

To,

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai– 400 001

BSE Scrip Code : 524202

Sub.: Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Annual General Meeting and Book Closure Intimation

Dear Sir/ Madam,

In terms of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we write to inform you that the Register of Members of Lactose (India) Limited will remain closed from Friday, 01st September, 2023 to Thursday, 07th September, 2023 (both days inclusive) for the purpose of the Annual General Meeting (“AGM”) of the Company.

The AGM will be held on Thursday, 07th September, 2023 at 12.00 noon through video conferencing / other audio-visual means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, Government of India and the Securities and Exchange Board of India.

The relevant details are as under:

Book Closure (ISIN: INE058I01013):

Friday, 01st September, 2023 to Thursday, 07th September, 2023 (both days inclusive)

Annual General Meeting:

Day and Date: Thursday, 07th September, 2023

Time: 12.00 noon (IST)

Venue: The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company i.e. Survey No.5, 6 & 7A Village, Poicha (Rania), Savli, Baroda-391780.

This is for your information and record.

Thanking you,

Yours faithfully,

For Lactose (India) Limited

Ritesh Pandey

Company Secretary & Compliance Officer

Membership No.·A45942

Date: 16th August, 2023

Place: Mumbai



32nd

ANNUAL REPORT 2022-23

LACTOSE (INDIA) LIMITED

LACTOSE (INDIA) LIMITED
BOARD OF DIRECTORS

Shri. Atul Maheshwari	<i>Managing Director</i>
Smt. Sangita Maheshwari	<i>Whole Time Director & C.F.O.</i>
Shri. Pramod Kalani	<i>Non-Executive, Independent Director</i>
Shri. Gopal Krishan Sarda	<i>Non-Executive, Independent Director</i>
Shri. Dhaval Jayant Soni	<i>Non-Executive, Independent Director</i>

AUDITORS
C A S & Co. Chartered Accountants

A-703, Rajeshri Accord, Telly Cross,
Off S. N. Road, Andheri (East), Mumbai - 400 069

BANKERS

HDFC Bank Ltd.

Ground Floor, Imperial Mahal, Khodad Circle,
Dadar TT, Mumbai- 400014

REGISTERED OFFICE & WORKS

Survey No. 5,6 & 7A Village Poicha (Rania),
Savli, Dist. Vadodara, Gujarat - 391780

OTHER INFORMATION

ISIN No. - INE058I01013

BSE Scrip Code - 524202

Company Identification

No: L15201GJ1991PLC015186

CORPORATE OFFICE

Unit No. G-02, 'A' Wing, Ground Floor,
Navbharat Estates, Zakaria Bunder Road,
Sewri (West), Mumbai - 400 015

REGISTRAR & SHARE TRANSFER AGENT
Big Share Services Pvt. Ltd.

Office No S6-2, 6th floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093, India

SECRETARIAL AUDITOR
M/s. Jajodia & Associates

Office No. 30, Laxmi Niwas, 1st Floor,
2nd Panjrapole Lane, C.P. Tank, Mumbai - 400 004.

INTERNAL AUDITOR
A M S & CO.

304, Rainbow Chambers, S.V. Road, Near MTNL
Tel. Exchange, Kandivali (West), Mumbai-400067.

COMPANY SECRETARY
Mr. Ritesh Pandey

Company Secretary & Compliance Officer

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF LACTOSE (INDIA) LIMITED WILL BE HELD ON THURSDAY, 07TH SEPTEMBER, 2023 AT 12:00 NOON THROUGH ELECTRONIC MODE [VIDEO CONFERENCING (“VC”) OR ANY OTHER AUDIO-VISUAL MEANS (“OAVM”)] TO TRANSACT THE FOLLOWING BUSINESS:

THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT SURVEY NO. 5, 6, & 7A VILLAGE POICHA (RANIA), SAVLI, BARODA – 391780.

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sangita Maheshwari (DIN: 00369898), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mrs. Sangita Maheshwari (DIN: 00369898) as Whole-time Director for a term of 5 year.

To consider and, if thought fit, to pass the following resolution as **Special resolution**:

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the members of the company be and is hereby accorded to re-appoint Mrs. Sangita Maheshwari (DIN: 00369898) as a Whole time Director, designated as Executive Director of the Company, for a further period of 5 (five) years from the expiry of her present term of office, that is, with effect from 01st February, 2024 on remuneration and perquisites set out in the explanatory statement annexed to the notice convening this meeting with the liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board may deem fit and is acceptable to Mrs. Sangita Maheshwari, within the limits specified in the Schedule V of Companies Act, 2013 (‘the act’) or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy in profits in any financial year during the tenure of Whole-time Director, the Company will pay Mrs. Sangita Maheshwari remuneration and perquisites referred above as minimum remuneration subject to provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT, any director be and are hereby authorized to sign and submit the necessary application and Forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

4. To appoint of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors for financial year 2023-24.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kirit Mehta & Co., Cost Accountants, Mumbai being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024, be paid the remuneration as may be decided by the Board and Cost Auditor and reimbursement of out of pocket expenses, if any and that the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT any director of the company, be and is hereby authorized to sign and submit the necessary application and Forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

5. To Consider Approval of Related transaction(s).

To consider and, if thought fit, to pass the following resolution as **Special resolution**:

“**RESOLVED THAT** pursuant to recommendation of Audit committee and in accordance with provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Boards and Its Power) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for time being in force) and consent of members of the Company be and is hereby accorded to enter into Related Party transaction(s) with the following Related Party on arm’s length basis for the maximum amount of INR 25 Crores (Rupees Twenty Five Crores Only) during the period from 01st April, 2023 to 31st March, 2026, with respective Related Parties and maximum amount per annum, as mentioned herein below:

Sr. No.	Name of Related Parties	Nature of Relationships	Nature of transactions to be undertaken	Expected Annual Value of Transaction (Amount in Rs.)	Period of transaction
1.	Vitanosh Ingredients Private Limited	Enterprise where Promoter has Significant Influence	Sales	Rs. 25,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 25,00,00,000	
			Security Deposit Against Purchase	Rs. 10,00,00,000	
2.	Ava Artis	Firm of Relative of Director	Sales	Rs. 25,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 25,00,00,000	
3.	Madhusa Lifecare Pvt Ltd	Enterprise where KMP has Significant Influence	Sales	Rs. 5,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 5,00,00,000	
4.	Omega Colors Pvt Ltd	Enterprise where KMP has Significant Influence	Sales	Rs. 5,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 5,00,00,000	
5.	Marisa International	Firm of Relative of Director	Rent Payable	Rs. 20,00,000	01 st April, 2023 to 31 st March, 2026

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with related parties and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT Mr. Atul Maheshwari, Managing Director or Mrs. Sangita Maheshwari, Whole Time Director or Mr. Ritesh Pandey, Company Secretary and Compliance Officer, be and are hereby authorized to sign and/or submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

By Order of the Board

Date: 27th July, 2023
 Place: Mumbai

Sd/-
Ritesh Pandey
 (Company Secretary)

Regd. Office:

Survey No. 5,6 &7A Village Poicha (Rania),
 Savli Vadodara, Gujarat – 391780
 Tel No. : +91-22-24117030
 CIN : L15201GJ1991PLC015186
 Website : www.lactoseindialimited.com
 E-mail id : lil@lactoseindialimited.com

NOTES TO NOTICE

- i. The Statement as required under Section 102 of the Companies Act, 2013 (“the Act”) is annexed to the Notice.
- ii. 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 8, 2021, December 14, 2021 and May 5, 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.
- iii. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, 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 to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- iv. 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 atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- v. Members shall have the option to vote electronically (“e-voting”) either before the AGM (“remote e-voting”) or during the AGM.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings (“SS-2”), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Bigshare Services Private Limited (“RTA”). Necessary arrangements have been made by the Company with Bigshare Services Private Limited to facilitate remote e-voting and e-voting during the AGM.

