



Lotus Chocolate Company Ltd
(An ISO 22000:2005 Certified Company)

Sumedha Estates(Puzzolana Towers),
Avenue - 4, Street No.1, Road No.10,
Banjara Hills, Hyderabad - 500034, T.S., India.
Tel : 91-40-2335 2607/ 08 / 09
Fax : 91-402335 2610
E-mail : info@lotuschocolate.com
Web : www.lotuschocolate.com
CIN No : L15200TG1988PLC009111

19.07.2023 /LCCL/SEC/23-24

To,
The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001(MH)

Scrip Code: 523475

Sub: Annual Report for the financial year 2022-23 including Notice of Annual General Meeting

Dear Sir/Madam,

This is to inform that the Thirty-Fourth Annual General Meeting ("**AGM**") is scheduled to be held on **Thursday, August 10, 2023 at 11:30 a.m. (IST), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** in accordance with applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The Annual Report of the Company for the financial year 2022-23, including the Notice convening AGM, being sent through electronic mode to all the members of the Company whose e-mail address is registered with the Company / Registrar and Share Transfer Agent of the Company: CIL Securities Limited / Depositories participant(s), is attached.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at https://www.lotuschocolate.com/documents/Lotus_Annual_Report_2022-23.pdf

The details such as manner of (i) registering / updating email address; (ii) casting vote through e-voting and (iii) attending the AGM through VC have been set out in the Notice of the AGM.

The Company has fixed **Thursday, August 03, 2023** as the "**Cut-off Date**" for the purpose of determining the Members eligible to vote on the resolutions set out in the Notice of the AGM or to attend the AGM.

This is for your information and records.

Thanking you,

Yours truly,
For Lotus Chocolate Company Limited

SUBODHAKA
NTA SAHOO

Digitally signed by SUBODHAKANTA SAHOO
DN: c=IN, o=Oshwa,
2.5.4.20=16430607763391a4987a46642525a1ed761
9d3e6076b4a81818b1982_cmsatCode=756121,
st=AP, cn=SUBODHAKANTA SAHOO, title=MANAGING
DIRECTOR,
serialNumber=18842255d8a4893b758f53a5899da,
emailAddress=subodha@lotus.com, o=Lotus Chocolate Company
Private Limited, ou=Lotus Chocolate Company,
cn=SUBODHAKANTA SAHOO
Date: 2023.07.19 16:38:33 +05'30'

Subodhakanta Sahoo
Company Secretary & Compliance Officer

Encl: As Above



LOTUS CHOCOLATE COMPANY LIMITED

**34th ANNUAL REPORT
2022-23**

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BOARD OF DIRECTORS

Mr. Krishnakumar Thirumalai (w.e.f. May 24, 2023)
Non-Executive Director

Mr. Ketan Pravinchandra Mody (w.e.f. May 24, 2023)
Non-Executive Director

Mr. Dinesh Taluja (w.e.f. May 24, 2023)
Non-Executive Director

Ms. Renuka Shastry (w.e.f. May 24, 2023)
Non-Executive Director

Prof. Dipak C. Jain (w.e.f. May 24, 2023)
Independent Director

Mr. Krishnan Sudarshan (w.e.f. May 24, 2023)
Independent Director

Mr. Bharathan Rajagopalan Thatai
Independent Director

Mr. Subramanya Ram Ganapath
Executive Director

Mr. Gangasani Sudhakar Reddy (upto May 24, 2023)
Non-Executive Director

Ms. Usha Abbagani (upto May 24, 2023)
Non-Executive Director

Mr. Gottemukkala Venkatapathi Raju (upto May 24, 2023)
Independent Director

Mr. Admala Surya Prakash Reddy (upto May 24, 2023)
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Vivekanand Narayan Prabhu

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Subodhakanta Sahoo

REGISTERED OFFICE:

8-2-596, 1st Floor, 1B,
Sumedha Estates, Avenue - 4,
Puzzalona Towers, St. No.1. Rd. No.10,
Banjara Hills, Hyderabad - 500 034.
CIN : L15200TG1988PLC009111
Contact No : 97038 99902 / 95533 45552
Email : complaints@lotuschocolate.com
Website : www.lotuschocolate.com

REGISTRAR & SHARE TRANSFER AGENT

CIL SECURITIES LIMITED
214, Raghavaratna Towers, Chiragali Lane, Abids Hyderabad - 500001
Contact No : +91-040-2320 2465 Email : advisors@cilsecurities.com
Website : www.cilsecurities.com

AUDIT COMMITTEE

(Re-constituted w.e.f. May 24, 2023)
Mr. Bharathan Rajagopalan Thatai - *Chairman*
Prof. Dipak C. Jain
Mr. Krishnan Sudarshan
Mr. Dinesh Taluja

NOMINATION & REMUNERATION COMMITTEE

(Re-constituted w.e.f. May 24, 2023)
Mr. Krishnan Sudarshan - *Chairman*
Prof. Dipak C. Jain
Mr. Bharathan Rajagopalan Thatai
Mr. Ketan Mody

STAKEHOLDERS' RELATIONSHIP COMMITTEE

(Re-constituted w.e.f. May 24, 2023)
Mr. Dinesh Taluja - *Chairman*
Mr. G.S. Ram
Mr. Krishnan Sudarshan
Mr. Ketan Mody

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(Re-constituted w.e.f. May 24, 2023)
Mr. Bharathan Rajagopalan Thatai - *Chairman*
Mr. Krishnan Sudarshan
Mr. Ketan Mody
Mr. Dinesh Taluja

RISK MANAGEMENT COMMITTEE

(Re-constituted w.e.f. May 24, 2023)
Mr. Dinesh Taluja - *Chairman*
Mr. G.S. Ram
Mr. Krishnan Sudarshan
Mr. Ketan Mody

AUDITORS

M/s. VDNR & Associates
Chartered Accountants

SECRETARIAL AUDITOR

Mrs. Rakhi Agarwal

FACTORY

Doultabad, Nastipur Village, Hathnoora Mandal,
Sangareddy District, Telangana- 502296

BANKER

Canara Bank

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the members of Lotus Chocolate Company Limited will be held on Thursday, August 10, 2023 at 11:30 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No: 117366W/W-100018) be and are hereby appointed as the Statutory Auditors of the Company, for a term of five consecutive years commencing from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company on such terms and remuneration as recommended by the Audit Committee and approved by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS

3. To appoint Mr. Krishnakumar Thirumalai (DIN: 00079047) as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Krishnakumar Thirumalai (DIN: 00079047) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To appoint Mr. Ketan Mody (DIN: 07723933) as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ketan Mody (DIN: 07723933) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Mr. Dinesh Taluja (DIN: 08144541) as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Dinesh Taluja (DIN: 08144541) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.
- RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
6. To appoint Ms. Renuka Shastry (DIN: 02578917) as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Renuka Shastry (DIN: 02578917) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.
- RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
7. To appoint Prof. Dipak C. Jain (DIN: 00228513) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:
- “RESOLVED THAT** in accordance with the provisions of Section 149 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Prof. Dipak C. Jain (DIN: 00228513) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to May 23, 2028.
- RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
8. To appoint Mr. Krishnan Sudarshan (DIN: 01029826) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:
- “RESOLVED THAT** in accordance with the provisions of Section 149 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Krishnan Sudarshan (DIN: 01029826) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of

Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to May 23, 2028.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To adopt the restated Articles of Association of the Company and in this regard and if thought fit to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Sections 5(5) and Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the restated articles of association be and are hereby approved and adopted as the articles of association of the Company in substitution of and to the entire exclusion of the regulations contained in the existing articles of association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For LOTUS CHOCOLATE COMPANY LIMITED

Subodhakanta Sahoo
Company Secretary

Place : Hyderabad
Date : July 18, 2023

Registered Office:
8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4,
Puzzolana Towers, Street No.1, Road No. 10,
Banjara Hills, Hyderabad, Telangana-500034;
Tel No.: +91 40-2335 2607 / 08 / 09;
Fax No.: +91 40 2335 2610
Email: info@lotuschocolate.com
Website: www.lotuschocolate.com
CIN: L15200TG1988PLC009111

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has, vide its circular dated December 28, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Explanatory statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 and 2 of the Notice.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Company has appointed CIL Securities Limited, Registrar and Share Transfer Agent, to provide VC/OAVM facility for the Annual General Meeting and the attendant enablers for conducting of the AGM.

8. In compliance with the MCA Circulars and SEBI Circular dated January 05, 2023 read with SEBI circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.lotuschocolate.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
9. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and as per the requirements of Listing Regulations, the Company is providing the facility to its Members holding shares in physical or dematerialised form as on the cut-off date, i.e. 03rd August 2023, to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of AGM.
10. Members are requested to intimate / update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc., as per instructions set out below:
- For shares held in electronic form: to their Depository Participant and changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and CIL to provide efficient and better service to the Members. NSDL has provided a facility for registration / updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/loginandopt-in/opt-out> and for nomination through the link: <https://eservices.nsdl.com/instademmat-kyc-nomination/#/login>
 - For shares held in physical form: Pursuant to SEBI circulars, members are requested to furnish PAN, postal address, e-mail address, mobile number, specimen signature, bank account details and nomination by submitting to CIL the forms given below along with requisite supporting documents:

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

- Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Non-Resident Indian members are requested to inform the Company / CIL (if shareholding is in physical mode) / respective Depository Participants (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.

Voting through electronic means:

CDSL e-Voting System – For Remote e-voting and e-voting during AGM:

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

The facility of participation at the AGM through VC/OAVM will be made available to first come first served basis.

- iii) Institutional / Corporate Members (that is, other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to cs@lotuschocolate.com with a copy marked to rta@cilsecurities.com. Such authorisation should contain necessary authority in favour of its authorised representative(s) to attend the AGM.
- iv) The Board of Directors of the Company has appointed Mrs. Rakhi Agarwal, Company Secretary in whole-time practice (Membership No. F7047), as Scrutiniser to scrutinise the remote e-voting and e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.
- v) The result along with the Scrutiniser’s Report shall also be placed on the website of the Company at www.lotuschocolate.com and CDSL at www.evotingindia.com. The result will simultaneously be communicated to the Stock Exchange viz. BSE Limited. The result will also be displayed at the registered office of the Company. Members may also write to the Company Secretary in case of grievances connected with voting by electronic means at the mail id: cs@lotuschocolate.com.

Instructions for shareholders for remote e-voting are as under:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users of who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers’ site directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.

Type of shareholders	Login Method	Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.		3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select “Register Online for IDeAS “Portal or click at https:// eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp	Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

Commencement of remote e-voting	9:00 a.m. (IST) on Saturday, August 05, 2023
End of remote e-voting	5:00 p.m. (IST) on Wednesday, August 09, 2023

During this period, shareholders of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) of August 03, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “LOTUS CHOCOLATE COMPANY LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

(viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Lotus Chocolate Company Limited.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@lotuschocolate.com.
- ii) For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@lotuschocolate.com.
- iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

Instructions for shareholders attending the AGM through VC/OAVM are as under:

- i) **Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.**
- Shareholders may access the same at <https://www.evotingindia.com/> under shareholders/members login by using the remote e-voting credentials.**
- The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.**
- ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at cs@lotuschocolate.com.
- vi) The Speaker Registration will be open from **Tuesday, August 01, 2023 to Thursday, August 03, 2023**. The Company reserves the right to restrict the number of questions or number of speakers at the AGM depending on the availability of time for the AGM.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for shareholders for E-Voting during the AGM are as under:-

- i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting. Members seeking to inspect such documents can send an e-mail to cs@lotuschocolate.com.

EXPLANATORY STATEMENT/ STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (‘THE ACT’) AND INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 2:

Members of the Company at the 33rd annual general meeting of the Company held on September 30, 2022 approved the appointment of VDNR & Associates, Chartered Accountants (Firm Regn. No. 011251S) for a term of 5 consecutive years. Reliance Consumer Products Limited (RCPL), the FMCG arm and a wholly-owned subsidiary of Reliance Retail Ventures Limited, had acquired controlling stake in the Company on May 24, 2023. The Company in consultation with the Holding Company has proposed to appoint Deloitte Haskins and Sells LLP, one of the Big Four Audit Firms, as Auditors of the Company.

Based on the recommendation of Audit Committee, the Board of Directors of the Company, at its meeting held on July 18, 2023 has, considering the experience and expertise, proposed to the Members of the Company appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W / W - 100018) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

Deloitte Haskins & Sells LLP, Chartered Accountants, founded in 1997, has around 4000 professionals and staff. It has offices in major cities in the country. It has been engaged in statutory audits of some of the large companies in the various sectors.

Deloitte Haskins & Sells LLP, Chartered Accountants, have consented to their appointment as Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. Deloitte Haskins & Sells LLP, Chartered Accountants, Chartered Accountants have also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the ‘Peer Review Board’ of the ICAI.

The proposed remuneration to be paid to Auditors for the financial year 2023-24 is Rs. 15 lakh. The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

The audit fee proposed to be paid to the Auditors is commensurate with the scope of work, nature of industry, comparative audit fees in industry to Audit firms with similar credentials, clientele, repute and standing.

The Board is of the opinion that appointment of Deloitte Haskins & Sells LLP will enhance the internal financial processes, enable the Company to reap the benefit of technical competency, industry and domain expertise of the firm and enhance stakeholders' trust in financial reporting framework.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the Members.

