

## 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>3</sup>	No. of Chairmanship in committees of other company(ies) as on March 31, 2024 <sup>3</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>4</sup>	Director	Non-Executive Director	5	5	Yes	3	EID Parry (India) Limited – Independent Director	1	NIL
Mr. Ketan Mody <sup>4</sup>	Director	Non-Executive Director	5	5	Yes	1	Nil	NIL	NIL
Ms. Renuka Shastry <sup>4</sup>	Director	Non-Executive Director	5	5	Yes	1	Nil	NIL	NIL
Mr. Dinesh Taluja <sup>4</sup>	Director	Non-Executive Director	5	5	Yes	9	Just Dial Limited – Non-Executive Director	3	2
Mr. Asim Parekh <sup>4</sup>	Director	Non-Executive Director	1	1	NA	NIL	NA	NA	NA
Mr. Subramanya Ram Ganpath <sup>4</sup>	Whole-time Director	Executive Director	4	4	Yes	NA	NA	NA	NA
Mr. Gottemukkala Venkatapathi Raju <sup>4</sup>	Director	Independent Director	1	1	NA	NA	NA	NA	NA
Mr. Gangasani Sudhakar Reddy <sup>4</sup>	Director	Non-Executive Director	1	1	NA	NA	NA	NA	NA
Mr. Admala Surya Prakash Reddy <sup>4</sup>	Director	Non-Executive Director	1	1	NA	NA	NA	NA	NA
Ms. Usha Abbagani <sup>4</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>4</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>3</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. Gottomukkala 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
3.	Prof. Dipak C. Jain*	4	4
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 <sup>*</sup>	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 <sup>*</sup>	Member - Non-Executive Director
5.	Ms. Usha Abbagani <sup>**</sup>	Chairperson - Non-Executive Director
6.	Mr. Gottemukkala Venkatapathi Raju <sup>**</sup>	Member - Independent Director
7.	Mr. Subramanya Ram Ganpath <sup>***</sup>	Member - Executive Director

<sup>\*</sup>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.

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

<sup>\*\*\*</sup>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 2. Appointment of Mr. Krishnan Sudarshan as an Independent Director 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. 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. 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: June 30, 2024 – Third week of July, 2024 September 30, 2024 – Third week of October, 2024 December 31, 2024 – Third week of January, 2025 March 31, 2025 – Third week of April, 2025 Annual General Meeting – August / September 2025
<b>Dividend Payment Date</b>	Not Applicable
<b>Listing on Stock Exchanges</b>	BSE Limited (BSE), 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.

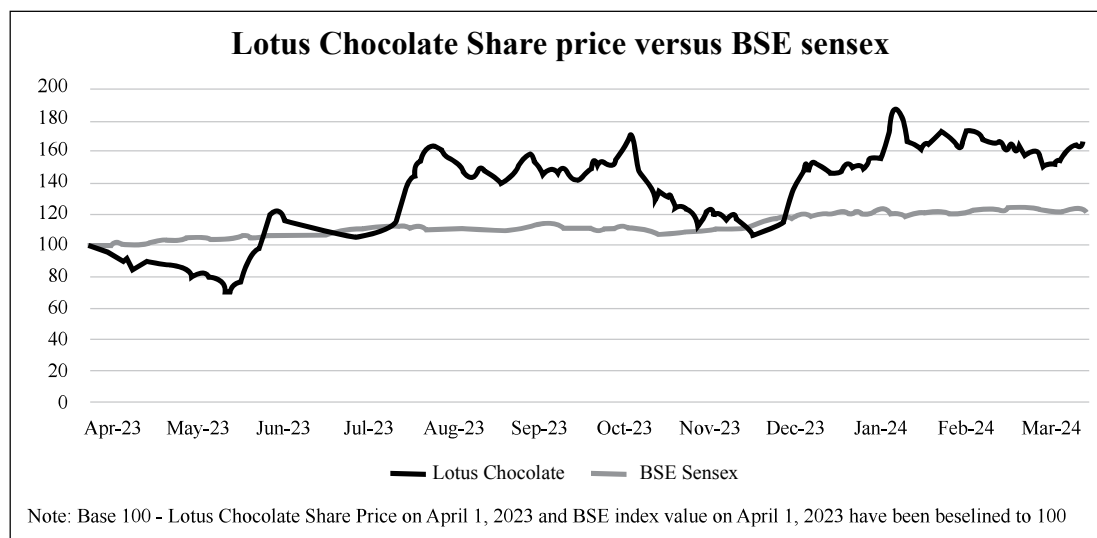
**Credit Rating**

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.

Sr. No.	Name of Directors	DIN	Date of Appointment
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