- vi. The Company has appointed M/s. Jajodia & Associates (Practicing Company Secretary), having COP no. 19900, as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.
- vii. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- viii. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.
- ix. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cutoff date i.e. Thursday, 31st August, 2023 (“cut-off date”).
- x. A person who is not a member as on Thursday, 31st August, 2023 should treat this Notice for information purposes only.
- xi. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Thursday, 31st August, 2023 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
- xii. Register of Members and Share Transfer Books will remain closed from Friday, 01st September, 2023 to Thursday, 07th September, 2023 (both days inclusive).
- xiii. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
- xiv. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents. Further, with effect from 01st April 2019, requests for transfer of securities are not permitted unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per SEBI Listing Regulations. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
- xv. Members holding shares in dematerialized form are requested to update with their respective Depository Participants (“DP”), their bank account details (account number, 9 digit MICR and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Registrar and Transfer Agent viz. Bigshare Services Private Limited (“RTA”) before Thursday, 31st August, 2023 by quoting the Folio No. and attaching a scanned copy of the cancelled

cheque leaf of their bank account and a self-attested scanned copy of the PAN card.

- xvi. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
- xvii. Additional information of Directors seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice
- xviii. In line with MCA Circulars and SEBI circular, the Notice calling the AGM along with the Annual Report for 2022-23 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at www.lactoseindialimited.com and the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Notice is also disseminated on the website of Bigshare Services Private Limited (agency providing the remote e-voting facility and e-voting during the AGM) at www.evotingindia.com. For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, Members may register the email IDs using the facility provided by the Company through the following link <https://bigshareonline.com/InvestorRegistration.aspx#AdvdTrack#>. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form.
- xix. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice upto 32nd Annual General Meeting. Members seeking to inspect such documents are requested to write to the Company at il@lactoseindialimited.com.
- xx. In case of any queries regarding the Annual Report, the Members may write to investor@bigshareonline.com to receive an email response.

xxi. Procedure for voting through electronic means:

(A) Procedure and instructions for remote e-voting

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 dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 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 Bigshare Services Private Limited 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 Bigshare Services Private Limited.

The instructions for shareholders voting electronically are as under:

For Members, whose e-mail addresses are registered with the Company/ Depositories:

The instructions for members for voting electronically are as under:

- i. The voting period begins on 04th September, 2023 at 09.00 A.M. and ends on 06th September, 2023 at 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 31st August, 2023 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 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.

1. Pursuant to above said 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	<ol style="list-style-type: none"> Users who have opted for CDSL 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link 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 able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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 BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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 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 BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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 website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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 website.

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 contact at 022- 23058738 and 22-23058542-43.
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

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - ❖ Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - ❖ Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
 - ❖ Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

***Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/ UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.
- **NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - ❖ Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - ❖ Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.

Note: The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)

- ❖ Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. Procedure for joining the AGM/EGM through VC/OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on “VC/OAVM” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM/EGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM 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 in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

Declaration of Results:

- i. M/s. Jajodia & Associates, Practicing Company Secretaries (COP No: 19900), has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- ii. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iii. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lactoseindialimited.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND SEEKING FIXATION OF REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mrs. Sangita Maheshwari
DIN	00369898
Designation	Whole Time Director
Date of Birth	06/02/1967
Age	56 years
Date of Appointment	24/02/2014
Nationality	Indian
Brief Resume	Over 31 years of her experience includes the Sales and Marketing of Product in India and International. Her Job profile also includes cash flow management and development of new Business.
Expertise in specific functional area	Sales and Marketing
Qualification	B.com
List of outside Directorship held as on 31st March, 2023 (Excluding Private Limited Companies and Foreign Companies)	NIL
Chairman/Member of the Committee of Board of Directors of the Company as on 31st March, 2023	NIL
No. of Shares held in the Company as on 31st March, 2023	15,39,910
Relationship with other Directors and Key Managerial Personnel	Mr. Shyamsunder Toshniwal - Father Mr. Atul Maheshwari - Husband
Remuneration proposed to be paid	1. Remuneration: Upto a limit of 9,00,000 per month, as may be decided by the Board from time to time depending on Company's performance. 2. Such benefits, perquisites and allowances as may be determined by the Board from time to time. Other terms & Conditions remains same.
Remuneration last drawn (including sitting fees, if any) for the financial year 2022-23	52.67 Lakh
Number of Board Meetings attended during the financial year 2022-23	07
Terms and Conditions of Appointment/Re-appointment	N.A.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 In Conformity with the Provisions of Section 102(1) of the Companies Act, 2013 the following Explanatory Statement sets out all the material facts relating to the item of Special Business at item no. 3 of the Notice dated 27th July, 2023 and the same should be taken as forming part of the notice.

Item No. 3:

The Members at the 28th Annual General Meeting ('AGM') held on 30th September, 2019 approved the appointment of Mrs. Sangita Maheshwari as Whole time Director of the Company with effect from 01st February, 2019 for the tenure of 5 years till 01st February 2024. The Board of Directors of the Company ('the Board') at the meeting held on 27th July, 2023 on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the re-appointment of Mrs. Sangita Maheshwari as Whole-time Director of the Company for the tenure of 5 years i.e. 01st February 2029, as set out in the Resolution

relating to her re-appointment, on the following remuneration and The other terms and conditions as specified below remains the same. The Statement containing the information to be given to the members in terms of Schedule V to the Companies Act 2013 is as under.

1	Nature of Industry	:	Lactose (India) Limited is a pharmaceutical Company engaged in production of Pharmaceuticals, drugs, medicines, chemicals, food, etc.
2	Date of Commencement of Activities	:	05/04/1991
3	Foreign Earnings, Investments or Collaborations	:	Foreign Exchange earned during the financial year is 1035.46 Lakhs
4	Financial performance based on given indicators	:	Financial performance of the Company for the last 3 years are as under:

Particulars	FY 2021-2022	FY 2020-2021	FY 2019-2020
Operational and other Income	4,651.95	3,527.64	4,034.39
Profit/(Loss) before Tax	316.64	(327.04)	9.94
Add/(Less): Current Tax	56.94	-	1.55
Add/(Less): Deferred Tax Liability / Assets	14.56	(84.20)	0.82
Add/(Less): Taxation of earlier years	-	4.89	0.37
Profit/(Loss) after Tax	238.08	(242.21)	3.60

Item No. 4

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of M/s Kirit Mehta & Co., as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on 31st March, 2024 at a remuneration as may be decided by the Board and Cost Auditor and reimbursement of out-of-pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company. Accordingly, consent of Members is sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2024 in terms of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, as set out in item No. 4.

Item No. 5

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 and provisions of Regulation 23 of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 that govern the Related Party Transactions, requires that for Related Party Transactions, Company must obtain prior approval of the Shareholders by way of a Resolution, in case the threshold limits are exceeded.

In the light of provisions of Section 188 of Companies Act, 2013 read with Rules made there under and Regulation 23 of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Sr. No.	Name of Related Parties	Nature of Relationships	Nature of transactions to be undertaken	Expected Annual Value of Transaction (Amount in Rs.)	Period of transaction
1.	Vitanosh Ingredients Private Limited	Enterprise where Promoter has Significant Influence	Sales	Rs. 25,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 25,00,00,000	
			Security Deposit Against Purchase	Rs. 10,00,00,000	
2.	Ava Artis	Firm of Relative of Director	Sales	Rs. 25,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 25,00,00,000	
3.	Madhusha Lifecare Pvt Ltd	Enterprise where KMP has Significant Influence	Sales	Rs. 5,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 5,00,00,000	
4.	Omega Colors Pvt Ltd	Enterprise where KMP has Significant Influence	Sales	Rs. 5,00,00,000	01 st April, 2023 to 31 st March, 2026
			Purchase	Rs. 5,00,00,000	
5.	Marisa International	Firm of Relative of Director	Rent Payable	Rs. 20,00,000	01 st April, 2023 to 31 st March, 2026

Members are hereby informed that no members of the company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Directors recommend the Item No. 5 of the Notice for consent and approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Shyamsunder Toshniwal (and their Relatives) and Mr. Atul Maheshwari (and their Relatives) is in any way, concerned or interested, financially or otherwise, in the proposed special resolution except to the extent of their respective shareholding in the Company, if any.

DIRECTORS' REPORT

To,
The Members,

Your Directors proudly present to you the 32nd Annual Report of the Company together with the Audited Statement of the Accounts for the Financial year ended on 31st March, 2023.

1. FINANCIAL STATEMENT:

(Rs. In Lakhs)

Particulars	2022-2023	2021-2022
Operating and other Income	6,652.57	4,651.76
Total Expense	6,506.11	4,335.13
Profit before Tax	146.45	316.63
Provision for Current Tax	24.45	56.94
Deferred Tax	7.66	14.56
Taxation of Earlier Years	(6.52)	-
Profit After Tax	127.64	238.08

2. DIVIDENDS:

The Board of Directors of your Company do not recommend any Dividend on equity shares for the FY 2022-2023.