ITEM NOS. 3 to 6:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company, had appointed Mr. Krishnakumar Thirumalai (DIN: 00079047), Mr. Ketan Mody (DIN: 07723933), Mr. Dinesh Taluja (DIN: 08144541) and Ms. Renuka Shastry (DIN: 02578917) as Additional Directors of the Company with effect from May 24, 2023. Pursuant to Section 161(1) of the Act, the said directors hold office up to the date of this meeting.

Mr. Krishnakumar Thirumalai, Mr. Ketan Mody, Mr. Dinesh Taluja and Ms. Renuka Shastry are not disqualified from being appointed as directors in terms of Section 164 of the Act and have respectively given their consent to act as directors.

The Company has received notices under Section 160 of the Act from Members proposing the candidature of Mr. Krishnakumar Thirumalai, Mr. Ketan Mody, Mr. Dinesh Taluja and Ms. Renuka Shastry for the office of a Director of the Company and accordingly, it is proposed to appoint them as Non-Executive Directors of the Company whose period of office will be liable to determination by retirement by rotation.

Details of Mr. Krishnakumar Thirumalai, Mr. Ketan Mody, Mr. Dinesh Taluja and Ms. Renuka Shastry are provided in the 'Annexure' to the Notice of AGM, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

The said directors shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Except Mr. Krishnakumar Thirumalai, Mr. Ketan Mody, Mr. Dinesh Taluja and Ms. Renuka Shastry and their relatives, (for resolution numbers 3-6, respectively) none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 3 to 6 of the Notice for approval by the members.

ITEM NOS. 7 to 8:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), and the Articles of Association of the Company, Prof. Dipak C. Jain (DIN: 00228513) and Mr. Krishnan Sudarshan (DIN: 01029826) as Additional Directors, to hold office as Independent Directors of the Company for a term of 5 (five) consecutive years with effect from May 24, 2023. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members.

Prof. Dipak C. Jain and Mr. Krishnan Sudarshan are not disqualified from being appointed as director in terms of Section 164 of the Act and has given their consent to act as director. The Company has also received declarations from the said directors confirming that they are not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India or any such authority.

The Company has received declarations from Prof. Dipak C. Jain and Mr. Krishnan Sudarshan that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Company has also received notices under Section 160 of the Act from members proposing the candidature of Prof. Dipak C. Jain and Mr. Krishnan Sudarshan for the office of Director of the Company.

In the opinion of the Board, Prof. Dipak C. Jain and Mr. Krishnan Sudarshan fulfils the conditions for appointment as Independent

Director as specified in the Act and the Listing Regulations. Prof. Dipak C. Jain and Mr. Krishnan Sudarshan are independent of the management and possesses appropriate skills, experience and knowledge.

Details of Prof. Dipak C. Jain and Mr. Krishnan Sudarshan are provided in the 'Annexure' to Notice of AGM, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ('SS2'), issued by the Institute of Company Secretaries of India. They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of the letter of appointment of Prof. Dipak C. Jain and Mr. Krishnan Sudarshan setting out the terms and conditions of appointment is available for inspection by the members electronically.

Except Prof. Dipak C Jain and Mr. Krishnan Sudarshan and their relatives, (for resolution numbers 7 and 8 respectively), none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions.

The Board commends the Special Resolutions set out at Item No. 7 and 8 of the Notice for approval by the members.

ITEM NO. 9:

The members may note that the shareholders' agreement entered into between the Company, Reliance Consumer Products Limited and the members of the current promoter and promoter group of the Company (the 'SHA'), came into effect from May 24, 2023.

The transactions under the share purchase agreement dated December 29, 2022, between Reliance Consumer Products Limited ('RCPL') and the current promoters consummated on May 24, 2023 and RCPL acquired 65,48,935 equity shares representing 51% of the paid-up equity share capital of the Company and acquired sole control of the Company with effect from May 24, 2023.

The members may note that in terms of the SHA, the Company is required to alter its existing articles of association to reflect the various provisions/terms of the SHA.

Accordingly, the Board of Directors, at its meeting held on May 24, 2023 has, subject to the approval of members, approved a new set of regulations in the articles of association of the Company.

Accordingly, it is proposed to adopt the regulations contained in the restated articles of association in substitution of and to the entire exclusion of the regulations contained in the existing articles of association of the Company.

The adoption of new set of regulations in the restated articles of association would require approval of the members of the Company in terms of Section 14 of the Companies Act, 2013 by way of a special resolution.

The draft restated articles of association which incorporate the provisions of the SHA, shall be available for inspection by the members electronically.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution. Copies of the Articles of Association is available for the inspection for the above said resolution.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

ANNEXURE TO THE NOTICE OF AGM DATED JULY 18, 2023
Details of the Directors seeking appointment at the Meeting:
1. Mr. Krishnakumar Thirumalai

Name of Director	Mr. Krishnakumar Thirumalai
DIN	00079047
Age	64 Years
Date of Birth	October 20, 1959
Date of Appointment on the Board	May 24, 2023
Qualification	MBA from Indian Institute of Management, Bangalore and also advanced Management Program from the Wharton School, USA. BE (Hons) from the College of Engineering, Guindy, Chennai.
Relationship between Directors inter-se	Nil
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	NA
Remuneration proposed to be paid	As per the Explanatory Statement
Number of meetings of the Board attended during the financial year 2022-23	NA
Expertise in specific functional areas	He has over 4 decades of experience in the FMCG sector, across developing and emerging markets, handling strategy, marketing, sales, distribution and supply chain. He was the President of Coca Cola India & South West Asia and he was instrumental in making Coca Cola the largest beverage company in India as a market leader with a profitable growth.
Terms and conditions of appointment	As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Krishnakumar Thirumalai is proposed to be appointed as a Non-executive Director.
List of Other Companies in which Directorship is held as on July 18, 2023	<ul style="list-style-type: none"> • E.I.D Parry (India) Limited • KSL Media Limited • Reliance Consumer Products Limited
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on July 18, 2023	Reliance Consumer Products Limited <ul style="list-style-type: none"> • Nomination and Remuneration Committee- Member
No. of shares held in the Company	Nil
Listed entities from which the director has resigned in the last 3 years.	Nil

2. Mr. Ketan Mody

Name of Director	Mr. Ketan Mody
DIN	07723933
Age	46 Years
Date of Birth	December 07, 1976
Date of Appointment on the Board	May 24, 2023
Qualification	Chartered Accountant
Relationship between Directors inter-se	Nil
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	NA
Remuneration proposed to be paid	As per the Explanatory Statement
Number of meetings of the Board attended during the financial year 2022-23	NA
Expertise in specific functional areas	He has over two decades of experience spanning various industries including FMCG, Retail, & Telecom, Fashion & Lifestyle, in treasury, finance and strategy roles. His expertise lies in business strategy, operations, planning & strategic alliances. He has worked extensively in corporate development and inorganic growth, including mergers and acquisitions (M&A), partnerships, and joint ventures (JVs).
Terms and conditions of appointment	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Ketan Mody is proposed to be appointed as a Non-executive Director.
List of Other Companies in which Directorship is held as on July 18, 2023	Sosyo Hajoori Beverages Private Limited
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on July 18, 2023	Nil
No. of shares held in the Company	Nil
Listed entities from which the director has resigned in the last 3 years.	Nil

3. Mr. Dinesh Taluja

Name of Director	Mr. Dinesh Taluja
DIN	08144541
Age	43 Years
Date of Birth	August 31, 1979
Date of Appointment on the Board	May 24, 2023
Qualification	B. Tech from IIT Delhi and MBA from IIM Ahmedabad
Relationship between Directors inter-se	Nil
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	NA
Remuneration proposed to be paid	As per the Explanatory Statement
Number of meetings of the Board attended during the financial year 2022-23	NA
Expertise in specific functional areas	He has over 18 years of experience across Investment Banking, Management Consulting & Private Equity. Previously, he was associated with Credit Suisse where he was leading their M & A operations in India. Mr. Dinesh Taluja had earlier worked in various roles across Standard Chartered Bank, McKinsey & Company and Peepul Capital.
Terms and conditions of appointment	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Dinesh Taluja is proposed to be appointed as a Non-executive Director.
List of Other Companies in which Directorship is held as on July 18, 2023	<ul style="list-style-type: none"> • Just Dial Limited • Reliance Abu Sandeep Private Limited • Reliance Beauty & Personal Care Limited • Rod Retail Private Limited • Reliance Consumer Products Limited • NextGen Fast Fashion Limited • Reliance Logistics And Warehouse Holdings Limited • Reliance Mappedu Multi Modal Logistics Park Limited • Metro Cash and Carry India Private Limited
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on July 18, 2023	<p>Just Dial Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee - Member • Risk Management Committee - Member <p>Reliance Consumer Products Limited</p> <ul style="list-style-type: none"> • Audit Committee- Chairman • Nomination and Remuneration Committee- Chairman
No. of shares held in the Company	Nil
Listed entities from which the director has resigned in the last 3 years.	Nil

4. Ms. Renuka Shastry

Name of Director	Ms. Renuka Shastry
DIN	02578917
Age	43 Years
Date of Birth	December 22, 1979
Date of Appointment on the Board	May 24, 2023
Qualification	Law graduate from Bangalore University and Company Secretary.
Relationship between Directors inter-se	Nil
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	NA
Remuneration proposed to be paid	As per the Explanatory Statement
Number of meetings of the Board attended during the financial year 2022-23	NA
Expertise in specific functional areas	She has 17 years of experience across Private Equity, Ecommerce and Information Technology industry. She has been an in-house counsel for Amazon previously where she was advising on various legal matters.
Terms and conditions of appointment	As per the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto, Ms. Renuka Shastry is proposed to be appointed as a Non-executive Director.
List of Other Companies in which Directorship is held as on July 18, 2023	V-Retail Private Limited
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on July 18, 2023	Nil
No. of shares held in the Company	Nil
Listed entities from which the director has resigned in the last 3 years.	Nil

5. Prof. Dipak C. Jain

Name of Director	Prof. Dipak C. Jain
DIN	00228513
Age	66 Years
Date of Birth	June 09, 1957
Date of Appointment on the Board	May 24, 2023
Qualification	M.Sc. in Mathematical Statistics from Guwahati University, India and a Ph.D. in Marketing from the University of Texas at Dallas, USA.
Relationship between Directors inter-se	Nil
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	NA
Remuneration proposed to be paid	As per the Explanatory Statement
Number of meetings of the Board attended during the financial year 2022-23	NA
Expertise in specific functional areas	He has more than 40 years of experience in management education. He has published several articles in international journals on marketing and allied subjects.
Terms and conditions of appointment	As per the resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto, Prof. Dipak C. Jain is proposed to be appointed as an Independent Director.
List of Other Companies in which Directorship is held as on July 18, 2023	<ul style="list-style-type: none"> • John Deere & Company • Reliance Retail Ventures Limited • Reliance Jio Infocomm Limited • Reliance Retail Limited • Reliance Consumer Products Limited • Metro Cash and Carry India Private Limited
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on July 18, 2023	Reliance Retail Ventures Limited <ul style="list-style-type: none"> • Audit Committee- Member • Corporate Social Responsibility Committee- Member • Nomination and Remuneration Committee- Member
	Reliance Jio Infocomm Limited <ul style="list-style-type: none"> • Audit Committee- Member • Nomination and Remuneration Committee- Member • Stakeholders Relationship Committee-Chairman
	Reliance Retail Limited <ul style="list-style-type: none"> • Audit Committee- Member • Corporate Social Responsibility Committee- Member • Nomination and Remuneration Committee- Member • Stakeholders Relationship Committee- Member
	Reliance Consumer Products Limited <ul style="list-style-type: none"> • Audit Committee- Member • Nomination and Remuneration Committee- Member
No. of shares held in the Company	Nil
Listed entities from which the director has resigned in the last 3 years.	Nil

6. Mr. Krishnan Sudarshan

Name of Director	Mr. Krishnan Sudarshan
DIN	01029826
Age	53 Years
Date of Birth	May 07, 1970
Date of Appointment on the Board	May 24, 2023
Qualification	Engineering graduate from National Institute of Technology, Kurukshetra and currently pursuing the Owner / President Management Program (OPM) at the Harvard Business School.
Relationship between Directors inter-se	Nil
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	NA
Remuneration proposed to be paid	As per the Explanatory Statement
Number of meetings of the Board attended during the financial year 2022-23	NA
Expertise in specific functional areas	He leads EMA Partners across India, Singapore & the Middle East and is part of the global firm's executive board responsible for the Marketing & Communications portfolio. Operating from Mumbai & Singapore, He has over 25 years of experience in Executive search and has led successful engagements for both Indian and multinational corporations across industry sectors and functional disciplines. He also leads the Board and CEO practice for the firm in India.
Terms and conditions of appointment	As per the resolution at Item No. 8 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Krishnan Sudarshan is proposed to be appointed as an Independent Director.
List of Other Companies in which Directorship is held as on July 18, 2023	<ul style="list-style-type: none"> • Genesis Colors Limited • Reliance Brands Limited • Purple Panda Fashions Limited • Shopsense Retail Technologies Limited • Reliance Consumer Products Limited • V - Retail Private Limited • Cnergyis Infotech India Private Limited • EMA Partners India Private Limited • Selectema Consulting India Private Limited • Reccloud Technologies Private Limited • Reliance Brands Luxury Fashion Private Limited • Urban Ladder Home Decor Solutions Limited • Emagine People Technologies Private Limited • EMA Decision Dynamics Private Limited • James Douglas Professional Search India Private Limited • Vitalic Health Limited • EMA Partners Executive Search Private Limited • Metro Cash and Carry India Private Limited

Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on July 18, 2023	Genesis Colors Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member
	Reliance Brands Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member
	Reliance Brands Luxury Fashion Private Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member
	Purple Panda Fashions Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member
	Reliance Consumer Products Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member
	V - Retail Private Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Chairman Corporate Social Responsibility Committee- Member
	Vitalic Health Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member Corporate Social Responsibility Committee- Member
	Urban Ladder Home Décor Solutions Limited <ul style="list-style-type: none"> Audit Committee- Member Nomination and Remuneration Committee- Member Corporate Social Responsibility Committee- Member
No. of shares held in the Company	Nil
Listed entities from which the director has resigned in the last 3 years.	Nil

By Order of the Board
For **LOTUS CHOCOLATE COMPANY LIMITED**

Place : Hyderabad
Date : July 18, 2023

Subodhakanta Sahoo
Company Secretary

Registered Office:

8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers,
Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana-500034;
Tel No.: +91 40-2335 2607 / 08 / 09;
Fax No.: +91 40 2335 2610
Email: info@lotuschocolate.com
Website: www.lotuschocolate.com
CIN: L15200TG1988PLC009111

Board's Report

Dear Members,

The Board of Directors present the Company's Thirty Fourth Annual Report and the Company's audited financial statements for the financial year ended on March 31, 2023.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2023 is summarized below:

(Rs. in crore)

Particulars	2022-23	2021-22
Revenue from Operations	62.72	86.98
Profit/(Loss) Before Depreciation, Amortisation, Interest and Taxes	(6.53)	6.41
Less: Interest	0.23	0.18
Less: Depreciation and Amortisation Expense	0.17	0.22
Profit/(Loss) Before Tax	(6.93)	6.01
Less: Tax Expense* (* includes current tax, deferred tax, short /excess provision of tax relating to earlier years)	0.02	0.00
Profit/(Loss) for the Year	(6.95)	6.01
Add: Other comprehensive Income	-	-
Total Comprehensive Income for the Year	(6.95)	6.01
Less: Total Comprehensive Income attributable to Non-Controlling Interest	-	-
Total Comprehensive Income Attributable to Owners of the Company	(6.95)	6.01
Less: Appropriation (Transfer to Retained Earnings)	(6.95)	6.01
Earnings Per Share (Basic) (in Rs.)	(5.42)	4.68

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Financial Statements of the Company for the financial year ended March 31, 2023, have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and the provisions of Companies Act, 2013.

During the year under review, the operating turnover of the Company decreased by 27.88% to Rs. 62.72 crore as compared to Rs. 86.98 crore in the previous year.

The Company incurred a loss for the year amounting to Rs. 6.95 crore as compared to profit of Rs. 6.01 crore in the previous year.

The Company continues its business of manufacturers of the finest chocolates, cocoa products and cocoa derivatives. The Company supplies cocoa and chocolate products, starting from the sourcing of fine quality cocoa beans to processing of cocoa beans and delivering the finest chocolates. The Company has a fully integrated manufacturing facility and is built with the best technologies and expertise from across the globe.

DIVIDEND

In view of the losses incurred, the Board of Directors of your Company has not recommended any dividend for the financial year 2022-23.

TRANSFER TO RESERVES

During the year under review, no amount has been transferred to the Reserves of the Company.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business carried on by the Company during the year under review.

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

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relates and date of this Report.

MATERIAL EVENTS DURING THE YEAR UNDER REVIEW**Change in control over the Company**

Reliance Consumer Products Limited ('RCPL') entered into a Share Purchase Agreement (SPA) dated December 29, 2022, with Mr. Ananth P. Pai and Mr. Prakash P. Pai ('Erstwhile Promoters') to acquire from the Erstwhile Promoters 65,49,065 Equity Shares of the Company constituting 51% of the total equity share capital of the Company. Further, RCPL also entered in an Investment Agreement with the Company and certain members of the promoter group of the Company and their affiliate entity ('Promoter Group Subscribers'), in terms of which RCPL and the Promoter Group Subscribers would each infuse Rs.25,39,66,000 and subscribe to 2,53,96,600, 0.01% - 20 year non-convertible non-cumulative redeemable preference shares of INR 10 each, at par. Additionally, RCPL entered into a Shareholders Agreement (SHA) dated December 29, 2022, with the erstwhile Promoters and the other members of the promoter group of the Company in terms of which on the Closing Date (as defined in the SPA), RCPL shall become the 'Promoter' of the Company and shall be in sole control over the Company.

Further to the execution of the SPA and SHA, RCPL made an open offer to the public shareholders of the Company in terms of the SEBI Takeover Regulations and on April 6, 2023, completed the acquisition of 130 equity shares of the Company under the open offer.

The Company also entered into a share purchase agreement dated December 29, 2022, with Soubhagya Confectionary Private Limited ('SCPL') and its shareholders consisting of the erstwhile Promoters and certain members of the promoter group of the Company for acquiring 100% of the equity share capital of SCPL for an aggregate consideration of Rs.18 crore

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, i.e. within the meaning of Section 2(31) of the Companies Act, 2013 read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 and as such there are no such overdue deposits outstanding as on 31st March 2023.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board as on March 31, 2023 comprised of 6 (Six) Directors out of which 2 (Two) are Independent Directors, 3 (Three) are Non-Executive Directors and 1 (One) is an Executive Director.

a) Changes in Directors and Key Managerial Personnel

During the year under review, based on the recommendations of the Nomination and Remuneration Committee, the Board had appointed Mr. Admala Surya Prakash Reddy (DIN: 07567290) as Non-Executive Director of the Company with effect from August 05, 2022 and his appointment was approved by the shareholders of the Company in subsequent annual general meeting on September 30, 2022.

b) Key Managerial Personnel

During the year under review, Mr. Vivekanand Narayan Prabhu resigned as the Chief Financial Officer with effect from June 30, 2022 and was re-inducted as the Chief Financial Officer of the Company with effect from December 5, 2022.

As on March 31, 2023, the following are the Key Managerial Personnel of the Company as per the provisions of the Act and rules made thereunder:

- Mr. Ram Subramanya Ganpath (DIN: 02395478), Whole-time Director
- Mr. Vivekanand Narayan Prabhu, Chief Financial Officer
- Mr. Subodhakanta Sahoo, Company Secretary

c) Independent Directors

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

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- b) they have registered their names in the Independent Directors' Databank.

The Company has devised, inter alia, the following policies viz.

- i) Policy on Appointment of Directors and Senior Managerial Personnel and their Remuneration
- ii) Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

The aforesaid policies are available on the Company's website and can be accessed at

<https://www.lotuschocolate.com/documents/policies/Nominations-and-Remuneration-Policy.pdf>

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

PERFORMANCE EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time the Nomination and Remuneration Committee laid down criteria for performance evaluation of individual director(s), the board and its committee(s). Accordingly, an annual evaluation was carried out for the Board's performance, its Committees and individual director(s). The Board has carried out the annual performance evaluation on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc.

SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

DISCLOSURES**Meetings of the Board**

8 (Eight) Meetings of the Board of Directors were held during the year under review. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report forming part of the Annual Report.

Committees of Board

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

The Committees and their composition as on March 31, 2023 are as follows:

• Audit Committee

The Audit Committee comprised of Mr. Bharathan Rajagopalan Thatai (Chairman), Mr. Venkatapathi Raju Gottemukkala and Ms. Usha Abbagani.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

• Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprised of Mr. Bharathan Rajagopalan Thatai (Chairman), Mr. Gangasani Sudhakar Reddy and Ms. Usha Abbagani.

• Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised of Mr. Venkatapathi Raju Gottemukkala, (Chairman), Mr. Bharathan Rajagopalan Thatai and Ms. Usha Abbagani.

• Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprised of Ms. Usha Abbagani, (Chairperson), Mr. Venkatapathi Raju Gottemukkala and Mr. Subramanya Ram Ganpath.

• Risk Management Committee

The Risk Management Committee comprised of Mr. Gangasani Sudhakar Reddy, (Chairman), Ms. Usha Abbagani and Mr. Subramanya Ram Ganpath.

The details of the dates of the meetings, attendance and terms of reference of each of the Committees and changes in the composition of the Committees during the year under review are given in the Corporate Governance Report forming part of the Annual Report.

Further, during the year under review, there are no such cases where the recommendation of any Committee of the Board, has not been accepted by the Board.

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

The Company has not given any loan or guarantee, made investment or provided security in connection with loan to any other body corporate or person as prescribed under Section 186(2) of the Act.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

During the year under review, the Company had not entered into contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on Materiality of Related Party Transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has made full disclosure of transactions with the related parties as set out in Note 30 and 33 of Financial Statement, forming part of the Annual Report.

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

The Company's Policy on Materiality of Related Party Transactions and on 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>

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s. VDNR & Associates, Chartered Accountants (Firm Registration No. 011251S) were appointed as the Statutory Auditors of the Company for a term of 5 consecutive years at the Annual general Meeting held on September 30, 2022. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mrs. Rakhi Agarwal, Company Secretary in Whole-time Practice to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report is annexed to this report as "Annexure-II". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ('SEBI'). The report on Corporate Governance as stipulated under the Listing Regulations forms part of this Annual Report.

The Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance annexed to the Annual Report as "Annexure-IV".

ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the draft Annual Return of the Company for the financial year 2022-23 is available on the website of the Company and can be accessed at: http://www.lotuschocolate.com/investor_relation.

INTERNAL FINANCIAL CONTROLS

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

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

The Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

RISK MANAGEMENT

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Risk Management Committee oversees the risk management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy aims at conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Policy is available on the Company's website and can be accessed at: <https://www.lotuschocolate.com/documents/policies/Whistle-blower-Policy.pdf>.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism and Whistle Blower Policy of the Company was received by the Company.

CORPORATE SOCIAL RESPONSIBILITY

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

During the year under review, on the recommendation of CSR Committee, the Board of Directors of the Company at its meeting held on January 31, 2023 approved and adopted revised CSR Policy of the Company, which may be accessed on the Company's website at <https://www.lotuschocolate.com/documents/policies/LCCL-CSR-Policy.pdf>.

The CSR Policy of the Company, *inter alia*, covers CSR objectives, vision, mission and also provides for governance, implementation, monitoring and reporting framework.

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

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the "Annexure-III" forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors' state that:

- a) in the preparation of the accounts for the financial year ended March 31, 2023, the applicable accounting standards read with the requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws in place and were adequate and operating effectively.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to: info@lotuschocolate.com.

GENERAL

During the year under review:

- 1) The Company had not issued any equity shares with differential rights as to dividend, voting or otherwise.
- 2) The Company had not issued any shares (including sweat equity shares) to directors or employees of the Company under any scheme.
- 3) The Company had not issued any debentures, bonds, warrants or any other convertible securities.
- 4) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- 5) No significant and/or material order was passed by any Regulator/Court/Tribunal which impacts the going concern status of the Company or its future operations.
- 6) No fraud has been reported by Auditors to the Audit Committee or the Board.
- 7) There is no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016.

-
- 8) There was no instance of one-time settlement with any Bank or Financial Institution.
- 9) The Company does not have any subsidiary, joint venture or an associate company.
- 10) Maintenance of cost records as prescribed by the Central Government under Section 148(1) of the Act is not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

For and on behalf of the Board of Directors

G.S. Ram
Whole time director
DIN: 02395478

T.R. Bharathan
Director
DIN: 02464132

Place : Hyderabad
Date : 22.05.2023

<u>Annexures to Board's Report</u>	
Annexure No.	Content
I.	Annual Report on Corporate Social Responsibility (CSR) Activities
II.	Form MR-3 – Secretarial Audit report
III.	Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
IV.	Report on Corporate Governance

ANNEXURE-I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23**1. Brief outline on CSR Policy of the Company:**

The Company has set high ethical standards for all its dealings and believes in inspiring trust and confidence. We strongly believe that, we exist not only for doing good business, but equally for the betterment of the Society. The Company has implemented its CSR policy/ charter to focus on the following areas inter-alia:

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Bharathan Rajagopalan Thatai	Chairperson (Non-Executive Independent Director)	1	1
2.	Ms. Usha Abbagani	Member (Non-Executive Director)	1	1
3.	Mr. Gangasani Sudhakar Reddy	Member (Non-Executive Director)	1	1

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

The web links are as under:

Composition of CSR Committee	https://www.lotuschocolate.com/documents/disclosures/Composition_of_Various_Committee_of_Board_of_directors_0723.pdf
CSR Policy	https://www.lotuschocolate.com/documents/policies/LCCL-CSR-Policy.pdf
CSR projects approved by the Board	https://www.lotuschocolate.com/documents/policies/LCCL-CSR-Policy.pdf

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

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 2,81,92,666/-
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 5,63,853/-
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any: Nil.
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 5,63,853/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 5,63,853/-
 (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 5,63,853/-
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount (in ₹)	Date of transfer
5,63,853/-	NIL		-	-	-

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

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	5,63,853/-
(ii)	Total amount spent for the Financial Year	5,63,853/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

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

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in Succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Nil								

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

Yes/ No

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

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA							

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

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

Not applicable

For and on behalf of the Board of Directors

G.S. Ram
Whole time director
DIN: 02395478

T.R. Bharathan
Director
DIN: 02464132

Place : Hyderabad
Date : 22.05.2023

ANNEXURE-II

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions of the Act, Rules and Regulations as mentioned below and the adherence to good corporate practices by Lotus Chocolate Company Limited (herein after called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification on the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and other authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2023 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 ("Audit Period") according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there-under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; NA
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; NA
 - (g) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; NA
 - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; NA
 - (i) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021; NA
- vi) I have also examined compliance with the applicable clauses of the following:
 - (a) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company.
 - (b) The Listing Agreement entered into by the Company with BSE Limited

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

I, further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (b) Adequate Notice is given to all the Directors to schedule the Meetings of the Board and Committees. Except where the consent of Directors was received for scheduling the meeting at a shorter notice, agenda and detailed notes on agenda were sent at least 7 days in advance.
- (c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has complied with the provisions of the Act, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of Register of Members;
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
- d. service of documents by the Company on its Members, Debenture holders, Stock Exchanges, Auditors and the Registrar of Companies;
- e. notice of Board and various Committee meetings of Directors;
- f. meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g. notice and convening of Annual General Meeting held on 30.09.2022;
- h. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
- j. constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors and Executive Directors;
- k. payment of remuneration to Directors, Managing Director and Executive Directors;
- l. appointment and remuneration of Statutory Auditors;
- m. transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- n. borrowings and registration of charges;
- o. report of the Board of Directors;
- p. generally, all other applicable provisions of the Act and the Rules thereunder.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws including specific industry related laws:

- (a) Rule 3(4) A.P. Shops and Establishment Rule, 1990.
- (b) Factories Act, 1948 and its other related acts, and the rules made thereunder as applicable.
- (c) Food Safety and Standards Act, 2006, rules and regulations thereunder.
- (d) Legal Metrology Act, 2009 rules and regulations thereunder.

