

Corporate Governance Report

Name of Listed Entity – **Lotus Chocolate Company Limited**

Quarter ending: **March 31, 2024**

I. Composition of Board of Directors

Title (Mr./ Ms.)	Name of the Director	DIN	Category (Chairperson / Executive / Non-Executive / Independent / Nominee)	Initial Date of Appointment	Date of Re-appointment	Date of cessation	Tenure (in months)	Date of Birth	Number of Directorship in listed entities including this listed entity [Refer Regulation 17A(1)]	Number of Independent Directorship in listed entities including this listed entity [Refer proviso to Regulation 17A(1)]	Number of memberships in Audit/ Stakeholders Relationship Committee(s) including this listed entity [Refer Regulation 26(1)]	Number of post of Chairperson in Audit / Stakeholders Relationship Committee held in listed entities including this listed entity [Refer Regulation 26(1)]
Mr.	Bharathan Rajagopalan Thatai	02464132	Non-Executive - Independent Director, Chairperson	26-11-2014	26-11-2019	-	112	20-10-1964	1	1	1	1
Mr.	Dipak Chand Jain	00228513	Non-Executive - Independent Director	24-05-2023	-	-	10	09-06-1957	1	1	9	1
Mr.	Krishnan Sudarshan	01029826	Non-Executive - Independent Director	24-05-2023	-	-	10	07-05-1970	1	1	9	0
Ms.	Renuka Shastry	02578917	Non-Executive - Non Independent Director	24-05-2023	-	-	-	22-12-1979	1	0	0	0
Mr.	Krishnakumar Thirumalai	00079047	Non-Executive - Non Independent Director	24-05-2023	-	-	-	20-10-1959	2	1	1	0
Mr.	Ketan Pravinchandra Mody	07723933	Non-Executive - Non Independent Director	24-05-2023	-	-	-	07-12-1976	1	0	1	0
Mr.	Dinesh Taluja	08144541	Non-Executive - Non Independent Director	24-05-2023	-	-	-	31-08-1979	2	0	5	3
Mr.	Asim Bhupatrai Parekh	00056125	Non-Executive - Non Independent Director	03-01-2024	-	-	-	27-08-1964	1	0	0	0
Whether Regular chairperson appointed				Yes								
Whether Chairperson is related to Managing Director or CEO				No								

II. Composition of Committees

Name of Committee	Whether Regular chairperson Appointed	Name of Committee members	Category (Chairperson / Executive / Non-Executive / Independent / Nominee)	Date of Appointment	Date of Cessation
1. Audit Committee	Yes	Mr. Bharathan Rajagopalan Thatai	Non-executive Independent Director - Chairman	26-11-2014	-
		Mr. Dipak Chand Jain	Non-executive Independent Director - Member	24-05-2023	-
		Mr. Krishnan Sudarshan	Non-executive Independent Director - Member	24-05-2023	-
		Mr. Dinesh Taluja	Non-executive Non Independent Director - Member	24-05-2023	-
2. Nomination and Remuneration Committee	Yes	Mr. Krishnan Sudarshan	Non-executive Independent Director - Chairman	24-05-2023	-
		Mr. Dipak Chand Jain	Non-executive Independent Director - Member	24-05-2023	-
		Mr. Bharathan Rajagopalan Thatai	Non-executive Independent Director - Member	26-11-2014	-
		Mr. Ketan Pravinchandra Mody	Non-executive Non Independent Director - Member	24-05-2023	-
3. Stakeholders' Relationship Committee	Yes	Mr. Dinesh Taluja	Non-executive Non Independent Director - Chairman	24-05-2023	-
		Mr. Ketan Pravinchandra Mody	Non-executive Non Independent Director - Member	24-05-2023	-
		Mr. Dipak Chand Jain	Non-executive Independent Director - Member	22-12-2023	-
4. Corporate Social Responsibility Committee	Yes	Mr. Bharathan Rajagopalan Thatai	Non-executive Independent Director - Chairman	31-01-2023	-
		Mr. Krishnan Sudarshan	Non-executive Independent Director - Member	24-05-2023	-
		Mr. Ketan Pravinchandra Mody	Non-executive Non Independent Director - Member	24-05-2023	-
		Mr. Dinesh Taluja	Non-executive Non Independent Director - Member	24-05-2023	-

III. Meeting of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Whether requirement of Quorum met (Yes / No)	Number of Directors present	Number of independent directors present	Maximum gap between any two consecutive meetings (in number of days)
17-10-2023	02-01-2024	Yes	7	3	76
	16-01-2024	Yes	8	3	13

IV. Meetings of Committees

Name of the Committee	Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (Yes / No)	Number of Directors present	Number of independent directors present	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days)
Audit Committee	02-01-2024	Yes	4	3	17-10-2023	76
Audit Committee	16-01-2024	Yes	4	3		13
Audit Committee	26-03-2024	Yes	4	3		69
Nomination and Remuneration Committee	02-01-2024	Yes	4	3	17-10-2023	76
Nomination and Remuneration Committee	16-01-2024	Yes	4	3		13
Stakeholders' Relationship Committee	-	-	-	-	17-10-2023	-