3. REVIEW OF OPERATIONS:

During the year under review, the revenue of the Company has increased to Rs. 6,579.63 lakhs as compared to Rs. 4,593.90 lakhs in the corresponding previous year.

The Company earned net profit of Rs. 127.64 lakhs as compared to net profit of Rs. 238.08 lakhs in the corresponding previous year.

Earning per share is Rs. 0.96 for the current year and Rs 2.10 for the previous year

4. TRANSFER TO RESERVE:

The Company has not transferred amount to reserves during the Financial Year 2022-23.

5. DEPOSITS:

The details of deposits as covered under Chapter V of the Act are as under:

	Deposits accepted during the year	Nil
a)	Remained unpaid or unclaimed as at the end of the year	Nil
b)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: At the beginning of the year (i) Maximum during the year (ii) At the end of the year	Nil
c)	The details of deposits which are not in compliance with the requirements of Chapter	Nil

6. NATURE OF BUSINESS:

The company is engaged in the business of manufacturers, manufacturer representatives, producers, processors, refiners, consignors, consignees, factors, agents, exporters, importers and distributors of all classes, kinds, types and nature of:

- I. Foods whether finished, semi-finished, processed and unprocessed.
- II. Milk cream ice-cream, curd, butter milk, paneer, cheese, sweetmeats, chocolates and other dairy products.
- III. Pharmaceuticals, drugs bulk drugs, medicines.
- IV. Chemicals, chemical products, chemical compounds, derivatives and intermediates.

7. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

The Company does not have subsidiary, Joint Venture and Associate companies.

No company has become or ceased to be the Company's subsidiaries, joint ventures or associate companies during the year under review.

8. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards ("SS") issued by the Institute of Company Secretaries of India relating to the meetings of the Board and its committees as well as the general meetings (SS-1 and SS-2) respectively, which have mandatory application during the year under review.

9. SHARE CAPITAL:

The details of Share capital of the Company are as under:

Particulars	As on 31 st March, 2023		As on 31 st March, 2022	
	Number of Shares	(Rs.in Lakhs)	Number of Shares	(Rs in Lakhs)
Authorised Capital: Equity Shares of Rs 10/- each	1,50,00,000	1500.00	1,50,00,000	1500.00
Issued, Subscribed & Paid-Up Capital: Equity Shares of Rs 10/- each	1,25,89,000	1258.90	1,25,89,000	1258.90

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

At the 32nd Annual General Meeting ("AGM") of the Company and in accordance with the applicable provisions of Section 152 of the Act and the Articles of Association of the Company, Mrs. Sangita Maheshwari (DIN: 00369898) is liable to retire by rotation and being eligible, offers herself - for re-appointment as Director- of the Company.

Necessary resolution- for her re-appointment is included in the Notice of 32nd AGM for seeking approval of the members of the Company.

11. DECLARATION BY AN INDEPENDENT DIRECTOR(S):

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. FORMAL ANNUAL BOARD EVALUATION:

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The evaluation was done in accordance with the framework and criteria laid down by the NRC. Further, at a separate meeting, the Independent Directors evaluated performance of Non-Independent Directors, Board as a whole and of the Chairman of the Board.

13. MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Management Discussion and Analysis of financial condition, including the results of operations of the Company for the year under review as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a separate section forming part of the Annual Report.

14. BOARD MEETINGS:

During FY 2022-23, 07 (Seven) Board Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

15. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 31st March, 2023 during the financial year 2022-23, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non-Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

16. NOMINATION AND REMUNERATION POLICY:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration committee the Board has adopted policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Remuneration Policy is stated in the Corporate Governance Report. The Nomination and Remuneration Policy is posted on the website of the Company.

The web link for the same is: <https://www.lactoseindialimited.com/policy.php>

17. STATUTORY AUDIT:

At the Annual General Meeting of the Company held on 17th June, 2022, M/s. C A S & Co., Chartered Accountants, were appointed as statutory auditors of the Company for a term of five years [i.e., till the conclusion of 36th Annual General Meeting.] The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 07th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory auditors at the ensuing AGM.

The Auditors Report for the financial year 2022-23, does not contain any qualification, reservation or adverse remark.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

18. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Jajodia & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2023. The Report of the Secretarial Audit is annexed as "Annexure A" to this Board's Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks and disclaimer.

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

19. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Act introduced regulations with focus on control and compliance requirements, in light of which, the Company has laid down internal financial controls across various processes prevalent in the organization. These controls have been established at the entity as well as process level and are designed to ensure compliance to internal control requirements, regulatory compliance and enable appropriate recording of financial and operational information. The Company has reviewed the effectiveness of its internal financial controls by adopting a systematic approach to assess the design and its operating effectiveness.

During the financial year, such controls were tested and no reportable material weakness in the design or operation was observed. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

20. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The policy is placed on the website of the Company. The web link for the same is:- <https://www.lactoseindialimited.com/policy.php>

21. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is given hereto and forms a part of this report as an “Annexure B”.

22. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Energy conservation is not only a national priority but also a key value driver for your Company. Employees are also encouraged to give suggestion that will result in energy saving.

As prescribed under the Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable, as there is no technology absorption, adaptation and innovation made by your Company. However, it has been the endeavor of the Company to continuously upgrade & standardize its products.

23. FOREIGN CURRENCY EARNING AND OUTGO:

Sr No.	Particulars	Rs. In Lakhs
i)	CIF Value of Imports	2061.12
ii)	Expenditure in foreign currency	23.91
iii)	Foreign Exchange earned	1035.46

24. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report and is marked as “Annexure C” to this Report.

25. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 of the Companies Act, 2013 (“Act”) read with Rule 12 of The Companies (Management and Administration) Rules, 2014 and Section 134 (3) (a), the copy of Annual Return can be accessed on the website of the Company at www.lactoseindialimited.com

26. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186:

The details of Loan, Guarantees and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

28. SAFETY, HEALTH AND ENVIRONMENT:

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Infact, your Company’s goals are: no accidents, no injuries to people and no damage to environment. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities.

Clean environment and sustainable development integrated with the business objective is the focus of operations of the Company. The projects and activities are planned and designed with environment protection as an integral part to ensure a safe and clean environment for sustainable development.

29. DIRECTORS’ RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013:

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act.

a) That in the preparation of the annual financial statements, the applicable accounting standards

have been followed along with proper explanation relating to material departures, if any;

- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and of the profit or loss of the company for the year ended on that date;
- c) That proper and sufficient care has been taken 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) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. CORPORATE GOVERNANCE:

As per the SEBI(Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has prepared a report on Corporate Governance together with a certificate from the Company's Auditors confirming Compliance is set out in the "Annexure D" forming the part of this Annual Report.

DISCLOSURES:

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. Gopal. K. Sarda (Chairman), Mr. Pramod Kalani and Mr. Dhaval Jayant Soni as other members. The Audit Committee played an important role during the year. It co-ordinates with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts. All the recommendations made by the Audit Committee were accepted by the Board. During FY 2022-23, 05 (Five) Audit Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises Independent Directors namely Mr. Gopal. K. Sarda (Chairman), Mr. Pramod Kalani and Mr. Dhaval Jayant Soni as other members. During FY 2022-23, 4 (Four) Stakeholders Relationship Committee's Meetings were conveyed and held by the Company. The details of which

are given in the Corporate Governance Report. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal dispatches which led to usual complaints, have been minimized.

NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises Independent Directors namely Mr. Gopal. K. Sarda (Chairman), Mr. Pramod Kalani and Mr. Dhaval Jayant Soni as other members. During FY 2022-23, 01 (One) Nomination & Remuneration Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration packages payable to them and other employees.

31. CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

During FY 2022-23, Corporate Social Responsibility is not applicable to the company.

32. PREVENTION OF SEXUAL HARASSMENT POLICY:

The Company has in place Prevention of Sexual Harassment Policy 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.

The following is a summary of sexual harassment complaints received and disposed of during the year 2022-23:

- a) No. of complaints received: Nil
- b) No. of complaints disposed of: N.A.

33. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Industrial Relations continued to be harmonious throughout the year under review. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programs which have helped the Organization achieve higher productivity levels.

34. MATERIAL CHANGES:

During the year, there are no other material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company i.e. 31st March, 2023 to which these financial statements relate and date of this report.