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

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

Place: Hyderabad
Date: May 22, 2023

RAKHI AGARWAL
COMPANY SECRETARY
FCS NO.7047
CP NO.6270
UDIN:F007047E000585121

To,
The Members,
LOTUS CHOCOLATE COMPANY LIMITED,
H.No.8-2-596,1st Fl, 1B, Sumedha Estates,
Avenue-4, Puzzolana Towers, Street No.1,
Road.10, Banjara Hills,
Hyderabad- 500 034(TG)

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: May 22, 2023

RAKHI AGARWAL
COMPANY SECRETARY
FCS NO.7047
CP NO.6270
UDIN:F007047E000585121

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

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

(A) CONSERVATION OF ENERGY:**(i) The steps taken or impact on conservation of energy:**

The Company has a well-structured energy management system in place and regular efforts are made to optimize process parameters and conserve energy. Additionally, the Company has also installed the energy saving devices such as CFL Lamps and LED Lamps, Power Capacitors, Steam Condensate Recovery, Street Lighting Timer, Water Level Controller.

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

We are continuing to use power supply from current department and the captive generation in absence of power.

(iii) The capital investment on energy conservation equipments:

No capital Investment on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION:**(i) Efforts made in technology absorption:**

Improvement in process is a continuous activity.

(ii) Benefits derived:

Many contributions from the floor personnel has helped our process flow helping as save on cost and time.

(iii) Information regarding imported technology (imported during last three years): Nil**(iv) Expenditure incurred on research and development: Nil****(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year the total Foreign Exchange outgo is Rs. 10.99 crore (previous year Rs. 11.54 crore). Gain due to Forex Fluctuations Rs. 5.78 lakh.

For and on behalf of the Board of Directors

G.S. Ram
Whole time director
DIN: 02395478

T.R. Bharathan
Director
DIN: 02464132

Place : Hyderabad
Date : May 22, 2023

Report on Corporate Governance

ANNEXURE-IV

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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 of 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 endeavours 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 March 31, 2023, the Board consisted of the following:

- 2 (Two) Non-Executive Independent Directors;
- 1 (One) Executive Director;
- 2 (Two) Non-Executive Director;
- 1 (One) Non-Executive Woman Director

b) Attendance of each director at the Board Meetings and the General Meetings for the financial year ended March 31, 2023:

The particulars of attendance of Board Meetings and General Meetings by Directors for the financial year ended March 31, 2023 has been set out here below:

Sr. No.	Name of the Director	Designation	Category	Number of Board Meetings		Attendance at last AGM on 30.09.2022
				Held	Attended	
1	Mr. Bharathan Rajagopalan Thatai	Chairman	Independent Director	8	8	Yes
2	Mr. Gottemukkala Venkatapathi Raju	Director	Independent Director	8	8	Yes
3	Mr. Subramanya Ram Ganpath	Whole-time director	Executive Director	8	8	Yes
4	Mr. Gangasani Sudhakar Reddy	Director	Non-Executive Director	8	8	Yes
5	Mr. Admala Surya Prakash Reddy	Director	Non-Executive Director	8	5	Yes
6	Ms. Usha Abbagani	Director	Non-Executive Director	8	8	Yes

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

Sr. No.	Name of the Director	Other Directorships	Committee Membership (As per Regulation 26 of Listing Regulations)	Committee Chairmanship (As per Regulation 26 of Listing Regulations)
1	Mr. Subramanya Ram Ganapath	0	1	0
2	Mr. Gottemukkala Venkatapathi Raju	0	2	0
3	Mr. Bharathan Rajagopalan Thatai	0	1	1
4	Mr. Gangasani Sudhakar Reddy	0	0	0
5	Ms. Usha Abbagani	0	2	1
6	Mr. Admala 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, 8 (Eight) Board Meetings were held during the financial year ended on March 31, 2023. 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 duly convened and held are May 18, 2022, June 30, 2022, August 5, 2022, September 6, 2022, November 11, 2022, December 5, 2022, December 29, 2022 and January 31, 2023.

e) Disclosure of relationship between Director inter-se:

None of the Directors are related to each other.

f) Shares held by Non-Executive Directors

The number of equity shares held by Non-Executive Directors, as on March 31, 2023 are as follows:

Sr. No.	Name of the Director	No of Equity Shares
1	Mr. Gottemukkala Venkatapathi Raju	1,20,000
2	Mr. Bharathan Rajgopalan Thatai	2,000
3	Mr. Gangasani Sudhakar Reddy	1,745
4	Ms. Usha Abbagani	-
5	Mr. Admala Surya Prakash Reddy	746

g) Familiarisation programmes for independent directors:

The Company conducted 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. During the year 2022-23, periodic presentations were made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. Independent Directors were explained various aspects of business and operations. The details of familiarization program is available on the website and can be accessed at:

https://www.lotuschocolate.com/documents/disclosures/Familiarization_of_Independent_Directors.pdf

h) Core skills / expertise / competencies available with the Board

The Board comprises of qualified and experienced members who possess required skills, expertise and competencies that allow 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:

- Expertise and knowledge in the field of Confectionery segment.

- Expertise and knowledge in Engineering and Food
- Expertise and knowledge in Legal and other regulatory affair
- Knowledge of Finance

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. Subramanya Ram Ganpath	Expertise and knowledge in the field of Cocoa and Chocolate Industries.
2	Mr. Gottemukkala Venkatapathi Raju	Expertise and knowledge in the field of Engineering and Food
3	Mr. Bharathan Rajgopalan Thatai	Expertise and knowledge in the field of Finance
4	Mr. Gangasani Sudhakar Reddy	Expertise and knowledge in the field of Engineering and Food
5	Ms. Usha Abbagani	Expertise and knowledge in the field of Legal and other regulatory affair
6	Mr. Admala Surya Prakash Reddy	Expertise and knowledge in the field of Agro based Industry

i) Confirmation from the Board:

The Board of the Company comprises of 2 (two) Independent Directors, constituting one-third of total strength of the Board.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Selection and Appointment of Independent Directors:

The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Independent Director and recommend to the Board his / her appointment. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position. The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.

3. BOARD COMMITTEES:

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

A. AUDIT COMMITTEE:

(i) Brief 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.
- 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.

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

(ii) Composition:

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

Sr. No.	Name of Director	Designation
1	Mr. Bharathan Rajagopalan Thatai	Chairman (Independent Director)
2	Mr. Gottemukkala Venkatapathi Raju	Member (Independent Director)
3	Ms. Usha Abbagani	Member (Non-Executive Director)

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising of two Independent Directors and one Non-Executive Director. As Mr. 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.

(iii) Meeting and attendance:

During the financial year, 6 (Six) meetings of the Committee were held on May 18, 2022; August 05, 2022; November 11, 2022, December 05, 2022, December 29, 2022 and January 31, 2023, respectively. The details of the meetings and attendance of members of the Committee at these meetings are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1	Mr. Bharathan Rajagopalan Thatai	6	6
2	Mr. Gottemukkala Venkatapathi Raju	6	6
3	Ms. Usha Abbagani	6	6

The representatives of 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.

B. NOMINATION & REMUNERATION COMMITTEE:

(i) Brief terms of reference:

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.

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

(ii) Composition:

The Nomination & Remuneration Committee presently comprises of following:

Sr. No.	Name of Director	Designation
1.	Mr. Gottemukkala Venkatapathi Raju	Chairman (Independent Director)
2.	Mr. Bharathan Rajagopalan Thatai	Member (Independent Director)
3.	Ms. Usha Abbagani	Member (Non-Executive Director)

(iii) Meeting and Attendance:

During the financial year, 2 (two) meetings of the Committee were held on August 05, 2022 and December 05, 2022 respectively. The details of the meetings and attendance of members of the Committee at these meetings are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1	Mr. Gottemukkala Venkatapathi Raju	2	2
2	Mr. Bharathan Rajagopalan Thatai	2	2
3	Ms. Usha Abbagani	2	2

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 business so as to attract and retain quality talent and leverage performance significantly. The Nomination and Remuneration Policy, *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 fee to the Non-executive Directors.

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

The Non-Executive 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:**(In Rs. Per Annum)**

Name of Director	Salary	H R A	Commission	Perks	Total
Mr. Subramanya Ram Ganpath, Whole time Director	7,45,800	—	—	—	7,45,800
TOTAL	7,45,800	—	—	—	7,45,800

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:

The 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.

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. The Code of Conduct is available on the Company’s website.

INDEPENDENT DIRECTORS’ MEETING:

During the year, 1 (One) separate meeting of Independent Directors was held on March 13, 2023, without the attendance of Non-Independent Directors and members of the management, to review the performance of the Chairman, Non-Independent Directors, various committees of the Board and the Board as a whole in accordance with the listing regulation, 2015. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information from the management to the Board and its committees which is necessary to perform reasonably and discharge their duties. The meeting was attended by all the Independent Directors of the Company.

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 and circulated, 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, Non-independent Directors and the Board as a whole was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(i) Brief 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.

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

(ii) Composition:

Sr. No.	Name of Director	Designation
1.	Ms. Usha Abbagani	Chairperson (Non-Executive Director)
2.	Mr. Gottemukkala Venkatapathi Raju	Member (Independent Director)
3.	Mr. Subramanya Ram Ganpath	Member (Executive Director)

(iii) Meeting and Attendance:

During the financial year, 1 (one) meeting of the Committee was held on March 29, 2023. The details of the meeting and attendance of members of the Committee at this meeting are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1	Ms. Usha Abbagani	1	1
2	Mr. Gottemukkala Venkatapathi Raju	1	1
3	Mr. Subramanya Ram Ganpath	1	1

(iii) Name and Designation of the Compliance Officer

Mr. Subodhakanta Sahoo - Company Secretary

(iv) Status of Investor Complaints for the Financial Year

Nature of Complaint	Received	Resolved
Non-receipt of Share Certificates sent for transfer	1	1
Non-receipt of Dividend Warrants	Nil	Nil
Any other complaints (Change of address)	Nil	Nil
There are no outstanding complaints as on 31.03.2023		

D. RISK MANAGEMENT COMMITTEE:**(i) Brief terms of reference:**

The Company has voluntarily formulated a Risk Management Committee. Risk Management Committee reviews and discusses, as and when appropriate, with management, the Company's risk governance structure and the Company's risk assessments and minimisation procedures. The Committee also reviews the major risk exposures of the Company and its business including market, credit, operational, liquidity, funding and reputational 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

(ii) Composition:

The Risk Management Committee presently comprises of following:

Sr. No	Name of Director	Designation
1.	Mr. Gangasani Sudhakar Reddy	Chairman (Non-Executive Director)
2.	Ms. Usha Abbagani	Member (Non-Executive Director)
3.	Mr. Subramanya Ram Ganpath	Member (Executive Director)

E. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**(i) Brief terms of reference:**

The Corporate Social Responsibility Committee formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken and its implementation by the Company as per Schedule VII of the Companies Act, 2013. The committee also recommend the amount of expenditure to be incurred on the activities referred above.

