial Personnel

1. Vivekanand Prabhu, CFO (upto 18th July, 2023)
2. G. S. Ram, Whole Time Director (upto 2nd November, 2023)
3. Sikander Khuller, CEO (upto 2nd January, 2024)
4. Subodhakanta Sahoo, CS (upto 2nd January, 2024)
5. S Gautham, CFO (w.e.f. 18th July, 2023)
6. Sandipan Ghosh, CEO (w.e.f. 3rd January, 2024)
7. Utsav Saini, CS (w.e.f. 3rd January, 2024)



## Notes to Financial Statements for the year ended 31st March, 2024

### VI. Person(s) and close family members of the person(s) having control or joint control \*\*

1. Abhijeet Pai
2. Aman Pai
3. Aditya Pai
4. Ananth Peraje Pai
5. Prakash Peraje Pai
6. Ashwini Pai
7. Poornima Pai
8. Nivedita Pai

### VII. Entities over which person(s) mentioned under point VI above have significant influence \*\*

1. Puzzolana Machinery Fabricators (Hyderabad) LLP

### VIII. Enterprise over which Key Managerial Personnel of Ultimate Holding Company is able to exercise significant influence

1. Reliance Foundation (w.e.f. 24th May, 2023)

\* with effect from 24th May, 2023

\*\* Reliance Consumer Products Limited became promoter and acquired sole control over the Company w.e.f. 24th May, 2023. Accordingly, erstwhile promoters i.e. person(s) mentioned under point no. VI above, ceased to have control over the entity.

### B. Transactions during the year

| Particulars                                   | Relationship   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|--|---------------------------|---------------------------|
| <b>1. Repayment of Loans</b>                  |  |                           |                           |
| Ananth Peraje Pai**                           | Person(s) and close family members of the person(s) having control or joint control                                  | -                         | 98.00                     |
| Prakash Peraje Pai**                          | Person(s) and close family members of the person(s) having control or joint control                                  | -                         | 98.00                     |
| <b>2. Purchases</b>                           |  |                           |                           |
| Reliance Retail Limited                       | Fellow Subsidiary  | 16.06                     | -                         |
| <b>3. Revenue</b>                             |  |                           |                           |
| Reliance Retail Limited                       | Fellow Subsidiary  | 306.02                    |                           |
| <b>4. Salary to Key Managerial Personnel</b>  |  |                           |                           |
| 1. G. S. Ram                                  | Whole time director  | 4.35                      | 7.44                      |
| 2. Utsav Saini                                | Company Secretary  | 7.15                      | -                         |
| 3. Subodhakanta Sahoo                         | Company Secretary  | 8.15                      | 7.38                      |
| 4. Vivekanand Prabhu                          | CFO  | 0.70                      | 2.09                      |
| <b>5. Redemption of 10% Preference Shares</b> |  |                           |                           |
| Ananth Peraje Pai**                           | Person(s) and close family members of the person(s) having control or joint control                                  | 369.83                    | -                         |
| Prakash Peraje Pai**                          | Person(s) and close family members of the person(s) having control or joint control                                  | 369.83                    | -                         |
| <b>6. Issue of 0.01% Preference Shares</b>    |  |                           |                           |
| Reliance Consumer Products Limited            | Holding company  | 2,539.66                  | -                         |
| <b>7. Others expenses</b>                     |  |                           |                           |
| Reliance Foundation                           | Enterprise over which Key Managerial Personnel of Ultimate Holding Company is able to exercise significant influence | 0.51                      | -                         |
| Reliance Consumer Products Limited            | Holding company  | 161.43                    | -                         |

## Notes to Financial Statements for the year ended 31st March, 2024

### C. Closing Balances

| Particulars                                     | Relationship  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---|---------------------------|---------------------------|
| <b>1. Loans</b>                                 |   |                           |                           |
| Ananth Peraje Pai**#                            | Person(s) and close family members of the person(s) having control or joint control     | -                         | 200.00                    |
| Prakash Peraje Pai**#                           | Person(s) and close family members of the person(s) having control or joint control     | -                         | 200.00                    |
| <b>2. Other Receivables</b>                     |   |                           |                           |
| Puzzolana Machinery Fabricators (Hyderabad) LLP | Entities over which person(s) mentioned under point VI above have significant influence | -                         | 1.95                      |
| Reliance Retail Limited                         | Fellow Subsidiary   | 75.12                     | -                         |
| <b>3. Other Payables</b>                        |   |                           |                           |
| Reliance Consumer Products Limited              | Holding company   | 30.24                     | -                         |
| <b>4. 0.01% Preference Shares</b>               |   |                           |                           |
| Reliance Consumer Products Limited              | Holding company   | 2,539.66                  | -                         |
| Ananth Peraje Pai**                             | Person(s) and close family members of the person(s) having control or joint control     | -                         | 36.98                     |
| Prakash Peraje Pai**                            | Person(s) and close family members of the person(s) having control or joint control     | -                         | 36.98                     |