35. RISK MANAGEMENT POLICY:

As per the Act, and as part of good corporate governance the Company has constituted the Risk Management Committee. The Committee has laid down the procedures to inform the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan and policy for the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD and the CFO that the mitigation plans are finalised and up to date, owners are identified and the progress of mitigation actions are monitored.

36. CODE OF CONDUCT:

Your Company has established a Code of Conduct and Code of Fair Disclosures for Prohibition of Insider Trading (“Code of Conduct” or “Code”) which is applicable to the Employees, Directors, designated persons, immediate relatives of designated persons and connected persons of the Company. The Code lays down the standard of conduct, which is expected to be followed by the Directors and employees in their business dealings, and in particular, on matters relating to integrity in the workplace, dealing with stakeholders and in business practices. All the Board Members and the Senior Management employees have confirmed compliance with the Code.

The Code is available on website of the Company at www.lactoseindialimited.com

37. SIGNIFICANT OR MATERIAL ORDERS AGAINST COMPANY:

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company’s operation in future.

38. APPRECIATION:

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Company by all valued customers and bankers of the Company.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts by the employees at all levels which contributed, in no small measure, to the progress and the high performance of the Company during the year under review.

**For and on behalf of the Board
For Lactose (India) Limited**

Sd/- (Atul Maheshwari) Managing Director	Sd/- (Sangita Maheshwari) Whole-time Director & CFO
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Date: 27th July, 2023
Place: Mumbai

Regd. Office:

Survey No. 5,6 &7A Village Poicha (Rania),
Savli Vadodara, Gujarat – 391780
Tel No. : +91-22-24117030
CIN : L15201GJ1991PLC015186
Website : www.lactoseindialimited.com
E-mail id : lil@lactoseindialimited.com

ANNEXURE “A” TO THE DIRECTOR’S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lactose (India) Limited
Survey No. 5,6, 7A Savli, Village Poicha (Rania),
District Vadodara GJ– 391780

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lactose (India) Limited (hereinafter called “The Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India, as applicable, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2023, generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the applicable provisions of:

- I. The Companies Act, 2013 (“The Act”) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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’) as amended from time to time: - **as applicable;**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018;
 - c. The Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - g. The Securities and Exchange Board of India (Issue and Listing of Non – convertible Securities) Regulations, 2021;
 - h. 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;
 - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018;
 - j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned below:
 - Factories Act, 1948
 - Industrial Disputes Act, 1947
 - Payment of Wages Act, 1936 & Payment of Bonus Act, 1965
 - The Contract Labour (Regulation and Abolition) Act, 1970
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Environment Protection Act, 1986

- Pollution Control Laws
- Explosives Act, 1884 and Explosives Rules, 2008
- Drugs and Cosmetic Acts, 1940 and Rules thereunder
- Drug (Price Control) Order, 2013
- The Minimum Wages Act, 1948
- The Employees Compensation Act, 1923
- Food Safety and Standards Act, 2006

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

We report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned as above.

We further report that 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 period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period the Company has not reported any material event.

We further report that during the audit period there were no instance of:

- (i) Public/Right issue of shares / debentures / sweat equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Further, our report of even dated to be read along with the following clarifications:

This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.

FOR JAJODIA AND ASSOCIATES

Sd/-
Company Secretary in Practice
M.No : 36944
CP No : 19900
Peer review: 2497/2022
UDIN: A036944E000687561

Place: Mumbai
Date: 27th July, 2023

‘Annexure - I’

To,
The Members,
Lactose (India) Limited
Survey No. 5,6,7A Savli, Village Poicha (Rania),
District Vadodara – 391780

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report 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.

FOR JAJODIA AND ASSOCIATES

Sd/-
Company Secretary in Practice
M.No : 36944
CP No : 19900
Peer review: 2497/2022
UDIN: A036944E000687561

Place: Mumbai
Date: 27th July, 2023

ANNEXURE “B” TO THE DIRECTOR’S REPORT

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power & Fuel Consumption:
(Rs. In Lakhs)

Power and Fuel Consumption		Current year 31.03.2023	Previous year 31.03.2022
1) Electricity			
	Purchase Unit (KWH)	5192224	5437084.00
	Total Amount (Amount in Lacs)	441.42	421.95
	Rate per Unit (Amount in Rupees)	8.50	7.76
2) Agro Waste Briquettes			
	Quantity (MTS)	-	-
	Total Amount (Amount in Lacs)	-	-
	Average Rate/ Ton (Amount in Rupees)	-	-
3) Bio Coal			
	Quantity (MTS)	2267.43	2669.30
	Total Amount (Amount In Lacs)	239.36	265.91
	Average Rate/ Ton (Amount in Rupees)	10,556.39	9851.06

ANNEXURE “C” TO THE DIRECTOR’S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE, 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND ANNEXED TO AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2023:

(I)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year : -	
Sr. no.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Atul Maheshwari, Chairman & Managing Director	44.44:1
2	Mrs. Sangita Maheshwari, Whole Time Director & Chief Financial Officer	24.42:1
(ii)	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year :-	
Sr. no.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.
1	Mr. Atul Maheshwari, Chairman & Managing Director	Nil
2	Mrs. Sangita Maheshwari, Whole Time Director & Chief Financial	Nil
3	Ms. Ritesh Pandey, Company Secretary & Compliance Officer	Nil
(iii)	The percentage increase/ decrease in the median remuneration of employees in the financial year	-4.10%
(iv)	The number of permanent employees on the rolls of the Company as on 31 st March, 2023.	109
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	The average annual increase was around 12.45%, after accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration for the year was Nil.
(vi)	The key parameters for any variable component of remuneration availed by the directors	NIL
(vii)	Affirmation that the remuneration is as per the remuneration policy of the Company:	Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.
(II) Statement showing details of Employees of the Company as per Section 197 (12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:		
<p>In pursuant to the provisions of Section 197(12) of the Companies Act,2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn is provided in a separate annexure forming part of this Report. Pursuant to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary of the Company and the same will be furnished without any fee.</p>		

ANNEXURE “D” TO THE DIRECTORS’ REPORT

REPORT ON CORPORATE GOVERNANCE

A. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a Company meets its obligations with the objective to optimize Member value and fulfill its responsibilities to the community, customers, employees, government and other societal segments. Lactose (India) Limited’s philosophy is to conduct business with highest ethical standards for growth and prosperity of all the stakeholders. This philosophy is built on a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large. This is an ongoing process and we continuously endeavor to improve upon our practices in line with the changing demands of business. Lactose (India) Limited adopts innovative approaches for leveraging all its resources and encourages a spirit of conversion of opportunities into achievements. Lactose (India) Limited’s Code of Conduct enabled it to reflect the diverse business, cultural and other factors that have a bearing on the health of brand ‘Lactose (India) Limited’.

Keeping in view the Company’s size, reach, complexity of business and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors which is made up of appropriate size, bouquet of experience and commitment to discharge their responsibilities;
- Timely and adequate flow of information to the Board and its Committees for meaningful and focused discussion at the meetings to enable them to discharge their fiduciary duties;
- Independent verification of Company’s financial reporting from time to time and on quarterly basis;
- A sound system of internal controls within the risk management framework to mitigate perceived risk factors;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders;
- Compliance with applicable laws, rules, regulations and guidelines; and
- Transparency and defined accountability.

The Board of Directors play an active role in fulfilling its fiduciary obligation to Members by efficiently overseeing management functions to ensure their effectiveness in delivering Member value. The governance framework is made effective through an efficient system of timely disclosures and transparent business practices.

B. BOARD OF DIRECTORS

The Board of Directors (“the Board”) of your Company is responsible for and is committed to sound principles of the corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves the interest of the Shareholders and other Stakeholders. This belief is reflected in our governance practice, under which we strive to maintain an effective, informed and independent Board to ensure best practice.

COMPOSITION

The Company strives to attain a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, who play a crucial role in Board processes and provide independent judgment on issues of strategy and performance. The Company’s Board of Directors currently comprises of five members, three of whom are Non-executive Directors and two Executive Directors i.e. one Whole-time Director and one Managing Director. The Non-executive Directors are eminent professionals with vast experience of industry, finance and law. The Board is headed by Executive Chairman. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company.