(ii) Composition:

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on January 31, 2023 constituted the Corporate Social Responsibility Committee, comprising of the following:

Sr. No.	Name of Member	Designation
1	Mr. Bharathan Rajagopalan Thatai	Chairman (Independent Director)
2	Ms. Usha Abbagani	Member (Non-Executive Director)
3	Mr. Gangasani Sudhakar Reddy	Member (Non-Executive Director)

(iii) Meeting and Attendance:

During the financial year, 1 (one) meeting of the Committee was held on January 31, 2023. The details of the meeting and attendance of members of the Committee at this meeting are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1	Mr. Bharathan Rajagopalan Thatai	1	1
2	Ms. Usha Abbagani	1	1
3	Mr. Gangasani Sudhakar Reddy	1	1

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

Year	Type of Meeting	Location	Date	Special Resolutions Passed	Time
2022-23	EGM	Held through video conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) (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)	February 16, 2023	1. To approve the limit under Section 186 of the Companies Act, 2013 2. To create, offer, issue and allot Redeemable Preference Shares by way of a preferential allotment on a Private Placement Basis	11:30 a.m.
2021-22	AGM	Held through video conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) (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)	September 30, 2022	No	09:00 a.m.
2020-21	AGM	Held through video conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) (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)	September 18, 2021	No	09:00 a.m.

Year	Type of Meeting	Location	Date	Special Resolutions Passed	Time
2019-20	AGM	Held through video conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) (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)	November 30, 2020	No	09:00 a.m.

ii) Postal Ballot passed in last year

No resolution was passed 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.

5. CEO/ CFO CERTIFICATION:

As required by Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is annexed to this Corporate Governance Report as “**Annexure- II**”.

6. MEANS OF COMMUNICATION:

i. Financial / Quarterly Results:

The Company intimates unaudited 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 Nava Telangana (Telugu). The financial results are also displayed on the Company’s website www.lotuschocolate.com.

ii. Newspapers Publication

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

iii. Website:

The Company’s website (www.lotuschocolate.com) contains a separate dedicated section ‘Investor Relations’ where shareholders’ information is available.

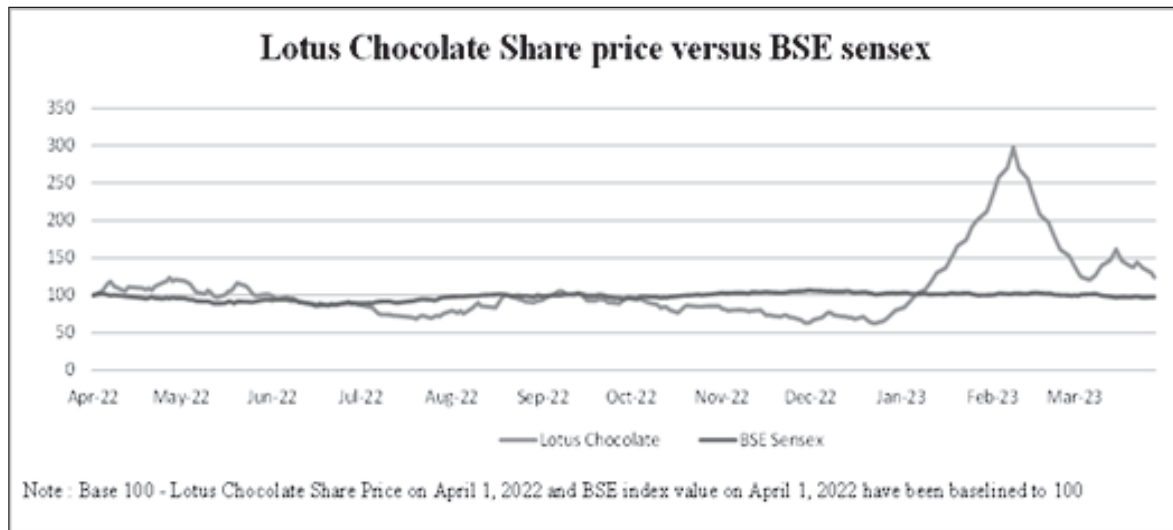
7. MARKET PERFORMANCE COMPARISON:

The graph of price fluctuation during the Financial Year 2022-23 is outlined below:

Stock Market Price Data

Month	BSE Limited (BSE)		
	High Price (₹)	Low Price (₹)	Volume (No.)
April 2022	198.45	139.10	340189
May 2022	192.00	145.60	154818
June 2022	158.00	126.40	61671
July 2022	137.50	101.45	141047
August 2022	158.10	104.25	515984
September 2022	168.50	132.70	104732
October 2022	150.00	116.10	92724
November 2022	134.95	96.00	173089
December 2022	122.95	92.50	140957
January 2023	341.60	129.05	918426
February 2023	480.45	223.40	190503
March 2023	253.20	182.05	1352445

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



8. SHAREHOLDER INFORMATION:

Annual General Meeting	Date	August 10, 2023
	Time	11:30 a.m.
	Through video conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	
Financial Year	1 st April 2022 to 31 st March 2023	
Financial Calendar	(Tentative) Results for the Quarter Ending June 30, 2023 – Third week of July, 2023 September 30, 2023 – Third week of October, 2023 December 31, 2023 – Third week of January, 2024 March 31, 2024 – Third week of April, 2024 Annual General Meeting – July / August 2024	
Dividend Payment Date	Not Applicable	
Date of Book Closure	August 03, 2023 – August 10, 2023	
Cut-off date for remote e-voting	The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. August 03, 2023.	
Listing on Stock Exchanges	BSE Ltd, P J Towers Dalal Street, Mumbai-400001	
Stock Code	523475	
ISIN	INE026D01011	

i. Registrar and Share Transfer Agent

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

CIL SECURITIES LIMITED

Mr. M M Hussain
214, Raghava Ratna Tower, Chirag Ali Lane,
Hyderabad, Telangana 500001
Contact No. : +91-040-2320 2465
Email : rta@cilsecurities.com
Website : www.cilsecurities.com

ii. Payment of Listing Fees

Annual listing fee for the financial year 2022-23 has been paid by the Company to BSE Limited.

iii. Payment of Depository Fees

Annual Custody / Issuer fee is being paid by the Company within the due date based on invoices received from the Depositories.

iv. Credit Rating

The Company does not have any debt instruments or any fixed deposits scheme or programme and as of now, there is no proposal of any scheme or programme in respect of mobilisation of funds, whether in India or abroad, hence credit rating in relation to aforesaid purpose is not applicable to the Company.

v. 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. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

vi. 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.

vii. Shareholding Pattern as on 31st March, 2023:

Sr. No.	Category of shareholder	Number of shareholders	Total number of shares (Fully Paid-up)	% of total number of shares (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	8	92,54,020	72.07
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	8	92,54,020	72.07
(B)	Public Shareholding			
(1)	Institutions	4	3400	0.03
(2)	Non-institutions	15,114	35,83,629	27.90
	Total Public Shareholding	15,118	35,87,029	27.93
(C)	Non-Promoter Non-Public			
(1)	Shares held by Custodian(s) against which Depository Receipts have been issued	-	-	—
	Total shares held by Non-Promoter Non-Public	-	-	
	Total (A) + (B) + (C)	15,126	1,28,41,049	100

viii. The Distribution of Shareholding as on 31st March, 2023:

Category (Shares)	No. of Shareholders	No. of Shares	% of total Shares
0-500	14741	1305453	10.17
501-1000	332	267004	2.08
1001-2000	140	210400	1.64
2001-3000	58	145031	1.13
3001-4000	23	81437	0.63
4001-5000	20	95796	0.75
5001-10000	31	230169	1.79
10001 and above	33	10505759	81.81
Total	15378	12841049	100.00

ix. Dematerialisation of Shares & Liquidity

Mode of Holding	% of total shares
NSDL	8.78
CDSL	83.81
Physical	7.41
Total	100.00

x. Plant Locations:

Doultabad, Nastipur Village, Hathnoora Mandal, Sangareddy District, Telangana - 502296

xi. Address for correspondence

Sr. 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.	CIL SECURITIES LIMITED 214, Raghava Ratna Tower, Chirag Ali Lane, Hyderabad, Telangana 500001 Contact No. : +91-040-2320 2465 Email ID: rta@cilsecurities.com Website: www.cilsecurities.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend, Warrants, Sub-Division, etc.	Mr. Subodhakanta Sahoo 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 Email: cs@lotuschocolate.com Website: www.lotuschocolate.com Phone No.: 040-2352707/08 Fax no.: 040-2352710

xii. Depository Services:

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

National Securities Depository Ltd Trade World, 4 th 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 A-Wing, 25 th floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel, Mumbai - 400 013 (MH) Tel : 022-23023333 Fax: 022-23002043 Email : investors@cdslindia.com
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9. OTHER DISCLOSURES**Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

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 year under review, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on Materiality of Related Party Transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has made full disclosure of transactions with the related parties as set out in Note 30 or 33 of Financial Statement, forming part of the Annual Report.

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

The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of the Company.

(a) **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; None.**

(b) **Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;**

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.

(c) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

(d) **Web link where policy on dealing with related party transactions;**

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

(e) **Material Subsidiary Company:**

During the year under review, the Company does not have any material subsidiary company, however the Company has in place a Policy for determining Material Subsidiaries.

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

(f) **Disclosure by listed entities and its subsidiaries of loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount;**

The Company has not granted any Loan to Firms/Companies in which directors are interested.

(g) **Disclosure of commodity price risks and commodity hedging activities:** Not applicable

(h) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Nil

(i) **Certificate from Practicing Company Secretaries:**

The Company has received a certificate from Mrs. Rakhi Agarwal, Practising Company Secretary 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 statutory authority.

(j) **Instances of not accepting any recommendation of the Committee by the Board:**

There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

(k) Fees to the Statutory Auditors of the Company:

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company are as below:

Particulars	Amount (Rs)
Fees paid for Statutory Audit for the FY 2022-23	2,50,000
Fee for other services including reimbursement of expenses	Nil

The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

(l) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, no complaint was received by the Company.

10. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-para (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
17A	Maximum number of directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders' Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	NA
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent Director	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

12. 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 all 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.

13. CEO and CFO Certification

The Managing Director and Chief Executive Officer (MD & 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 CEO & MD 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.

14. Disclosure with respect to Demat suspense account/unclaimed suspense account:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL
- (c) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : NIL
- (d) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NIL

15. Unclaimed Dividend:

Not Applicable

16. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <https://www.lotuschocolate.com/documents/policies/ArchivalPolicy.pdf>

17. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <https://www.lotuschocolate.com/documents/policies/Policy-on-Preservation-of-Documents.pdf>

18. Transfer of Shares to Investor Education and Protection Fund

Not Applicable

19. 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 and is also available on Company’s Website.

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.

Annexures to the Corporate Governance Report

Annexure No.	Content
I.	Code Of Conduct Declaration
II.	CEO/ CFO Certification
III.	Certificate of Non-Disqualification Of Directors
IV.	Certificate on Corporate Governance

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.

G.S. Ram
Whole Time Director
DIN: 02395478

Place: Hyderabad
Date: May 22, 2023

ANNEXURE- II**CEO/ CFO CERTIFICATION**

[Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**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 for the year ended March 31, 2023 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 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; and
 - 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.

**G.S. Ram
Whole time Director
DIN: 02395478**

**Vivekanand Narayan Prabhu
Chief Financial Officer**

Place: Hyderabad
Date: May 22, 2023

ANNEXURE- III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Lotus Chocolate Company Limited,
Hyderabad.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lotus Chocolate Company Limited having CIN L15200TG1988PLC009111 and having registered office at 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana-500034 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2023, 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 Director	DIN No	Date of Appointment
1	Mr. Ram Subramanya Ganpath	02395478	05.11.2008
2	Ms. Usha Abbagani	09056155	12.02.2021
3	Mr. Venkatapathi Raju Gottemukkala	02435073	30.01.2009
4	Mr. Bharathan Rajagopalan Thatai	02464132	26.11.2014
5	Mr. Gangasani Sudhakar Reddy	07261620	22.02.2021
6	Mr. Admala Surya Prakash Reddy	07567290	05.08.2022

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: May 22, 2023

RAKHI AGARWAL
Company Secretary
FCS NO.: 7047
CP NO.: 6270
UDIN: F007047E000585042

ANNEXURE- IV

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Lotus Chocolate Company Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Lotus Chocolate Company Limited (“the Company”) for the year ended March 31, 2023 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management, our 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 our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Place: Hyderabad
Date: May 22, 2023

RAKHI AGARWAL
Company Secretary
FCS NO.:- 7047
UDIN : F007047E000585174

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD-LOOKING STATEMENTS

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

COMPANY OVERVIEW

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

VALUE CHAIN

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

INDUSTRY OVERVIEW

As the economy was trying to look ahead post the initial pandemic period, the subsequent waves were destabilizing, not allowing normalcy to restore. The pandemic has definitely added to the hues and uncertainty prevailed. Your company meandered through the rough times and produced following results for the year 2022-23.

FINANCIAL AND OPERATIONAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2023 is summarised below:

(Rs. in crore)

Particulars	2022-23	2021-22
Revenue from Operations	62.72	86.98
Profit Before Depreciation, Amortisation, Interest and Taxes	(6.53)	6.41
Less: Interest	0.23	0.18
Less: Depreciation and Amortisation Expense	0.17	0.22
Profit/(Loss) Before Tax	(6.93)	6.01
Less: Tax Expense*	0.02	0.00
*(includes current tax, deferred tax, short /excess provision of tax relating to earlier years)		
Profit/(Loss) for the Year	(6.95)	6.01
Add: Other comprehensive Income	-	-
Total Comprehensive Income for the Year	(6.95)	6.01
Less: Total Comprehensive Income attributable to Non-Controlling Interest	-	-
Total Comprehensive Income Attributable to Owners of the Company	(6.95)	6.01
Less: Appropriation (Transfer to General Reserve)	(6.95)	6.01
Earnings Per Share (Basic) (in Rs.)	(5.42)	4.68

- **Financials:**

The Financial Statements of the Company for the financial year ended March 31, 2023, have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and the provisions of Companies Act, 2013.