V. Related Party Transactions

Subject	Compliance Status (Yes / No / NA)
Whether prior approval of audit committee obtained	Yes
Whether shareholder approval obtained for material RPT	NA
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	Yes

VI. Affirmations

Subject	Compliance Status (Yes / No / NA)
1. The composition of Board of Directors is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Yes
2. The composition of the following Committees is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a. Audit Committee b. Nomination and Remuneration Committee c. Stakeholders' Relationship Committee	Yes
2. The composition of the risk management committee is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 d. Risk management committee (applicable to the top 1000 listed entities)	NA
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Yes
4. The meetings of the Board of Directors and the above Committees have been conducted in the manner as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Yes

The report submitted for the previous quarter and nine months ended December 31, 2023 had been placed before Board of Directors. No comments / observations / advice was received from the Board of Directors.

This report will be placed before Board of Directors at its next meeting. Any comments / observations / advice of Board of Directors will be mentioned in the report of next quarter.

VII. Details of Cyber Security Incidence

Details of Cyber security incidence	Compliance Status (Yes / No / NA)
Whether as per Regulation 27(2) (ba) of SEBI (LODR) Regulations, 2015 there has been cyber security incidents or breaches or loss of data or documents during the quarter	No
Other details of cyber security incidence or breaches or loss of data event	-
Number of cyber security incidence or breaches or loss of data event occurred during the quarter	0
Date of the event	-
Brief details of the event	-

Name: Utsav Saini

Designation: Company Secretary & Compliance Officer

Date: April 20, 2024

I. Disclosure on website in terms of Listing Regulations

Item	Compliance Status (Yes/No/NA)	If Yes provide link to website. If No/NA provide reasons
As per regulation 46(2) of the LODR:		
a) Details of business	Yes	https://www.lotuschocolate.com/
b) Terms and conditions of appointment of independent directors	Yes	https://www.lotuschocolate.com/documents/disclosures/Terms_and_condition_of_Appointment_of_Independent_Directors_0723.pdf
c) Composition of various committees of board of directors	Yes	https://www.lotuschocolate.com/documents/disclosures/Composition_of_Various_Committee_of_Board_of_directors.pdf
d) Code of conduct of board of directors and senior management personnel	Yes	https://www.lotuschocolate.com/documents/disclosures/Code_of_Conduct_of_Directors.pdf
e) Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	https://www.lotuschocolate.com/documents/policies/Whistle-blower-Policy.pdf
f) Criteria of making payments to non-executive directors	Yes	https://www.lotuschocolate.com/documents/disclosures/Criterial_for_making_Payment_to_Non_Executive_Directors.pdf
g) Policy on dealing with related party transactions	Yes	https://www.lotuschocolate.com/documents/policies/Policy-of-Materiality-of-RPT.pdf
h) Policy for determining 'material' subsidiaries	Yes	https://www.lotuschocolate.com/documents/policies/Policy-on-material-subsiadiary.pdf
i) Details of familiarization programmes imparted to independent directors	Yes	https://www.lotuschocolate.com/documents/disclosures/Familiarization_of_Independent_Directors.pdf
j) Email address for grievance redressal and other relevant details	Yes	https://www.lotuschocolate.com/documents/disclosures/Contact_for_handling_Investor_Grievences.pdf
k) Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	https://www.lotuschocolate.com/documents/disclosures/Contact_for_handling_Investor_Grievences.pdf
l) Financial results	Yes	https://www.lotuschocolate.com/investor_relation
m) Shareholding pattern	Yes	https://www.lotuschocolate.com/investor_relation
n) Details of agreements entered into with the media companies and / or their associates	NA	-
o) Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	NA	-
oa) audio or video recordings and transcripts of post earnings / quarterly calls		-
p) New name and the old name of the listed entity	NA	-
q) Advertisements as per regulation 47(1)	Yes	https://www.lotuschocolate.com/investor_relation

r)	Credit rating or revision in credit rating obtained	NA	-
s)	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	NA	-
t)	Secretarial Compliance Report	Yes	https://www.lotuschocolate.com/investor_relation
u)	Materiality Policy as per Regulation 30(4)	Yes	https://www.lotuschocolate.com/documents/policies/Materiality_Policy.pdf
v)	Disclosure of contact details of KMP who are authorised for the purpose of determining materiality as required under Regulation 30(5)	Yes	https://www.lotuschocolate.com/documents/disclosures/CONTACT_DETAILS_FOR_DETERMINATION_OF_MATERIAL_EVENTS.pdf
w)	Disclosures under Regulation 30(8)	Yes	https://www.lotuschocolate.com/investor_relation
x)	Statements of deviation(s) or variation(s) as specified in Regulation 32	NA	-
y)	Dividend Distribution policy as specified in Regulation 43A(1)	NA	-
z)	Annual Return as provided under Section 92 of the Companies Act, 2013	Yes	https://www.lotuschocolate.com/investor_relation
	Confirmation that the above disclosures are in a separate section as specified in regulation 46(2)	Yes	https://www.lotuschocolate.com/investor_relation
	Compliance with Regulation 46(3) with respect to accuracy of disclosures on the website of the Company and timely updating	Yes	https://www.lotuschocolate.com/