None of the Directors on the Company’s Board are members of more than 10 (ten) committees and chairperson of more than 5 (five) committees (being Audit Committee and Stakeholders’ Relationship Committee) across all the companies in which he / she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2023. The composition of the Board was in conformity with Regulation 17 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations, 2015’) as on 31st March, 2023.

The Composition and Category of the Board of Directors during the FY 2022-23 was as follows:

Name of the Directors	Category
Mr. Atul Maheshwari	Managing Director
Mrs. Sangita Maheshwari	Whole-time Director & CFO
Mr. Gopal K. Sarda	Non – Executive Independent Director
Mr. Pramod Kalani	Non – Executive Independent Director
Mr. Dhaval Jayant Soni	Non – Executive Independent Director

BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee in consultation with the Board determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The Board members are expected to possess the required qualification, integrity, expertise and experience for the position. They also possess deep expertise and insights in sectors / areas relevant to the Company and ability to contribute to Company's growth.

List of Core Skills / Expertise / Competencies of the Directors of the Company:

1. Strategy planning and execution;
2. Management and leadership;
3. Functional and managerial experience;
4. Legal and risk management;
5. Corporate governance systems and practices; and
6. Finance, banking and accounts.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013 (the Act). Due to promulgation of Section 149 of the Act and Regulation 25 of the Listing Regulations, 2015, Independent Directors can be appointed for 2 fixed terms of maximum five consecutive years each and they shall not be liable to retire by rotation. Therefore, the Company has appointed / re-appointed all the existing Independent Directors for a term of five consecutive years in compliance with the aforesaid provisions. The Company has issued formal letters of appointment to all the Independent Directors as prescribed under the provisions of the Act and the terms and conditions of their appointment have been uploaded on the website of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Act and Listing Regulations, 2015 and that they are qualified to act as Independent Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations, 2015 and are independent of the management.

As required under the Act, the Independent Directors held a separate meeting to assess the functioning of the Board and to evaluate the performance of the Directors, Chairman and Executive Director.

FAMILIARIZATION OF BOARD MEMBERS

As an onboarding process, all new Directors inducted on the Board are taken through a familiarization process whereby information of the Company is explained to the Director.

The provision of an appropriate induction programme for the Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. All newly inducted Directors on the Board are introduced to the Company's culture through appropriate orientation, presentations made by senior management to provide an overview of the Company's business. They are also introduced to the organization structure, board procedures, matters reserved for Board, major risks and risk management strategy. The Independent Directors, from time to time, request the management to provide detailed understanding of the activity or process of the Company. The management provides such information to the Board from time to time.

The induction process is designed to:

- a. build an understanding of Lactose (India) Limited, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of the Company's people and its key stakeholder relationships.

The policy is available on the website of the Company and is available at the web link: <https://www.lactoseindialimited.com/>

A chart or a matrix setting out the skills / expertise / competence of the Board of Directors along with disclosure of relationships between directors inter-se:

Name of Directors	Designation	Disclosure of Relationship	List of core skills/ expertise/ competence
Mr. Atul Maheshwari	Managing Director	Mrs. Sangita Maheshwari-Wife;	International Marketing/ Pharmaceuticals Company
Mrs. Sangita Maheshwari	Whole time Director and Chief Financial Officer	Mr. Atul Maheshwari-Husband	Finance, Sales and Marketing
Mr. Gopal. K. Sarda	Non-Executive Independent Director	NA	Engineering
Mr. Pramod Kalani	Non-Executive Independent Director	NA	Manufacturing of Pharmaceuticals
Mr. Dhaval Soni	Non-Executive Independent Director	NA	Finance, Sales and Marketing

BOARD MEETINGS AND PROCEDURE

The Board meets at least once in every quarter, *inter alia*, to review the quarterly results and other items on the agenda and minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by way of circulation.

During the year under review Seven Board meetings were held on 17th May 2022; 20th May 2022, 20th June 2022, 09th August, 2022; 14th November, 2022; 14th February 2022 and 31st March, 2023. The meetings were held as per the requirements of business and at intervals within the legally permitted limits. The necessary quorum was present in all the Board meetings. Leave of Absence was granted to the concerned Directors who could not attend the respective Board meeting. The details of attendance of Directors at the Board meetings and at the last Annual General Meeting are as under:

Name of Director	No. of Board meetings		Attendance at last AGM	Directorship in other Indian Public Limited Companies	No. of Committees position held in other companies		Directorship in other listed Companies and Category of Directorship	No. of shares held by Non-Executive Director
	Held	Attended			Chairman	Member		
Mr. Atul Maheshwari (Managing Director)	7	7	Yes	1	1	1	Photoquip India Ltd. Non-Executive - Independent Director	NA
Mrs. Sangita Maheshwari (Whole time Director and Chief Financial Officer)	7	7	Yes	-	-	-	-	NA
Mr. Pramod Kalani (Non-Executive Independent Director)	7	7	Yes	-	-	-	-	NIL
Mr. Gopal. K. Sarda (Non-Executive Independent Director)	7	7	Yes	-	-	-	-	1100 shares
Mr. Dhaval Jayant Soni	7	7	Yes	1	1	1	Photoquip India Ltd. Executive Director	10 shares

BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary advises / assures the Board on compliance and governance principles and ensures appropriate recording and circulation of Minutes of the meetings amongst the Directors.

INFORMATION TO THE BOARD

The internal guidelines for Board / Board Committee meetings facilitate the decision-making process at the meetings of the Board / Committees in an informed and efficient manner. Board meetings are governed by a structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with senior management prepares the detailed agenda for the meetings.

Agenda papers and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

A detailed agenda folder is sent to each Director in advance of the Board meetings, covering *inter alia*, the required information as enumerated in Part A of Schedule II to Regulation 17(7) of the Listing Regulations, 2015. As a policy, all major decisions involving allocation and deployment of funds, investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are placed before the Board for its consideration and directions.

The following information, *inter alia*, as may be applicable and required, is provided to the Board as part of the agenda papers.

- Quarterly, half yearly and annual results of the Company;
- Minutes of the Audit and other committees of the Board;
- Information relating to recruitment and remuneration of senior level officers just below the Board;
- Materially important legal or taxation matters;
- Status of financial obligations to and by the Company;

- Any significant development in human resources or industrial relations;
- Details of risk exposure and steps taken by management to limit or restrain the risk; and
- Compliance status with any regulatory, statutory or Listing Regulations, 2015 related requirements or in relation to any Member services.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

Separate Independent Directors' Meeting

As required under the Act and Listing Regulations, 2015, the Independent Directors met on 31st March, 2023 without the presence of Executive Directors or management representatives. The Independent Directors at their meeting held on 31st March, 2023, *inter alia*, discussed:-

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to this meeting, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

Board Evaluation / Performance

In terms of the requirements of the Act and Listing Regulations, 2015, the Board has evaluated its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was 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.

Performance evaluation criteria of Independent Directors

Independent Directors are evaluated based on parameters such as qualification, experience, knowledge and competency, initiative, commitment, independence, independent views and judgement, attendance and participation in the discussion at the Meetings, adherence to the Code for Independent Directors of the Company, understanding the environment in which the company operates and contribution to strategic decision and raising valid concerns at the Board, interpersonal relations with other directors and management, objective evaluation

of Board's performance, safeguarding of confidential information and maintaining integrity.

Code of Conduct for Board Members and Senior Management

The Board has laid down the code of conduct for all the Board members and members of the Management of the Company. Additionally, all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder. All the Board members and Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

Subsidiary Companies

The Company does not have any Subsidiary Company.

C. DETAILS OF REMUNERATION PAID TO DIRECTORS

The Managing Director receives salary, allowances and perquisites, while all the Non-executive Directors receive sitting fees and allowances (as applicable) and annual commission within the prescribed limits as set out in the Act.

The Executive Director (Director-in-Charge) of the Company is entitled for payment of remuneration by way of commission as determined by the Board of Directors / Nomination and Remuneration Committee of the Company from time to time. There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-executive Directors during the year.

a) Remuneration paid / payable to Non-Executive Directors of the Company

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him not exceeding the sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The criteria for making payment to Non-Executive Directors is available on company's website, web-link of which is: <https://www.lactoseindialimited.com/policy.php>.

b) Remuneration paid / payable to the Managing Director and Executive Director of the Company for the year ended 31st March, 2023, is as under:

(Amount in Rs. Lakhs)

Sr. No.	Particulars	Salary etc.	Commis- sion	Perqui- sites	Retire- ment Bene- fits	Total
1.	Mr. Atul Maheshwari (Managing Director)	95.78	-	-	-	95.78
2.	Mrs. Sangita Maheshwari (Whole Time Director)	52.67	-	-	-	52.67

D. Committees of the Board

Pursuant to Listing Regulations, 2015 and provisions of the Act, the Board of Directors have constituted various Committees of Directors with adequate delegation of powers to properly discharge businesses of the Company.

