

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Lotus Chocolate Company Limited to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo 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.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of compliance with the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015, the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As on 31st March, 2017, the Board consist of the following:

- 3 (Three) Non-executive Independent Directors;
- 2 (Two) Executive Directors;
- 2(Two) Non-Executive Non-Independent Directors;
- 1(One) Women Director

b) Attendance of each Director at the Board meetings and the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2017 has been set out here below:

Sl. No	Name of the Director	Category	Meetings attended	Attendance at last AGM on 30.09.2016
1	P.Prakash Pai	Director	6	Yes
2	P. Anantha Pai	Director	6	Yes
3	Subramanya Ram Ganapath	Whole time director	6	Yes
4	Gottemukkala Venkatapathi Raju	Director	6	Yes
5	P. Abhijeet Pai*	Director	Nil	Yes
6	Ashwini Pai	Director	5	Yes
7	Bharathan Rajagopalan Thatai	Director	6	Yes
8	Dilip Mangesh Kalelkar	Whole time Director	4	Yes
9	Rabindranath Jarugumilli**	Independent Director	0	No
10	A.Surya Prakash Reddy***	Independent Director	5	Yes

*Shri P. Abhijeet Pai resigned on 01.09.2016

**Shri Rabindranath Jarugumilli resigned on 05.07.2016

***Shri A. Surya Prakash Reddy appointed as Independent Director on 05.07.2016

c) Number of other Directorships, Committee Membership(s) & Chairmanship(s):

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Shri Dilip Mangesh Kalekar	0	0	0
2	Shri Subramanya Ram Ganapath	0	0	0
3	Shri P. Anantha Pai	5	0	0
4	Shri P. Prakash Pai	5	0	0
5	Smt. Ashwini Pai	1	0	0
6	Shri Gottemukkala Venkatapathi Raju	0	0	0
7	Shri Bharathan Rajagopalan Thatai	0	0	0
8	Shri A. Surya Prakash Reddy	0	0	0

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of SEBI (LODR) Regulations, 2015, 06 (Six) Board Meetings were held during the financial year ended 31.03.2017. The maximum gap between any two Board Meetings was not more than 120 days at any time.

The dates on which the Board meetings were held are:

Sl. No.	Date
1	30.05.2016
2	05.07.2016
3	12.08.2016
4	12.11.2016
5	25.01.2017
6	13.02.2017

**BOARD COMMITTEES:**

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

3. AUDIT COMMITTEE:**(i) Brief description of terms of reference:**

The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

- The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (3C) of Section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by Management
 - iv. Significant adjustments made in the financial statements arising out of Audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower Mechanism.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(ii) Composition:

The Company's Audit Committee comprises of the following Directors :

Sl.No	Name of Director	Designation
1	Shri Bharathan Rajagopalan Thatai	Chairperson
2	Shri P. Prakash Pai	Member
3	Shri P. Anantha Pai	Member
4	Shri Gottemukkala Venkatapathi Raju	Member
5	Shri. Admala Surya Prakash Reddy	Member

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising of three Non-Executive Independent Directors and two Independent Director. As Shri Bharathan Rajagopalan Thatai, who is heading the Audit Committee as Chairman having rich experience and professional knowledge in Finance, Accounts and Company Law, the members always added the value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

(iii) Meeting and attendance during the year:

In terms of compliance with the requirement of Regulation 18 of SEBI (LODR) Regulations, 2015 the Audit Committee met 5(Five) times during the financial year as follows:

S. No	Date	Committee Strength	No. of Members Present
1	30.05.2016	5	4
2	05.07.2016	5	4
3	12.08.2016	5	5
4	12.11.2016	5	5
5	13.02.2017	5	5

No. Of Meetings Attended:

SI No	Name of the Director	No. of Meetings Attended
1.	Shri Bharathan Rajagopalan Thatai	5
2.	Shri P. Prakash Pai	5
3.	Shri P. Anantha Pai	5
4	Shri Gottemukkala Venkatapathi Raju	5
5	Shri. Admala Surya Prakash Reddy*	3

*Shri A. Surya Prakash Reddy is appointed as Independent Director on 05.07.2016

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

4. NOMINATION & REMUNERATION COMMITTEE:**(i) Brief description :**

The Nomination and Remuneration Committee of the Board identifies persons qualified to become Directors and formulates criteria for evaluation of the Directors and the Board. The Committee's role also includes recommending to the Board the appointment, remuneration and removal of Directors and managers one level below Director.

ii) Composition:

SI.No	Name of Director	Designation
1.	Shri Bharathan Rajagopalan Thatai	Chairperson
2.	Shri P. Prakash Pai	Member
3.	Shri P. Anantha Pai	Member
4	Shri Gottemukkala Venkatapathi Raju	Member

iii) Attendance during the year:

During the financial year ended 31st March, 2017, 4 meetings of the Nomination & Remuneration Committee were held, as follows:

S. No	Date	Committee Strength	No. of Members Present
1.	05.07.2016	4	4
2.	12.11.2016	4	4
3.	25.01.2017	4	4

No. Of Meetings Attended:

SI No	Name of the Director	No. of Meetings Attended
1.	Shri Bharathan Rajagopalan Thatai	4
2.	Shri P. Prakash Pai	4
3.	Shri P. Anantha Pai	4
4	Shri Gottemukkala Venkatapathi Raju	4

REMUNERATION POLICY:

The nomination and remuneration policy aims at attracting and retaining high calibre talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly. The Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. The extract of the same is as follows:

a) Remuneration to Executive Director and KMP:

Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

b) Remuneration to Non-Executive Directors:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof.