II. Annual Affirmations

Particulars	Regulation Number	Compliance Status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and / or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A), 17(1C), 17(1D) & 17(1E)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	NA
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes

Recommendation of board	17(11)	Yes
Maximum number of directorship	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Role of Audit Committee and information to be reviewed by the Audit Committee	18(3)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination & Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes
Role of Nomination & Remuneration Committee	19(4)	Yes
Composition of Stakeholders Relationship Committee	20(1), 20(2) & 20(2A)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Role of Stakeholders Relationship Committee	20(4)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Quorum of Risk Management Committee meeting	21(3B)	NA
Gap between the meetings of the Risk Management Committee	21(3C)	NA
Vigil Mechanism	22	Yes
Policy for related party transactions	23(1),(1A),(5),(6) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of board of directors of unlisted material subsidiary	24(1)	Yes
Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Alternate Director to Independent Director	25(1)	NA
Maximum tenure	25(2)	Yes
Appointment, Re-appointment or removal of an Independent Director through special resolution or the alternate mechanism	25(2A)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes

Directors and Officers insurance	25(10)	NA
Confirmation with respect to appointment of Independent Directors who resigned from the listed entity	25(11)	Yes
Memberships in committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	Yes
Disclosure of shareholding by non-executive directors	26(4)	NA
Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes
Approval of the Board and shareholders for compensation or profit sharing in connection with dealings in the securities of the listed entity	26(6)	NA
Vacancies in respect Key Managerial Personnel	26A(1) & 26A(2)	Yes
Any other information to be provided		<p>The following may be noted in relation to the affirmations:</p> <p>Affirmation no. 34: Composition of Board of Directors of material subsidiary It may be noted that Soubhagya Confectionery Private Limited ("SCPL") became a wholly-owned subsidiary Company of the Company w.e.f May 25, 2023. However, SCPL is under the process of merging into the Company. Therefore, the Audited financial statements are yet to be considered and approved.</p> <p>Affirmation no. 38: Appointment, re-appointment or removal of an Independent Director through Special Resolution or the alternate mechanism It is hereby clarified that during the year under review, there have been appointment and resignation of Independent Directors on the Board of the Company. However, there has been no removal of an Independent Director during the year under review.</p>

III. Affirmations

The Company has approved the Material Subsidiary Policy and the Corporate Governance requirements with respect to the subsidiary of the Company have been complied.

Name: Utsav Saini

Designation: Company Secretary and Compliance Officer

Date: April 21, 2024

Additional Half yearly Disclosure		
Applicability of Disclosure	Not Applicable	
Reason for non-applicability	The Company has not given any loan, guarantee and provided any security to Promoter, promoter group, Directors, KMP or any other entity controlled by them.	
I. Disclosure of Loans / guarantees / comfort letters / securities etc.		
(A) Any loan or any other form of debt advanced by the listed entity directly or indirectly to:		
Entity	Aggregate amount advanced during six months	Balance outstanding at the end of six months
Promoter or any other entity controlled by them		
Promoter Group or any other entity controlled by them		
Directors (including relatives) or any other entity controlled by them		
KMPs or any other entity controlled by them		

(B) Any guarantee/ comfort letter (by whatever name called) provided by the listed entity directly or indirectly, in connection with any loan(s) or any other form of debt availed by:			
Entity	Type (guarantee, comfort letter etc.)	Aggregate amount of issuance during six months	Balance outstanding at the end of six months (taking into account any invocation)
Promoter or any other entity controlled by them			
Promoter Group or any other entity controlled by them			
Directors (including relatives) or any other entity controlled by them			
KMPs or any other entity controlled by them			

(C) Any security provided by the listed entity directly or indirectly, in connection with any loan(s) or any other form of debt availed by:			
Entity	Type of security (cash, shares etc.)	Aggregate value of security provided during six months	Balance outstanding at the end of six months
Promoter or any other entity controlled by them			
Promoter Group or any other entity controlled by them			
Directors (including relatives) or any other entity controlled by them			

KMPs or any other entity controlled by them			
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II. Affirmations:

All loans (or other form of debt), guarantees, comfort letters (by whatever name called) or securities in connection with any loan(s) (or other form of debt) given directly or indirectly by the listed entity to promoter(s), promoter group, director(s) (including their relatives), key managerial personnel (including their relatives) or any entity controlled by them are in the economic interest of the company -

No loans (or other form of debt), guarantees, comfort letters (by whatever name called) or securities in connection with any loan(s) (or other form of debt) have been given directly or indirectly by the Company to promoter(s), promoter group, director(s) (including their relatives), key managerial personnel (including their relatives) or any entity controlled by them.

Name: S. Gautham

Designation: Chief Financial Officer

Place: Hyderabad

Date: April 20, 2024