These Committees are:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Risk Management Committee;
- Prevention of Sexual Harassment Committee

The details of these Committees are as follows:

(I) Audit Committee

COMPOSITION

The Audit Committee comprises of three Independent Directors and is headed by Mr. Gopal. K. Sarda. The other members of the Committee are Mr. Dhaval Soni and Mr. Pramod Kalani. The constitution of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015. The brief terms of reference *inter alia* are as follows:

- ❖ Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ❖ Recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
- ❖ Approve payment to statutory auditors for any other services rendered by them.

- ❖ Review, with the management, the quarterly and annual financial statements and auditors report thereon before submission to the Board for approval.
- ❖ Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- ❖ Review and monitor the auditor’s independence, performance and effectiveness of audit process.
- ❖ Review the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, etc.

MEETINGS AND ATTENDANCE

During the year under review five meetings of the Committee were held on 17th May 2022; 20th May 2022, 09th August, 2022; 14th November, 2022 and 14th February 2022. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings Attended
Mr. Gopal. K. Sarda	Chairman	Non-Executive & Independent Director	5
Mr. Pramod Kalani	Member	Non-Executive & Independent Director	5
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	5

The Committee reviews various aspects of the internal control system. The requirements in respect of Regulation 18 of the Listing Regulations, 2015 are also reviewed by the Committee.

II STAKEHOLDERS’ RELATIONSHIP COMMITTEE

COMPOSITION

The Stakeholders’ Relationship Committee constituted as a mandatory committee of the Board, presently comprises of two Non-executive Directors of the Company and is headed by Mr. Gopal K. Sarda. The other members of the Committee are Mr. Pramod Kalani and Mr. Dhaval Soni. Mr. Ritesh Pandey, Company Secretary is designated as the Compliance Officer of the Company. The constitution of the Stakeholders’ Relationship Committee meets the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations, 2015.

TERMS OF REFERENCE

The Committee inter alia oversees the redressal of Member and investor complaints / requests for transmission of shares, sub-division and consolidation of share certificates, issue of duplicate

share certificates, requests for dematerialization and re-materialization of shares, non-receipt of declared dividend and non-receipt of Annual Report. It also recommends measures for improvement in investor services. The Committee also keeps a close watch on the performance of M/s. Big Share Services Private Limited, the Registrar & Share Transfer Agents (RTA) of the Company. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Members of the Company. The Committee meets as often as is necessary for resolution of important matters within its mandate.

MEETINGS AND ATTENDANCE

During the year under review, four meetings of the Committee were held on 17th May 2022; 09th August, 2022; 14th November, 2022 and 14th February 2022. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Gopal. K. Sarda	Chairman	Non-Executive & Independent Director	4
Mr. Pramod Kalani	Member	Non-Executive & Independent Director	4
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	4

INVESTOR COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR

During the year under review the Company has received 1 (one) Investor Complaint during the third and fourth quarter each from Members and the same was resolved in due time. The average period of redressal of grievances is 7 days from the date of receipt of letters / complaints. There were no unresolved complaints as on 31st March, 2023.

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board comprises of three Independent Directors, viz. Mr. Gopal. K. Sarda, Mr. Pramod Kalani and Mr. Dhaval Soni. The Committee is headed by G. K. Sarda. The constitution of the Committee meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015.

TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee are in conformity with Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015. The terms of reference are as follows:

- Determine the compensation package of the Executive Directors, Secretary and other senior management personnel.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devise a policy on diversity of Board of Directors.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Decide on whether to extend or continue the term of appointment of the Independent Directors, on the basis of the performance evaluation report of Independent Directors.

MEETINGS AND ATTENDANCE

During the year under review, one meeting of the Committee was held on 20th May 2022. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Gopal K. Sarda	Chairman	Non-Executive & Independent Director	1
Mr. Pramod Kalani	Member	Non-Executive & Independent Director	1
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	1

IV. RISK MANAGEMENT COMMITTEE

COMPOSITION

The Risk Management Committee consists of two Members and the Chairman is an Executive Director. The members of the Committee are Mr. Dhaval Soni and Mr. Gopal K. Sarda.

TERMS OF REFERENCE

The Committee is empowered to review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk and strategies to mitigate risks are effectively managed.

MEETINGS AND ATTENDANCE

During the year under review, one meeting of the Committee was held on 31st March, 2023. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings Attended
Mr. Atul Maheshwari	Chairman	Executive Director	1
Mr. Gopal K. Sarda	Member	Non-Executive & Independent Director	1
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	1

V. PREVENTION OF SEXUAL HARASSMENT COMMITTEE

The Company has constituted Prevention of Sexual Harassment Committee as required under Section 4 of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was filed before the said Committee.

Composition, Meetings and Attendance

Prevention of Sexual Harassment Committee consists of three Members and the Chairman is an Executive Director. During the Financial Year 2022-23, no meeting was held.

Name of the Members	Category
Mr. Atul Maheshwari	Chairman
Mr. Gopal K. Sarda	Member
Mr. Dhaval Soni	Member

E. COMPANY POLICIES

I. WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower policy of the Company are subject to review by the Audit Committee.

The Whistle Blower policy is available on the website of the Company at the web link: <https://www.lactoseindialimited.com/pdf/annual-reports/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf>

II. POLICY ON RELATED PARTY TRANSACTIONS

In line with requirement of the Act and the Listing Regulations, 2015, your Company has formulated a policy on related party transactions which is also available on the Company's website at the web link: <https://www.lactoseindialimited.com/pdf/annual-reports/Related-Party-Transaction-Policy.pdf>

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflict of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for transactions with related parties which are of a repetitive nature and / or entered in the ordinary course of business and on an arm's length basis.

III. MATERIAL SUBSIDIARY POLICY

In line with requirement of Regulation 46(2)(h) of the Listing Regulations, 2015, your Company has formulated a policy on material subsidiaries which is also available on the Company's website at the web link:

<https://www.lactoseindialimited.com/pdf/annual-reports/Policy-on-material-Subsidiary.pdf>

The objective of this policy is to determine material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

F. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is given in a separate section in this Annual Report and forms a part of the Directors' Report.

G. MEMBER INFORMATION

(ii) GENERAL MEETINGS

Annual General Meetings of the Company

Details of the last three Annual General Meetings of the Company are as under:

AGM	Financial Year	Date	Time	Venue	Special business/s if any, passed
31 st	2021-22	17 th June, 2022	12.00 Noon	Through Video Conference / Other Audio-Visual Means (Deemed Venue: Survey No. 6, Village Poicha (Rania) Savli, Vadodara, Gujarat – 391780)	1. Appointment of Mr. Dhaval Jayant Soni (DIN 00751362) as a Non - Executive Independent Director
30 th	2020-21	30 th September, 2021	12.00 Noon	Through Video Conference / Other Audio-Visual Means (Deemed Venue: Survey No. 6, Village Poicha (Rania) Savli, Vadodara Gujarat – 391780)	1. Approval of related party transactions; 2. Payment of Remuneration to Mrs. Sangita Maheshwari 3. Payment of Remuneration to Mr. Atul Maheshwari
29 th	2019-20	09 th September, 2020	11.00 a.m.	Through Video Conference / Other Audio-Visual Means (Deemed Venue: Village Poicha (Rania), Survey No. 6, Savli, District Vadodara – 391780)	1. Issue, Offer & Allot 24,00,000 Convertible Warrants on preferential basis

The 32nd Annual General Meeting of the Company is proposed to be held on Thursday, 07th September, 2023 at 12.00 Noon at the Corporate Office of the Company.

(i) Means of communication

Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier.

In accordance with Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company has maintained a functional website i.e. <https://www.lactoseindialimited.com> containing information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance norms, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

The quarterly and annual audited financial results of the Company are sent to the BSE immediately after they are approved by the Board. The results are normally published in Business Standard in English and Vadodara Samachar in Gujarati in terms of Regulation 47 of the Listing Regulations, 2015. The results are also hosted on the website of the Company: <https://www.lactoseindialimited.com>.