During the year under review, the operating turnover of the Company decreased by 27.88% to Rs. 62.72 crore as compared to Rs. 86.97 crore in the previous year.

The Company incurred a loss for the year amounting to Rs. 6.95 crore as compared to profit of Rs. 6.01 crore in the previous year.

- **Ratios**

Key financial parameters as on March 31, 2023 on the basis of Standalone Financials for the years ending March 31, 2023 & March 31, 2022 respectively are as follows:

Particulars	FY 2022-23	FY 2021-22
Debtors Turnover	40.37	39.68
Inventory Turnover	6.36	7.95
Interest Coverage Ratio	NA	NA
Current Ratio	1.30	1.84
Debt Equity Ratio	0.28	0.67
Operating Profit Margin	-11%	7%
Net Profit Margin	-11%	7%

GROWTH AND INNOVATION

The Company with its efforts and commitment has for the first time in a long period brought out a clean sheet. If the situation were to be conducive, the performance of the Company would have been better. Alongside India's growth story, your Company is poised to improvise every year. The turmoil in the commodity prices, climatic changes adversely affected agricultural output and reduced consumption in both urban and rural areas.

OUTLOOK

As we move along, we expect the situation to only improve and with our robust internal economy, lower dependence on exports, the future looks bright. We cannot wish the domestic competition, which is bound to be fierce, each one trying to protect his share of the market will do all in its might doing so. The leaders will never let go anything. The lower end will try to nibble. We intend to protect our own facility or infra and effectively and strategically so for long term survival and perpetuation. Your company is on a good wicket to do this, given its standing in the market.

OPERATIONAL OVERVIEW

The Indian confectionery industry has a long runway for growth driven by the secular trends of increasing demand for quality content and higher time spent across demographics on content consumption.

The Company continues to hold ISO 9001-2008 Certification by meeting all the requirements of Certification from time to time. The Company's manufacturing factory located at Nastipur Village, Hathnoora Mandal, Sangareddy District, has been certified to the version of FSSC 22000:2010 (Food Safety Standard Certification by TUV NORD). This Certification indicates the Company's commitment, in a sustainable manner, in meeting global quality, environment, health and safety standards. This is a milestone in our quest for quality.

BUSINESS STEWARDSHIP

The Company's community initiatives help elevate the quality of life for people, especially the disadvantaged sections of society. Corporate Social Responsibility (CSR) is embedded into the group's long-term business strategy. The Company undertook some socially relevant works during the year i.e. preventive healthcare initiatives (Contribution to LV Prasad Eye institutes).

HUMAN RESOURCE DEVELOPMENT

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

The Company recognizes the contribution of every employee in the growth and development of the organization. In turn, the Company is committed to train and develop its people and motivates them to enhance their skills and tap their potential to the fullest. The industrial relations have been cordial and mutually beneficial. Manpower figure of the Company as on March 31, 2023 was 62.

RISK MANAGEMENT

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

- **Financing Risks**

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

- **Human Resource Risks**

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

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

INTERNAL CONTROL SYSTEMS

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

Independent Auditor’s Report

To
The Members of
Lotus Chocolate Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lotus Chocolate Company Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as “financial statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

The Key Audit matters	Auditor’s Response
<p>Revenue Recognition</p> <p>The principal products of the Company comprise chocolates, cocoa products and cocoa derivatives that are mainly sold to Wholesale channels. Revenue is recognised when the customer obtains control of the goods and the amount of revenue can be measured reliably and recovery of the consideration is probable.</p> <p>We identified revenue recognition as a key audit matter because the Company focus on revenue as a key performance indicator. This could result the revenue to be overstated or recognised before control has been transferred.</p> <p>Trade Receivables</p> <p>The Company’s operations comprise widerange of characteristics of individual customers across locations, some customers having a higher days sales outstanding than the average days sales outstanding. Consequently, there is an inherent exposure to credit risk for these customers.</p>	<p>In view of the significance of the matter the following audit procedures we applied in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. 2. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 3. We tested, on a sample basis, revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. 4. We tested manual journal entries posted to revenue to identify unusual items. <p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of and testing key controls over receivables collection process and credit control process over aged receivables and customer credit approvals. - Assessing the classification of the balances in the receivables ageing by performing an independent re-computation of the aged receivables. - For a sample of customer balances, verified the subsequent receipts against the outstanding year end balances.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussions and Analysis, Boards Report including annexures to Boards Report and Report on Corporate Governance but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act and
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;

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- ii. The Company did not have any long term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. The Company has no amount required to be transferred to the Investor Education and Protection Fund during the year.
 - iv.
 - (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v.
 - (a) The Company has neither declared nor paid any dividend during the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1,2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **VDNR & Associates**
Chartered Accountants
Firm Registration No.- 011251S

Pradeep Kumar A
Partner
Membership No. 233865
UDIN: 23233865BGWIGT9986

Place: Hyderabad
Date: May 22, 2023

Annexure “A” To the Independent Auditors’ Report

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

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Lotus Chocolate Company Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI (“Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A company’s internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to the financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial controls with reference to the financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **VDNR & Associates**
Chartered Accountants
Firm Registration No.- 011251S

Pradeep Kumar A
Partner
Membership No. 233865
UDIN: 23233865BGWIGT9986

Place: Hyderabad
Date: May 22, 2023

Annexure “B” To the Independent Auditors’ Report 31 March 2023

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- i. In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) The Company has a program of verification to cover all the items of property, plant and equipment once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment during the year ended March 31, 2023.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The Inventories, except goods-in-transit, has been physically verified by the Management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable and procedures and coverage as followed by Management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate for each class of inventories.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. 5 crores (Fund based and Non-Fund based), in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and Limited liability partnerships or other parties during the year. Accordingly, provisions of Clause 3 (iii)(a) (b) (c) (d) (e) and (f) of the said Order are not applicable to the Company.
- iv. The company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. Hence provisions of Section 186 of the Act in respect of loans, making investments and providing guarantees and securities, are not applicable. Accordingly, the requirement to report on Clause 3 (iv) of the said Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Act and the rules framed there under, to the extent applicable. Accordingly, the requirement to report on Clause 3 (v) of the said Order is not applicable to the Company.
- vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the activities/products manufactured by the Company. Accordingly, the requirement to report on Clause 3 (vi) of the said Order is not applicable to the Company.
- vii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other statutory dues applicable to it.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023, which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount under Dispute (In Lakhs)	Amount paid under Protest (In Lakhs)	Period	Forum where dispute is pending
The Customs Act, 1962	Customs Duty	287.41	-	2014-2015 to 2018-2019	Hon'ble High Court of Telangana

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not taken any term loan during the year.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company does not have any subsidiaries or associate, hence reporting under sub clause (e) of clause 3(ix) of the order is not applicable.
- (f) The Company does not have any subsidiaries or associate, hence reporting under sub clause (f) of clause 3(ix) of the order is not applicable.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, no fraud / material fraud by the Company or no fraud / material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (a) (b) & (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, where applicable, and the details have been disclosed in notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) As represented by the Management, there is no core investment company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company had incurred cash losses of Rs. 675.96 Lakhs in the current financial year. In the immediately preceding financial year, the Company had not incurred cash losses.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

for **VDNR & Associates**
Chartered Accountants
Firm Registration No.- 011251S

Pradeep Kumar A
Partner
Membership No. 233865
UDIN: 23233865BGWIGT9986

Place: Hyderabad
Date: May 22, 2023

Balance Sheet as at March 31, 2023

Particulars	Note	Amount in Rupees	
		As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, Plant and equipment	4	1,94,77,097	1,60,46,010
Capital work-in-progress	4(a)	-	-
Intangible assets			
Financial assets			
Investments	5A	-	-
Loans	5B	30,89,291	35,25,701
Trade Receivables	6	-	1,26,52,902
Other non current assets	5C	-	-
Deferred tax assets, net		-	-
Others		-	-
		<u>2,25,66,388</u>	<u>3,22,24,613</u>
Current assets			
Inventories	7	7,04,81,590	12,66,45,343
Financial assets			
Investments	5A	-	-
Trade receivables	8	4,42,17,797	8,18,49,333
Cash and cash equivalents	9	40,75,776	35,75,913
Other bank balances			
Loans	5B	90,575	1,22,939
Others	5C	1,24,14,935	3,01,97,480
Current tax assets			
Other current assets			
		<u>13,12,80,673</u>	<u>24,23,91,008</u>
Total assets		<u>15,38,47,061</u>	<u>27,46,15,621</u>
Equity and Liabilities			
Equity			
Equity share capital	10	20,23,46,490	20,23,46,490
Other equity	11	(19,37,87,266)	(12,42,19,793)
Total equity		<u>85,59,224</u>	<u>7,81,26,697</u>
Non-current liabilities			
Financial Liabilities			
Borrowings	12	4,00,00,000	5,96,00,000
Trade payables			
Other financial liabilities			
Provisions	13	40,61,591	51,81,475
Deffered Tax Liabilities(net)		2,94,819	45,399
Other non-current liabilities			
		<u>4,43,56,410</u>	<u>6,48,26,874</u>
Current liabilities			
Financial Liabilities			
Borrowings	14	1,67,93,047	7,64,03,851
Trade payables	15	7,21,97,742	5,40,55,698
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises			
Other financial liabilities	16	-	-
Other current liabilities	17	58,97,600	12,02,502
Provisions	18	60,43,038	-
Current tax liabilities		-	-
		<u>10,09,31,426</u>	<u>13,16,62,051</u>
Total liabilities		<u>14,52,87,836</u>	<u>19,64,88,925</u>
Total equity and liabilities		<u>15,38,47,061</u>	<u>27,46,15,621</u>

Notes forming part of standalone financial statements

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

for VDNR & Associates

Chartered Accountants

Firm Registration Number: 011251S

Pradeep Kumar A

Partner

Membership No.: 233865

Place: Hyderabad

Date: May 22, 2023

UDIN: 23233865BGWIGT9986

Bharathan Rajagopalan Thatai

Director

DIN: 02464132

Subodhakanta Sahoo

Company Secretary

GZXP0300B

for and on behalf of the Board of Directors of

Lotus Chocolate Company

CIN: L15200TG1988PLC009111

Ram Subramanya Ganpath

Whole Time Director

DIN: 02395478

Vivekanand Narayan Prabhu

Chief Financial Officer

AAFPP5715N

Statement of Profit and Loss for the year ended March 31, 2023

			<i>Amount in Rupees</i>	
		Note	For the year ended 31 March 2023	For the year ended 31 March 2022
I	Revenue from operations	19	62,71,80,545	86,97,35,646
II	Other income	20	24,67,204	22,60,015
III	Total Income		62,96,47,749	87,19,95,661
IV	Expenses			
	Cost of materials consumed	21	55,99,43,984	70,86,99,053
	Purchases of stock in trade		-	-
	Changes in inventories of finished goods, stock in trade and work in progress	22	1,66,01,078	(89,98,343)
	Employee benefits expenses	23	2,79,45,573	2,85,10,991
	Other operating expenses	24	4,25,53,702	4,82,10,613
	Finance costs	25	32,40,761	30,55,390
	Depreciation and amortisation expense	26	17,22,057	21,75,000
	Other expenses	27	3,75,72,570	3,02,24,713
	Total expenses (IV)		68,95,79,725	81,18,77,416
V	Profit / (Loss) before exceptional and extraordinary items and tax (III – IV)		(5,99,31,976)	6,01,18,244
VI	Exceptional Items			
	Written off of Assets no longer realisable		1,07,21,679	-
	Write back of liabilities no longer payable		(13,35,603)	-
VII	Profit / (Loss) before tax (V- VI)		(6,93,18,053)	6,01,18,244
VIII	Tax expense			
	Current tax			
	Deferred tax		249,420	36,042
	Total tax expense (VIII)		249,420	36,042
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(6,95,67,473)	6,00,82,202
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense for discontinued operation		-	-
XII	Profit/(Loss) from discontinuing operations (after tax) (X-XI)		-	-
XIII	Profit (Loss) for the period (XI + XIV)		(6,95,67,473)	6,00,82,202
XIV	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss:			
	Income tax relating to items that will not be reclassified to profit or loss			
	Items that will be reclassified to profit or loss:			
	Income tax relating to items that will be reclassified to profit or loss			
	Other comprehensive income for the year, net of tax		-	-
	Total comprehensive income for the year, net of tax (XIII + XIV)		(6,95,67,473)	6,00,82,202
XV	Profit/(Loss) and other comprehensive income for the period		(6,95,67,473)	6,00,82,202
XVI	Earnings per equity share (for continuing operation)			
	Basic	28	(5.42)	4.68
	Diluted		(5.42)	4.68
XVII	Earnings per equity share (for discontinued operation)			
	Basic		-	-
	Diluted		-	-
XVIII	Earnings per equity share (for discontinued operation and continuing operation)			
	Basic		(5.42)	4.68
	Diluted		(5.42)	4.68