\*\* Reliance Consumer Products Limited became promoter and acquired sole control over the Company w.e.f. 24th May, 2023. Accordingly, erstwhile promoters i.e. person(s) mentioned under point no. VI above, ceased to have control over the entity.

# Repaid during the year

#### NOTE - 34:

#### SEGMENT INFORMATION

The Company is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar nature of products. The Company operates in a single reporting segment, hence there is no reportable segment as per requirements of Indian Accounting Standard 108 on 'Operating Segments'. The Chief operational decision maker monitors the operating results of the Company's business for the purpose of making decisions about resource allocation and performance assessment.

#### NOTE - 35:

#### OTHER STATUTORY INFORMATION

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with struck off Companies.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has 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:
  - 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
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

## Notes to Financial Statements for the year ended 31st March, 2024

- (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 does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- h. The Company's secured working capital Cash Credit facility was closed on 31st March, 2024. During the year, an unsecured working capital Cash Credit facility was sanctioned. The stock statements filed by the Company with the banks and financial institutions are consistent with the books of accounts.
- i. The Company does not have any charges or satisfaction which is yet to be registered with the Register of Companies beyond the statutory period.
- j. The capital work-in-progress is not overdue as at the year end.
- k. The deeds of immovable properties are held in the name of the Company.

### NOTE - 36:

#### SCHEME OF AMALGAMATION BETWEEN THE COMPANY AND SOUBHAGYA CONFECTIONERY PRIVATE LIMITED

Pursuant to a Scheme of Amalgamation ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013 sanctioned by the Hon'ble National Company Law Tribunal, Hyderabad bench vide order dated 8th August, 2024 Soubhagya Confectionery Private Limited (SCPL), a wholly-owned subsidiary of the Company, has been amalgamated with the Company effective 8th August, 2024 with appointed date being 25th May, 2023. In terms of the Scheme, the assets and liabilities of SCPL has been vested with the Company and have been recorded at their respective fair values as of appointed date, as per Indian Accounting Standards i.e, IND AS 103 – Business Combinations. Since SCPL was a wholly-owned subsidiary, no shares have been issued by the Company on amalgamation of SCPL with the Company.

| Particulars                   | Amount (at fair values) |
|-------------------------------|-------------------------|
| Property, Plant and Equipment | 1,377.06                |
| Goodwill                      | 18.59                   |
| Cash and Cash Equivalents     | 2.12                    |
| Current Assets                | 1,296.87                |
| Current Liabilities           | (894.64)                |
| Net assets                    | 1,800.00                |

### NOTE - 37:

The figures for the current year are after giving effect to the amalgamation of SCPL with the Company, in accordance with the Scheme of Amalgamation (refer note 36 above) and hence are not comparable with figures of the previous year.

### NOTE - 38:

The Financial Statements have been approved by the Boards of Directors in its meeting held on 19th August, 2024.

As per our Report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No:117366W/W-100018

For and on behalf of the Board

**Varsha A Fadte**  
Partner  
Membership No: 103999

**Bharathan Rajagopalan Thatai**  
Chairman  
DIN: 02464132

**Dinesh Taluja**  
Director  
DIN: 08144541

**Renuka Shastry**  
Director  
DIN: 02578917

**S Gautham**  
Chief Financial Officer

**Krishnakumar Thirumalai**  
Director  
DIN: 00079047

**Dipak C. Jain**  
Director  
DIN: 00228513

**Asim Parekh**  
Director  
DIN: 00056125

**Utsav Saini**  
Company Secretary

**Ketan Mody**  
Director  
DIN: 07723933

**Krishnan Sudarshan**  
Director  
DIN: 01029826

**Sandipan Ghosh**  
Chief Executive Officer

Date: August 19, 2024