Further, the Company disseminates to the BSE Limited wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance / operations. For the benefit of the Members, a separate email id has been created for Member correspondence viz. lil@lactoseindialimited.com

(iii) General Members' information

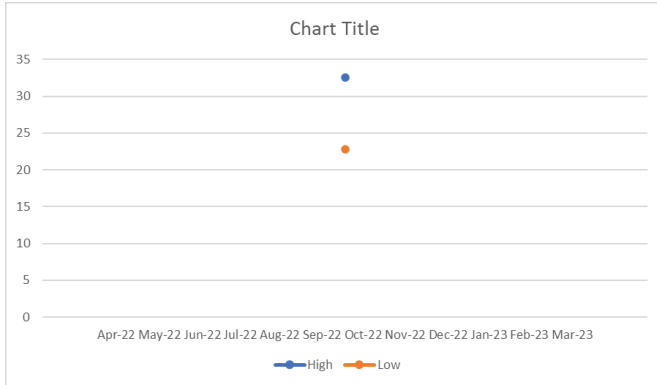
3.1. Annual General Meeting:		
Day, Date and Time	:	Thursday, 07 th September, 2023 at 12.00 Noon
Venue	:	Through Video Conferencing or OAVM (Deemed Venue is Survey No. 5, 6 & 7A, Village Poicha (Rania) Taluka Savli, District Vadodara, Gujarat – 391780.
3.2. Financial Year 2023-24 – Board Meeting Calendar (Tentative):		
Results for first quarter ended 30 th June, 2023	:	On or before 14 th August, 2023
Results for second quarter ending 30 th September, 2023	:	On or before 14 th November, 2023
Results for third quarter ending 31 st December, 2023	:	On or before 14 th February, 2024
Results for financial year ending 31 st March, 2024	:	On or before 30 th May, 2024
3.3. Book Closure date:	:	From Friday, 01 st September, 2023 to Thursday, 07 th September, 2023
3.4. Dividend Payment Date	:	Not Applicable
3.5. Listing on Stock Exchange:	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai, 400001 <i>(Listing Fees have been paid to the Exchange)</i>
3.6. Stock Code:	:	524202
3.7. Demat ISIN Number in NSDL and CDSL:	:	INE058I01013
3.8 Registrar and Share Transfer Agents:	:	Bigshare Services Private Limited
3.9 Share Transfer System:	:	Share Transfers and Share Certificates are processed and returned within 30 days from the date of receipt subject to the documents being valid and complete in all respects. A summary of transfers/transmission of securities of the Company from the Registrar and Transfer Agent is placed before every Stakeholders Relationship Committee Meeting.
3.10 Plant Location:	:	Survey No. 5, 6 & 7A, Village Poicha (Rania) Taluka Savli, District Vadodara, Gujarat – 391780.
3.11 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:	:	The Company has not issued any ADR or GDR or warrants or any convertible instruments, which was likely to impact on equity share capital.

(iv) Stock Data / Market price data

High / low market price of the Company's equity shares traded on stock exchanges where the shares of the Company are listed during the last financial year are as follows:

Month	BSE Limited	
	High	Low
April, 2022	79.4	57.5
May, 2022	96.35	63.25
June, 2022	90.75	60.85
July, 2022	79	61.55
August, 2022	90.2	67.1

Month	BSE Limited	
	High	Low
September, 2022	76.65	65.85
October, 2022	72.95	60.3
November, 2022	68.85	57.15
December, 2022	64.2	49
January, 2023	54.95	44.55
February, 2023	52	45.05
March, 2023	52	39.25



(v) Shareholding Pattern

Details of shareholding by ownership as on 31st March, 2023 was as under:

Sr. No.	Particulars	As on 31 st March, 2023	
		No. of Shares	% of Total Shares
1.	Promoters	67,71,425	53.79
2.	Financial Institutions / Banks / Mutual Funds / UTI / Insurance Cos. / NBFCs	77,920	0.62
3.	Central Government / State Government(s) / IEPF	-	-
4.	Indian Public:		
a.	Bodies Corporate	6,01,989	4.78
b.	Individuals / HUF / Trusts	51,05,529	40.56
c.	Stock Exchange Clearing Members	6,824	0.05
5.	FII, FPIs	-	-
6.	NRI / Foreign Nationals	25,313	0.20
	TOTAL	1,25,89,000	100.00

(vi) Distribution of shareholding

The distribution of shareholding as on 31st March, 2023 was as follows:

Sr. No.	No. of Equity Shares	No. of Shares held	% of Total Shares
1.	1 to 1000	28,01,779	24.50
2.	1001 to 5000	6,45,891	5.65
3.	5001 to 10000	2,87,085	2.51
4.	10001 and above	77,02,254	67.34
	TOTAL	1,25,89,000	100.00

(vii) Physical/NSDL/CDSL/Summary Report as on 31st March, 2023

Particulars	Number of Shares	% of Total Issued Capital
Held in Dematerialized form in CDSL	2307824	18.33
Held in Dematerialized form in NSDL	7897238	62.73
Physical	2383938	18.94

H. Address for Correspondence

(i) Investors Correspondence:	: For Shares held in Physical Form
	Bigshare Services Private Limited. Office No S6-2, 6 th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India
	For Shares held in Demat Form
	To the respective Depository Participants.
(ii) Any query on Annual Report:	Mr. Ritesh Pandey (Company Secretary and Compliance Officer) Lactose (India) Limited Survey No. 5, 6 & 7A Village Poicha(Rania), Taluka Savli District Vadodara, Gujarat - 391780.
(iii) E-mail ID for Investor Grievance	lil@lactoseindialimited.com
(iv) Corporate Website:	www.lactoseindialimited.com

I. DISCLOSURES

- The transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.
- The Company has a Whistle Blower Policy in place. The Company takes cognizance of complaints and suggestions by employees and others. All the employees of the Company have free access to the Audit Committee of the Company. The weblink for Whistle Blower Policy is <https://www.lactoseindialimited.com/pdf/annual-reports/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf>
- The Board of Directors has laid down a Code of Conduct for all the Board Members and Members of the Senior Management of the Company. In addition there is also a Code of Conduct for Regulating,

Monitoring and Reporting of Trading in shares of the Company by Designated Persons. A declaration from the Chairman affirming compliance of the said Code is annexed.

- d) The detailed policy on dealing with related party transactions is posted on the Company's website at <https://www.lactoseindialimited.com/> and can be accessed at web-link. <https://www.lactoseindialimited.com/pdf/annual-reports/Related-Party-Transaction-Policy.pdf>
- e) web link where policy for determining 'material' subsidiaries is <https://www.lactoseindialimited.com/pdf/annual-reports/Policy-on-material-Subsidiary.pdf>
- f) disclosures in relation to the Sexual Harassment Of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- A) number of complaints filed during the financial year: 0
- B) number of complaints disposed off during the financial year: 0
- C) number of complaints pending as on end of financial year: 0
- g) A Certificate from a Company Secretary in practice as required 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 Board/ Ministry of Corporate Affairs or any such Statutory Authority. The certificate of Company Secretary in practice is annexed.
- h) The company has paid a consolidated amount of Rs 8.80 Lakhs as total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity to which the statutory auditor is part.
- i) The corporate governance report discloses the extent to which the discretionary requirements as specified in Part E Schedule II have been adopted.

Code of Conduct for Board Members and Senior Management:

The Board has laid down the code of conduct for all the Board members and members of the Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

All the Board members and Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

DECLARATION BY THE MANAGING DIRECTOR

I, Atul Maheshwari, Managing Director of Lactose (India) Limited, hereby declare that all the members of the Board of Directors and the Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended 31st March, 2023.

For Lactose (India) Limited
sd/-
Atul Maheshwari
Managing Director
DIN: 00255202

Date: 27th July, 2023
Place: Mumbai

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mandatory Requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

CEO / CFO Certification:

The Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

By Order of the Board

Sd/-
(Sangita Maheshwari)
CFO

Date: 27th July, 2023
Place: Mumbai

DIN: 00369898

Regd. Office:

Survey No. 5,6 &7A Village Poicha (Rania),
Savli Vadodara, Gujarat – 391780
Tel No. : +91-22-24117030
CIN : L15201GJ1991PLC015186
Website : www.lactoseindialimited.com
E-mail id : lil@lactoseindialimited.com

The Board of Directors
LACTOSE (INDIA) LIMITED
Survey No.5,6 &7A Village Poicha (Rania)
Savli Baroda GJ 391780

Auditors Certificate confirming compliance with the conditions of Corporate Governance for the F.Y. 2022-23.