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

for VDNR & Associates

Chartered Accountants

Firm Registration Number: 011251S

Pradeep Kumar A

Partner

Membership No.: 233865

Place: Hyderabad

Date: May 22, 2023

UDIN: 23233865BGWIGT9986

for and on behalf of the Board of Directors of

Lotus Chocolate Company

CIN: L15200TG1988PLC009111

Bharathan Rajagopalan Thatai

Director

DIN: 02464132

Subodhakanta Sahoo

Company Secretary

GZXPS0300B

Ram Subramanya Ganpath

Whole Time Director

DIN: 02395478

Vivekanand Narayan Prabhu

Chief Financial Officer

AAFPP5715N

Cash Flow Statement for the year ended March 31, 2023

	For the year ended March 31, 2023	<i>Amount in Rupees</i> For the year ended March 31, 2022
I. Cash flows from operating activities		
Profit before tax	(6,93,18,053)	6,01,18,244
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	17,22,057	21,75,000
Amoritsation of intangible assets	-	-
Finance income (including fair value change in financial instruments)	-	-
Dividend income from mutual funds	-	-
Finance costs (including fair value change in financial instruments)	32,40,761	30,55,390
Re-measurement losses on defined benefit plans	-	-
Operating profit before working capital changes	(6,43,55,235)	6,53,48,634
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Trade receivables - Non current	1,26,52,902	(7,20,925)
Trade receivables - current	3,76,31,536	8,19,240
Inventories	5,61,63,753	(3,45,00,343)
Loans - Non current	4,36,410	9,34,168
Loans - current	32,364	3,00,652
Other financial assets - current	-	-
Other assets - current	1,77,82,545	(2,32,35,058)
Other assets - non current	-	-
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	(4,14,68,759)	4,93,11,570
Other financial liabilities - current	1,07,38,136	(17,97,548)
Other current liabilities	-	-
Provisions	-	-
Cash generated from operations	2,96,13,652	5,64,60,390
Interest Paid	-	-
Income taxes paid / Deferred taxes	(2,49,420)	(36,042)
Net cash generated from/(used in) operating activities	2,93,64,231	5,64,24,348
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress) (Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(51,53,144)	(32,22,128)
Interest received (finance income)	-	-
Net cash used in investing activities	(51,53,144)	(32,22,128)
III. Cash flows from financing activities		
Share issue proceeds	-	-
Proceeds from/(repayment of) long-term borrowings, net	(2,04,70,464)	(5,59,81,747)
Proceeds from/(repayment of) short-term borrowings, net	-	-
Interest paid	(32,40,761)	(30,55,390)
Net cash provided by financing activities	(2,37,11,224)	(5,90,37,137)
Net increase in cash and cash equivalents (I+II+III)	4,99,863	(58,34,917)
Cash and cash equivalents at the beginning of the year	35,75,913	94,10,830
Cash and cash equivalents at the end of the year (refer note below)	40,75,776	35,75,913
Note:		
Cash and cash equivalents comprise:		
Cash on hand	4,004	64,469
Balances with banks:		
- in current accounts & Deposits	40,71,772	35,11,444
	40,75,776	35,75,913
Notes forming part of standalone financial statements		
The accompanying notes are an integral part of the standalone financial statements		

As per our report of even date

for VDNR & Associates

Chartered Accountants

Firm Registration Number: 011251S

Pradeep Kumar A

Partner

Membership No.: 233865

Place: Hyderabad

Date: May 22, 2023

UDIN: 23233865BGWIGT9986

for and on behalf of the Board of Directors of

Lotus Chocolate Company

CIN: L15200TG1988PLC009111

Bharathan Rajagopalan Thatai

Director

DIN: 02464132

Subodhakanta Sahoo

Company Secretary

GZXP0300B

Ram Subramanya Ganpath

Whole Time Director

DIN: 02395478

Vivekanand Narayan Prabhu

Chief Financial Officer

AAFPP5715N

Notes forming part of the standalone financial statements

1 Corporate Information

Lotus Chocolate Company Limited is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar products in nature. The Company is a Public Limited Company incorporated in India as per the provisions of the Companies Act applicable in India. The Company is listed on the Bombay Stock Exchange (BSE). The Registered office of the Company is situated at 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No.10, Banjara Hills, Hyderabad, Telangana - 500034 India. The Company has its manufacturing facilities located at Nastipur Village, Doulatabad, Hathnoora Mandal, Sangareddy Dist, Telangana- 502296.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated May 22, 2023.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupee except share data, unless otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Notes forming part of the standalone financial statements

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

2.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

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

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.5 Fair Value Measurement

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Notes forming part of the standalone financial statements

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

3.1 Revenue recognition

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

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

3.2 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.5 Taxation

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

Notes forming part of the standalone financial statements

Current tax

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

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.7 Property, plant and equipment

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

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

3.9 Depreciation

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

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

Notes forming part of the standalone financial statements

The Company has componentised its PPE and has separately assessed the life of major components.

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

Such classes of assets and their estimated useful lives are as under:

Particulars	Useful Life
Buildings	-30 Years
Plant and Machinery	-8 to 15 years
Electrical Equipment	-10 Years
Office Equipment	-5 Years
Computers	-3 Years
Furniture and Fixtures	-10 Years
Vehicles	-8 Years

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

3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Design and development is amortised over a period of five years.

3.11 Inventories

Inventories are valued as follows:

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

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

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

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

Notes forming part of the standalone financial statements

3.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

3.15 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.16 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Notes forming part of the standalone financial statements

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

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

3.17 Provisions

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

3.18 Contingent liabilities & contingent assets

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.19 Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes forming part of the standalone financial statements

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:– contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and– terms that limit the Company’s claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes forming part of the standalone financial statements

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost; At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Notes forming part of the standalone financial statements

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Notes forming part of the standalone financial statements

NOTE: 4

Tangible Assets

Particulars	Land	Buildings	Furnitures & Fixtures	Plant & Machinery	Office Equipment	Electric Installations	Computers	Vehicles	Total
Gross carrying value									
As at March 31, 2021	2,30,863	2,21,19,408	25,66,002	19,19,44,631	12,81,256	51,92,142	28,77,590	14,88,054	22,76,99,946
Additions	-	1,38,537	-	31,55,926	-	-	-	1,03,552	33,98,015
Disposals	-	-	-	-	37,350	-	-	-	37,350
As at March 31, 2022	2,30,863	2,22,57,945	25,66,002	19,51,00,557	12,43,906	51,92,142	28,77,590	15,91,606	23,10,60,611
Additions	-	-	-	47,89,805	97,067	-	2,66,272	-	51,53,144
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	2,30,863	2,22,57,945	25,66,002	19,98,90,362	13,40,973	51,92,142	31,43,862	15,91,606	23,62,13,755
Depreciation									
As at March 31, 2021	-	1,71,98,548	25,05,667	18,27,70,897	11,97,342	49,79,238	27,74,257	14,13,652	21,28,39,601
Charge for the year	-	5,14,804	34,435	15,81,333	3,806	39,867	-	755	21,75,000
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	1,77,13,352	25,40,102	18,43,52,230	12,01,148	50,19,105	27,74,257	14,14,407	21,50,14,601
Charge for the year	-	1,43,467	-	15,16,275	24,843	25,175	-	12,297	17,22,057
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	1,78,56,819	25,40,102	18,58,68,505	12,25,991	50,44,280	27,74,257	14,26,704	21,67,36,658
Net carrying value									
As at March 31, 2021	2,30,863	49,20,860	60,335	91,73,734	83,914	2,12,904	1,03,333	74,402	1,48,60,345
As at March 31, 2022	2,30,863	45,44,593	25,900	1,07,48,327	42,758	1,73,037	1,03,333	1,77,199	1,60,46,010
As at March 31, 2023	2,30,863	44,01,126	25,900	1,40,21,857	1,14,982	1,47,862	3,69,605	1,64,902	1,94,77,097

NOTE 4(a):

Capital work-in-progress (CWIP) ageing schedule:

For the year ended March 31, 2023

Particulars	Less than 1 year	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

For the year ended March 31, 2022

Particulars	Less than 1 year	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

NOTE: 5

A. INVESTMENTS

Particulars

Non-current :

Investments

Others

Total

As at 31-03-2023

As at 31-03-2022

	-	-
	-	-
	-	-
	-	-

Notes forming part of the standalone financial statements

<u>Current :</u>		
Investments	-	-
Others	-	-
Total	-	-
B. LOANS		
Particulars	As at 31-03-2023	As at 31-03-2022
<u>Non-current :</u>		
Deposits with Govt. Authorities	30,89,291	35,25,701
Loans to Related Parties	-	-
Total	30,89,291	35,25,701
<u>Current :</u>		
Unsecured, Considered Goods:		
Advance to employees	90,575	1,22,939
Loans to Related Parties	-	-
Total	90,575	1,22,939
C. OTHER FINANCIAL ASSETS		
Particulars	As at 31-03-2023	As at 31-03-2022
<u>Non-current</u> (unsecured, considered good unless stated otherwise)		
Security Deposits	-	-
<u>Current</u> (unsecured, considered good unless stated otherwise)		
Advances to Suppliers	45,52,137	2,45,44,848
Others	17,75,695	19,48,194
Tax Deducted at source	6,41,045	13,79,622
Balance with Government Bodies	51,61,149	22,25,235
Prepaid Expenses	2,84,909	99,581
Total	1,24,14,935	3,01,97,480
The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment		

NOTE: 6

TRADE RECEIVABLES - NON CURRENT

Particulars	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good	-	1,26,52,902
Unsecured, considered doubtful	55,74,428	-
Less: Allowance for doubtful receivables	55,74,428	-
Total	-	1,26,52,902

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes forming part of the standalone financial statements

Trade Receivables ageing schedule for the year ended March 31, 2023:

Particulars	Outstanding for following periods from due date of payment#					
	Not due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	-	-	-	-	-	-
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	-	-	-	-	-	-

Trade Receivables ageing schedule for the year ended March 31, 2022:

Particulars	Outstanding for following periods from due date of payment#					
	Not due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	-	7,20,925	78,81,977	-	40,50,000	1,26,52,902
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	-	7,20,925	78,81,977	-	40,50,000	1,26,52,902

NOTE: 7

INVENTORIES

Particulars	As at March 31,2023	As at March 31,2022
Raw materials	1,50,06,958	5,56,67,000
Work in progress	2,87,58,772	3,79,25,481
Finished Goods	1,25,02,493	1,99,36,862
Stores and Spares and Fuel	58,49,043	55,81,000
Stock of Packing Material	83,64,324	75,35,000
TOTAL	7,04,81,590	12,66,45,343

Notes forming part of the standalone financial statements

NOTE: 8

TRADE RECEIVABLES - CURRENT

Particulars	<i>Amount in Rupees</i>	
	As at 31-03-2023	As at 31-03-2022
Others		
Unsecured, considered good	4,42,17,797	8,18,49,333
Unsecured, considered doubtful	-	-
Total	4,42,17,797	8,18,49,333

Trade Receivables ageing schedule for the year ended March 31, 2023:

Particulars	Outstanding for following periods from due date of payment#					
	Not due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	-	4,42,17,797	-	-	-	4,42,17,797
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	-	4,42,17,797	-	-	-	4,42,17,797

Trade Receivables ageing schedule for the year ended March 31, 2022:

Particulars	Outstanding for following periods from due date of payment#					
	Not due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	-	8,18,49,333	-	-	-	8,18,49,333
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	-	8,18,49,333	-	-	-	8,18,49,333

NOTE:9

CASH AND CASH EQUIVALENTS

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- On current accounts & Deposits	40,71,772	35,11,444
Cash on hand	4,004	64,469
Total	40,75,776	35,75,913

Notes forming part of the standalone financial statements

NOTE: 10 SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,20,00,000 shares of Rs.10/- each (1,40,00,000 Equity Shares of 10/- each & 80,00,000 Preference Shares of 10/- each)	-	22,00,00,000
7,27,93,200 shares of Rs.10/- each (1,40,00,000 Equity Shares of 10/- each & 5,87,93,200 Preference Shares of 10/- each)	72,79,32,000	-
Issued, subscribed and fully paid-up		
Equity Shares - par Value Rs. 10/- each	12,84,10,490	12,84,10,490
Less: Calls Unpaid from members other than directors	30,000	30,000
	12,83,80,490	12,83,80,490
Preference Share Capital		
73,96,600 - 10% Redeemable Cumulative	7,39,66,000	7,39,66,000
Total	20,23,46,490	20,23,46,490

(a) Statement of Changes in Equity

Particulars	Number of Shares	Value
Equity shares of Rs.10/- each fully paid		
Balance at April 01, 2021	1,28,41,049	12,84,10,490
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
Balance at March 31, 2022	1,28,41,049	12,84,10,490
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
Balance at April 01, 2022	1,28,41,049	12,84,10,490
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
Balance at March 31, 2023	1,28,41,049	12,84,10,490
Preferential shares of Rs.10/- each fully paid		
Balance at April 01, 2021	73,96,600	7,39,66,000
Issued during the year	-	-
Balance at March 31, 2022	73,96,600	7,39,66,000
Issued during the year	-	-
Balance at April 01, 2022	73,96,600	7,39,66,000
Issued during the year	-	-
Balance at March 31, 2023	73,96,600	7,39,66,000
TOTAL	2,02,37,649	20,23,76,490

Notes forming part of the standalone financial statements

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

(i) Equity Shares:

Equity Shares rank pari passu as regards to dividend and voting rights. Each share has one vote.