(i) Details of Remuneration of Non – Executive Directors:

The Company does not pay Sitting fees to the Non-executive Directors.

(ii) Pecuniary relationship or transactions of Non-Executive Director:

The Non-Executive Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of such Directors.

(iii) Details of Remuneration to Executive Directors:

(Amount in ₹)

Name of Director	Salary	H R A	Commission	Perks	Total
Shri Subramanya Ram Ganpath, WTD	745,800	--	--	--	745,800
Shri Dilip Mangesh Kalekar, WTD	600,000	--	--	--	600,000
TOTAL	1,345,800	--	--	--	1,345,800

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:

Your Company follows a structured orientation and familiarisation programme through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The framework on familiarisation programme have been posted in the website of the Company.

CODE OF CONDUCT:

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**(i) Brief description of terms of reference:**

The Stakeholders Relationship Committee oversees redressal of shareholder and investor grievances and, inter alia, approves transmission of shares, sub-division / consolidation / renewal / issue of duplicate share certificates/ complaints regarding non-receipt of Dividends, Annual Reports, etc.

(ii) Composition:

Sl.No.	Name of Director	Designation
1.	Shri P. Prakash Pai	Chairman
2.	Shri P. Anantha Pai	Member
3.	Shri Gottemukkala Venkatapathi Raju	Member
4.	Shri Subramanya Ram Ganapath	Member

Ms. Babita Chandrakar is acting as Compliance Officer of the Company.

Status of Investor Complaints for the Financial Year

Nature of Complaint	Received	Resolved
Non-receipt of Share Certificates sent for transfer	Nil	Nil
Non-receipt of Dividend Warrants	Nil	Nil
Any other complaints (Change of address)	Nil	Nil

There are no outstanding complaints as on 31.03.2017.

6. RISK MANAGEMENT COMMITTEE:

The Company has constituted a Risk Management Committee which has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Board of Directors review these procedures periodically.

7. GENERAL BODY MEETINGS:**i) Location and time for the last 3 years General Meetings were:**

Year	Locations	Date	Time
2015-2016	Lions Bhavan, Near Paradise Circle, Secunderabad.	30th September, 2016	10.00a.m.
2014-2015	Lions Bhavan, Near Paradise Circle, Secunderabad.	29th September, 2015	10.00 a.m
2013-2014	Lions Bhavan, Near Paradise Circle, Secunderabad.	30th September 2014	10.00 a.m

ii. Whether any special resolutions passed in the previous 3 AGMs

2014-15: In the AGM held on 30th September, 2016 the company has passed no Special resolutions.

2013-14: In the AGM held on 29th September, 2015 the company has passed no Special Resolutions.

2012-13: In the AGM held on 30th September, 2014 the company has passed no Special Resolutions.

ii) Postal Ballot passed in last year i.e., 2015-16:

During the year 2015-16 your Company has passed 4 resolutions through Postal Ballot as per the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

9. DISCLOSURES:

- (i) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

- (ii) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

None.

(iii) Whistle Blower policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.lotuschocolate.com

(iv) Non Mandatory Requirements:

Adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015 is being reviewed by the Board from time to time.

10. MEANS OF COMMUNICATION:**i. Financial / Quarterly Results:**

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in Financial Express (English) and Nav Telangana (Telugu). The financial results are also displayed on the Company's website www.lotuschocolate.com

ii. Newspapers wherein results normally published

The official news releases are published in Financial Express (English) and Nav Telangana (Telugu) Detailed presentations made to institutional investors, financial analyst, etc. are displayed on the Company's website www.lotuschocolate.com.

Website :

The website www.lotuschocolate.com contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

CEO/ CFO Certification

In line with the requirements of Regulation 17(8) of SEBI (LODR) Regulations, 2015, Shri P. Ravi Kumar, Chief Finance Officer have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31st March, 2017 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

The Management Discussion and Analysis Report:

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.

11. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	Date : 27th September, 2017 Time : 10:00 A.M. Venue : Lions Bhavan, Near Paradise Circle, Secunderabad.
Financial Calendar	1st April 2016 to 31st March 2017
Date of Book Closure	21st September, 2017 - 27th September, 2017 (both days inclusive)
Listing on Stock Exchanges	BSE Ltd
Stock Code	523475
ISIN Number for NSDL & CDSL	INE026D01011

i. Registrar and Transfer Agents

Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to

M/s CIL SECURITIES LIMITED 214, Raghava Ratna Tower, Chirag Ali Lane, Chirag Ali Lane, Hyderabad, Telangana 500001 Phone # +91-040-2320 2465 Email ID: advisors@cilsecurities.com Website: www.cilsecurities.com
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ii. Share Transfer System

The Transfer of shares in physical form is processed and completed by Registrar & Transfer Agents within a maximum period of 30 days from the date of receipt, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

iii. Reconciliation of share Capital Audit:

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

iv. Shareholding Pattern as on 31st March, 2017:

Category	No. of. Shares	% Holding
Promoters	92,53,020	72.06
Promoters Bodies Corporate	0	0
Resident Individuals	33,70,559	26.25
Bodies Corporate	1,69,755	1.32
Indian Financial Institutions	0	0
Non Resident Indians	39,745	0.31
Government	700	0.01
Trusts	0	0
Clearing Members	3,570	0.03
Mutual Funds	0	0
Banks – Foreign Banks	3,200	0.02
Directors and Relatives	500	0.00
Total	1,28,41,049	100

v. Dematerialisation of Shares & Liquidity

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL.

vi. Plant Locations:

Doulatabad, Hathnoora Mandal, Medak District, Telangana, PIN-502 296.

vii. Address for correspondence

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation/ Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	M/s CIL SECURITIES LIMITED 214, Raghava Ratna Tower, Chirag Ali Lane, Chirag Ali Lane, Hyderabad, Telangana 500001 Phone # +91-040-2320 2465 Email ID: advisors@cilsecurities.com Website: www.cilsecurities.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend, Warrants, Sub-Division, etc.	Ms. Babita Chandrakar Company Secretary and Compliance Officer 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No. 1, Road No. 10, Banjara hills, Hyderabad, Telangana – 500034 E-mail: complaints@lotuschocolate.com Website: www.lotuschocolate.com Phone No.: 040-2352707/08 Fax no.: 040-2352710

12. Depository Services:

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

National Securities Depository Ltd Trade World, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993 / 24976351 Email : info@nsdl.co.in.	Central Depository Services (India) Ltd Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai – 400 023 Tel : 091-022-22723333/22723224 Fax: 091-022-22723199 Email : investors@cdslindia.com
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13. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2016, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Chief Financial Officer is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

14. Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2:

Name of Director	Shri. Subramanya Ram Ganapath
Date of Birth	05-08-1952
Date of Appointment	05-11-2008
Qualification	B Sc (Ag)
Relationship between Directors inter-se	None
Expertise in specific functional areas	Overall Business Management including functional expertise in Sales, Marketing and Corporate Management
List of Other Companies in which Directorship is held as on 31st March, 2017.	Nil
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2017	Nil
No. of shares held in the Company	500

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th Oct' 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2016-17.

Place: Hyderabad
Date: 09.08.2017

Sd/-
G.S. Ram
WHOLE-TIME DIRECTOR
DIN: 02395478

AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To
The Members of
Lotus Chocolate Company Limited

We have examined the compliance of conditions of Corporate Governance by M/s **Lotus Chocolate Company Limited** for the year ended 31st March 2017, as stipulated in SEBI (LODR) Regulations, 2015 with BSE Limited.

The compliance of these conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.



For M/s. S.R. Mohan & Company
Chartered Accountants
(FRN- 0021115)

Sd/-
B Brahmanandam
Partner
M. No. 020026

Date : 09.08.2017
Place: Hyderabad

CEO/CFO CERTIFICATIONS

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 entered with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March 2017, the Company has complied with the requirements of the said sub clause.

For LOTUS CHOCOLATE COMPANY LIMITED

Sd/-
P. RAVI KUMAR
CHIEF FINANCIAL OFFICER

Place: Hyderabad

Date: 09.08.2017

Compliance with Code of Business Conduct and Ethics

As provided under regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and the Ethics for the financial year ended 31st March, 2017.

For LOTUS CHOCOLATE COMPANY LIMITED

Sd/-
P. RAVI KUMAR
CHIEF FINANCIAL OFFICER

Place: Hyderabad

Date: 09.08.2017

**CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of corporate governance, by **LOTUS CHOCOLATE COMPANY LIMITED**, for the year ended 31.03.2017 as stipulated in Regulation 27(2) of (Listing Obligations & Disclosure Requirements) of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that as the records maintained, no investor grievances against the Company are pending for a period exceeding one month before Shareholders/Investors Grievance Committee.

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

For RAKHI AGARWAL
COMPANY SECRETARY

Sd/-
RAKHI AGARWAL
PROPRIETOR
FCS NO.7047, CP NO.6270

Place: Hyderabad

Date: 09.08.2017