(ii) Preference Shares:

Preference Shares have right to preferential dividend of 10% per annum on cumulative basis and also for redemption of principal over the equity shares. Preference share holders have right to vote only on the matters concerning the preference shares.

NOTE: 11

OTHER EQUITY

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Capital reserve	Securities premium	State Investment Subsidy	Retained Earnings	Effective portion of cash flow hedge	Re-measurement gains or losses on employee defined benefit plans	
As at March 31, 2021	2,74,14,157	3,79,68,442	15,00,000	(25,11,84,594)	-	-	(18,43,01,995)
Profit for the year	-	-	-	6,00,82,202	-	-	6,00,82,202
Adjustments for opening Balances	-	-	-	-	-	-	-
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	-
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	-	-	-
As at March 31, 2022	2,74,14,157	3,79,68,442	15,00,000	(19,11,02,392)	-	-	(12,42,19,793)
Profit for the year	-	-	-	(6,95,67,473)	-	-	(6,95,67,473)
Adjustments for opening Balances	-	-	-	-	-	-	-
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-	-	-
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	-	-	-
As at March 31, 2023	2,74,14,157	3,79,68,442	15,00,000	(26,06,69,865)	-	-	(19,37,87,266)

Notes forming part of the standalone financial statements

NOTE: 12 LONG-TERM BORROWINGS

Particulars	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
(A) Secured		
(a) Bonds/debentures	-	-
(b) Term loans:		
(A) from banks.	-	-
(B) from other parties.	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties		
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances	-	-
Secured Loans	<u>-</u>	<u>-</u>
(B) Unsecured		
(a) Bonds/debentures	-	-
(b) Term loans: (A) from banks. (B) from other parties.	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties	4,00,00,000	5,96,00,000
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances	-	-
Unsecured Loans	<u>4,00,00,000</u>	<u>5,96,00,000</u>
Total	<u>4,00,00,000</u>	<u>5,96,00,000</u>

NOTE:13 PROVISIONS - NON CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity	40,61,591	51,81,475
- Others	-	-
Total	<u>40,61,591</u>	<u>51,81,475</u>

Notes forming part of the standalone financial statements

NOTE:14

FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Secured		
Borrowings from Banks		
Canara Bank CC A/C	1,67,93,047	7,64,03,851
Total	<u>1,67,93,047</u>	<u>7,64,03,851</u>

Nature of Security and Terms of Repayment

Borrowings from Banks - Working Capital

Secured by : Primary - Stocks & Receivables

Collateral - Land and Building admeasuring 7.775 acres in the survey No. 31 & 39 situated at Nasthipur Village, Hathnoora Mandal, Sanga Reddy Dist, Telangana belonging to the Company, Plant and machineries and other Fixed Assets, present & future excluding vehicles.

Terms of Repayment - Repayable on Demand.

NOTE: 15

TRADE PAYABLES

Particulars	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Creditors for Supplies	6,85,90,588	5,34,26,180
Creditors for Services	36,07,154	6,29,518
Total	<u>7,21,97,742</u>	<u>5,40,55,698</u>

The Management is under the process of classifying the dues based on the statutory requirements under MSME Act, 2006.

(a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2023 Rs.	As at March 31, 2022 Rs.
(A) (i) Principal amount remaining unpaid	-	-
(A) (ii) Interest amount remaining unpaid	-	-
(B) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(C) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interests specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(D) Interest accrued and remaining unpaid	-	-
(E) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total	<u>-</u>	<u>-</u>

Notes forming part of the standalone financial statements

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023

Particulars	As at 31st March, 2023					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-	-
(ii) Undisputed dues - Others	-	7,21,91,951	5,791	-	-	7,21,97,742
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	7,21,91,951	5,791	-	-	7,21,97,742

Particulars	As at 31st March, 2023					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Unbilled Dues	-	-	-	-	-	-
Total	-	-	-	-	-	-

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022

Particulars	As at 31st March, 2022					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-	-
(ii) Undisputed dues - Others	-	5,40,55,698	-	-	-	5,40,55,698
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	5,40,55,698	-	-	-	5,40,55,698

Particulars	As at 31st March, 2022					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Unbilled Dues	-	-	-	-	-	-
Total	-	-	-	-	-	-

NOTE:16

FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long term borrowings		
Interest accrued but not due on borrowings		
Salaries and Staff Benefits Payable	-	-
Salary Recoveries Payable	-	-
Total	-	-

Notes forming part of the standalone financial statements

NOTE:17

OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from customers	87,016	-
Statutory liabilities	52,558	1,74,339
Outstanding Liabilities for Expenses	<u>57,58,026</u>	<u>10,28,162</u>
Total	<u>58,97,600</u>	<u>12,02,501</u>

NOTE:18

PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Provision for Obsolete Stock of Packing Material	60,43,038	-
Gratuity		
Provision for Leave Salary		
Total	<u>60,43,038</u>	<u>-</u>

NOTE - 19

REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Sale of Cocoa Products	<u>62,71,80,545</u>	<u>86,97,35,646</u>
REVENUE FROM OPERATIONS	<u>62,71,80,545</u>	<u>86,97,35,646</u>

NOTE: 20

OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	4,37,546	8,59,046
Other Income (Forex Gains & Others)	<u>20,29,658</u>	<u>14,00,969</u>
Total	<u>24,67,204</u>	<u>22,60,015</u>
TOTAL INCOME	<u>62,96,47,749</u>	<u>87,19,95,661</u>

Notes forming part of the standalone financial statements

NOTE - 21

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cost of Raw materials consumed		
Opening Stock of raw materials and consumables	5,56,67,000	3,23,79,000
Add : Purchases during the year	<u>50,37,29,399</u>	<u>71,67,90,263</u>
Opening Stock Plus Purchases	55,93,96,399	74,91,69,263
Less : Closing Stock of raw materials and consumables	<u>1,50,06,958</u>	<u>5,56,67,000</u>
Total Cost of Raw Material consumed - A	<u>54,43,89,441</u>	<u>69,35,02,263</u>
Packing materials consumed		
Opening Stock of Packing materials	75,35,000	79,85,000
Add : Purchases during the year	<u>1,63,83,867</u>	<u>1,47,46,790</u>
Opening Stock Plus Purchases	2,39,18,867	2,27,31,790
Less : Closing Stock of Packing Materials	<u>83,64,324</u>	<u>75,35,000</u>
Total cost of Packing material Consumed - B	<u>1,55,54,543</u>	<u>1,51,96,790</u>
TOTAL COST OF RAW MATERIAL CONSUMPTION (A+B)	<u>55,99,43,984</u>	<u>70,86,99,053</u>

NOTE - 22

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

	Year ended March 31, 2023	Year ended March 31, 2022
A. Finished Goods		
Inventories at the beginning of the year	1,99,36,862	2,80,13,000
Less : Inventories at the end of the year	<u>1,25,02,493</u>	<u>1,99,36,862</u>
(Increase) / Decrease in Inventories	<u>74,34,369</u>	<u>80,76,138</u>
B. Work in progress		
Inventories at the beginning of the year	3,79,25,481	2,08,51,000
Less : Inventories at the end of the year	<u>2,87,58,772</u>	<u>3,79,25,481</u>
(Increase) / Decrease in Inventories	<u>91,66,709</u>	<u>(1,70,74,481)</u>
(Increase) / Decrease in Inventories (A+B)	<u>1,66,01,078</u>	<u>(89,98,343)</u>

Notes forming part of the standalone financial statements

NOTE - 23

EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus & Ex-Gratia	2,51,76,959	2,43,66,776
Contribution to provident and other funds	12,00,312	11,57,701
Other Employee Benefits	6,13,702	22,40,714
Directors' Remuneration	9,54,600	7,45,800
Total	<u>2,79,45,573</u>	<u>2,85,10,991</u>

NOTE - 24

OTHER OPERATING EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	47,33,501	80,59,007
Power and fuel	2,39,51,596	2,46,17,078
Repairs to Other Assets	6,09,005	16,79,449
Freight, Carriage inward, Loading & unloading charges	90,81,793	98,28,312
Security Charges	14,25,369	10,95,707
Other Manufacturing Expenses	27,52,439	29,31,060
Total	<u>4,25,53,702</u>	<u>4,82,10,613</u>

NOTE - 25

FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense on Working Capital	23,22,761	17,87,443
Bank charges	9,18,000	12,67,947
Total	<u>32,40,761</u>	<u>30,55,390</u>

NOTE - 26

DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of tangible assets	17,22,057	21,75,000
Total	<u>17,22,057</u>	<u>21,75,000</u>

Notes forming part of the standalone financial statements

NOTE - 27

OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
A Selling Expenses		
Sales incentives, Bonus and Allowances	10,66,317	13,54,673
Carriage Outward	1,30,93,280	1,95,97,179
Total - A	1,41,59,597	2,09,51,852
B Administration Expenses		
Travelling and Conveyance	13,05,428	10,17,732
Professional Charges	20,84,089	8,58,744
Rates and taxes other than taxes on income	20,00,550	42,63,277
Insurance charges	4,38,632	5,41,406
Postage, Telephone & Courier charges	2,66,077	3,00,933
Payment to Auditors - As Statutory Audit Fees	2,50,000	2,50,000
-As Tax Audit Fees	1,20,000	1,20,000
-As Certification Fees	30,000	30,000
CSR Expenditure	5,63,853	-
Fees for Increase in Authorised Share Capital	43,09,490	-
Other General Expenses	4,27,388	18,90,769
Provision for Obsolete Stock Packing Material	60,43,038	-
Provision for Write-off of Old Debtors	55,74,428	-
Total - B	2,34,12,972	92,72,861
Total Other expenses (A+B)	3,75,72,570	3,02,24,713
		Amount
*Consumption of Stores & Spares		
Opening Stock		50,00,000
<i>Purchases</i>		53,97,436
<i>Less: Closing Stock</i>		56,63,935
TOTAL		47,33,501
		Amount
**Power and Fuel		
Power Charges		1,37,79,064
Fuel Consumption:		
Opening balance		5,81,000
Add: Purchases during the year		97,76,640
Less: Closing balance		1,85,108
TOTAL		1,01,72,532

Notes forming part of the standalone financial statements

NOTE - 28

EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-23	31-Mar-22
Profit for the year attributable to equity share holders	(6,95,67,473)	6,00,82,202
Shares		
Weighted average number of equity shares outstanding during the year – basic	1,28,38,049	1,28,38,049
Weighted average number of equity shares outstanding during the year – diluted	1,28,38,049	1,28,38,049
Earnings per share		
Earnings per share of par value 10 – basic	(5.42)	4.68
Earnings per share of par value 10 – diluted	(5.42)	4.68

NOTE - 29

Contingent liabilities and commitments

	Particulars	As at 31-Mar-23	As at 31-Mar-22
i)	Contingent liabilities:		
	- Corporate guarantees given on behalf of others (refer note 'a' & 'b' below)	-	-
	- Letter of credit outstanding	-	-
	- Statutory Authorities	2,87,41,056	2,87,41,056
	- Accrued and unpaid Preference dividend	13,04,89,400	13,04,89,400
ii)	Commitments:		
	- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	-	-

Notes forming part of the standalone financial statements

30 Related party disclosures

a) Names of related parties and description of relationship

Entities having significant influence over the Company	
Key Management Personnel (“KMP”)	G. S. Ram, Whole Time Director
	Vivekanand Narayan Prabhu, CFO
	Subodhakanta Sahoo, Company Secretary
Enterprise / Entities under common Key Management Personnel (“KMP”)	Soubhagya Confectionery Private Limited
	Prakash Pai Peraje, Promoter Shareholder
	Ananth Pai Peraje, Promoter Shareholder

31 Segment information - Since the company is operating in one reportable segment, hence Segment reporting is not applicable

32 Previous year’s figures have been regrouped/reclassified wherever necessary, to confirm to current period’s classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.

Other statutory information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Company does not have any transactions with companies struck off.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Company has not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix) The Company do not have any parent Company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable for the year under consideration.
- x) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
- xi) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

Notes forming part of the standalone financial statements

	Particulars	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	Variance	Reasons for Variance
(a)	Current Ratio	Current Assets	Current Liabilities	1.30	1.84	-29%	Decrease was due to decrease in Current Assets.
(b)	Debt-Equity Ratio	Total Debt	Shareholders Equity	0.28	0.67	58%	Improvement in Ratio was due to repayment of USL & lowe utilization of Bank borrowings liabilities
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	NA	NA	
(d)	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	-34.38%	29.69%	-216%	Decrease was due to fall in revenue from operations and written off of earlier trade receivables & provisions.
(e)	Inventory turnover ratio	Revenue from Operations	Average Inventory	6.36	7.95	-20%	
(f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	40.37	39.68	2%	
(g)	Trade payables turnover ratio	Purchases	Average Trade Payables	44.30	22.33	98%	Increase was due to increase in trade payables payables
(h)	Net capital turnover ratio	Revenue from Operations	Working Capital	2067%	785%	163%	Decrease was due to decrease in decrease in Working capital gap
(i)	Net profit ratio	Net Profit	Revenue from Operations	-11%	7%	-261%	Decrease was due to fall in revenue from operations and operating Margins
(j)	Return on Capital employed	Earnings Before Interest and Taxes	Capital employed	-28%	31%	-190%	Decrease was due to Loss for the FY, which is due to fall in revenue from operations and operating Margins.
(k)	Return on investment	Income generated from investments	Investment	NA	NA	NA	