1. This Certificate is issued in accordance with the terms of our engagement letter dated 01st April, 2023.
2. The proposed certificate is required to be submitted to the BSE Limited along with the Annual Report of the company for the FY 2022-23.

Management's Responsibility for the Statement

3. The preparation of the Report of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintaining relevant supporting records and documents applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company provides all relevant information to the BSE Limited as may be required from time to time.

Auditor's Responsibility

5. We have examined and reviewed the following data:
 - a) Minutes of Board and Committee Meetings
 - b) Attendance Register of Board and Committee Meetings
 - c) Minutes of AGM and EGM
 - d) Website of the company
 - e) Draft Corporate Governance Report
6. Pursuant to the requirement of the Company, it is our responsibility to provide a reasonable assurance that the Company has complied with all the rules and regulations as mentioned under "**Annexure I**".
7. We conducted our examination of the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on the information & explanation given to us and the documents produced before us by Company, we are of the opinion that the information provided in "**Annexure I**" is true and correct in all manners.

Restriction on Use

10. The certificate is specifically addressed to and provided to the Board of Directors at the request of the Company to submit the same with the BSE Limited and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For CAS & Co.
Chartered Accountants
Firm Reg. No. 11075W

Sd/-
Sajjan Kanodia
Partner
Mem.No.048047
Place: Mumbai
Date: 27th July, 2023
UDIN: 23048047BGWQNP2753

ANNEXURE - I

Dear Sir / Madam,

Auditors Certificate confirming compliance with the conditions of Corporate Governance for the F.Y. 2022-23.

We have examined the compliance of conditions of Corporate Governance by Lactose (India) Ltd (“the Company”) for the year ended 31st March, 2023 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended.

The compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2023.

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

For CAS & Co.

Chartered Accountants

Firm Reg. No. 11075W

Sd/-

Sajjan Kanodia

Partner

Mem.No.048047

Place: Mumbai

Date: 27th July, 2023

UDIN: 23048047BGWQNP2753

ANNEXURE TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and schedule V Para C clause (10) (i) of the SEBI
(Listing Obligation Disclosure requirement) Regulation, 2015)

To,
The Member of
Lactose (India) Limited
CIN: L15201GJ1991PLC015186
Add: Survey No. 5,6,7A Village Poicha (Raina) Savli,
Vadodara Gujarat- 391780

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Lactose (India) Limited having CIN L15201GJ1991PLC015186 and having registered office at Survey No. 5,6, 7A Village Poicha (Raina) Savli, Vadodara Gujarat- 391780 (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 sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the Financial year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange and Board of India, Ministry of Corporate affairs or any such other Statutory Authority.

Sr No.	Name of Directors	Director Identification Number (DIN)	Original Date of appointment in company
1	Mr. Atul Maheshwari	00255202	11/03/1991
2	Mrs. Sangita Maheshwari	00369898	24/01/2014
3	Mr. Gopal Krishan Sarada	01397105	10/09/2008
4	Mr. Pramod Kalani	00548503	15/01/2010
5	Mr. Dhaval Jayant Soni	00751362	19/03/2022

Ensuring the eligibility for 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 our 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.

For Jajodia & Associates
Practicing Company Secretaries

Sd/-
Priti Nikhil Jajodia
Mem No.: 36944
COP: 19900
Date: 27th July, 2023
Place: Mumbai
UDIN: A036944E000778841

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Pharmaceutical Industry:

The pharmaceutical sector has grown quickly in recent years, and by 2023 it is anticipated to reach USD 1.5 trillion. With the use of cutting-edge digital platforms, big data analytics, cloud computing, and artificial intelligence (AI), the sector is undergoing a transition. Accordingly, the industry is increasingly relying on AI to support drug discovery. One of the most striking pharmaceutical industry statistics is that spending on AI will reach \$3 billion by 2025 as companies invest in technology that may reduce the time and costs required to bring a new drug to market. AI-based drug discovery alliances are also increasing, from just 10 in 2015 to 105 in 2021.

With about 46% of the market share, North America was the largest market for pharmaceuticals in the global pharmaceuticals market in 2021. The Asia Pacific was the second largest region making up more than 26% of the global pharmaceuticals market. Although the need for medicines is much greater in Africa, it holds the smallest market share in the global pharmaceuticals market.

According to Global Pharmaceuticals Market Analysis in 2022, there is a growing need for better healthcare and as people get more and more concerned about their life, the Global Pharmaceutical Market stands to gain.

Market Forecast

- The global pharmaceutical market size was valued at \$209.85 billion in 2021 and it poised to grow from \$222.4 billion in 2022 to \$352.89 billion by 2030, growing at a CAGR of 5.9% from 2023-2030.
- The global pharmaceutical excipients market in terms of revenue was estimated to be worth \$8.6 billion in 2022 and is poised to reach \$11.5 billion by 2027, growing at a CAGR of 5.9% from 2022 to 2027.
- The global active pharmaceutical ingredients (API) market was valued at USD 211.0 billion in 2022 and is anticipated to growing at a CAGR of 6.5% from 2022 to 2030. The global active pharmaceutical ingredients (API) market is expected to reach USD 349.2 billion by 2030.
- The global generic drugs market size was valued at USD 439.37 billion in 2022 and projected to hit around USD 670.82 billion by 2030, growing at a CAGR of 5.4% over the forecast period 2022 to 2030.

Indian Industry Structure and Development:

The pharmaceutical industry in India is currently valued at \$50 billion. The Indian pharmaceutical industry ranks third globally in pharmaceutical production by volume and is known for its generic medicines and cost effective vaccines. India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa's requirement for generics, 40% of generic demand in the US and 25% of all medicine in the UK. India also accounts for 60% of global vaccine demand, and is a leading supplier of DPT, BCG and Measles vaccines. 70% of WHO's vaccines (as per the essential Immunization schedule) are sourced from India.

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it "pharmacy of the world". The sector has been growing at a healthy rate.

Market Size

- The pharmaceutical industry in India is expected to reach \$65 billion by 2024 and to \$130 billion by 2030.
- The Binders segment held the largest share in the Pharmaceutical Excipients in 2021 and is expected to grow at a CAGR of 6 % between 2022 and 2027.
- India Active Pharmaceutical Ingredients (API) Market Analysis. The India Active Pharmaceutical Ingredients (API) Market size is expected to grow from USD 12.59 billion in 2023 to USD 18.76 billion by 2028, at a CAGR of 8.31% during the forecast period (2023-2028).
- The Indian generic drugs market stood at USD 24.53 billion in 2022 and is expected to grow at a steady compound annual growth rate (CAGR) of 6.97% during the forecast period (2023-2028).

Road Ahead

India’s public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23. The e-health market size is estimated to reach US\$ 10.6 billion by 2025.

India plans to set up a nearly INR 1 lakh crore (US\$ 1.3 billion) fund to provide a boost to companies to manufacture pharmaceutical ingredients domestically by 2023. Hence, in this way an increase in demand of medicines and drugs from pharmaceutical sectors across multiple countries will eventually lead to an increase in demand for pharmaceutical excipients such as Lactose, Gelatin, Polyethylene Glycol, Cellulose Esters and Sweetening Agents required for their production as well, thus, leading to market growth.

Opportunities and Threats:

Our Company is into manufacture of Excipients (Lactose), which falls under binders segment of excipients. The Binders segment held the largest share in the Pharmaceuticals Excipients in 2021. Binder excipients also play a major role during the formulation of drugs or medicines because they improve the bulkiness, disintegration, and dissolution rate of the drugs. Hence there has been an increasing demand of these excipients during the manufacturing of drugs and medicines.

There are very few manufacturers of API (Lactulose) developed by the company worldwide, which has high demand in the global and domestic market.

While the underlying demand drivers for global markets continue to remain broadly intact, the operating environment has become significantly tougher for sub-scale business models, as sector profitability comes under pressure.

Segment-wise or product-wise performance:

The Company’s business activity falls within a single business segment i.e. Pharmaceutical Business.

Outlook:

The company now emphasizes on optimum utilization of its Excipients and API plant capacity for production and is focused on new product development. The outlook of the company remains positive during the financial year. The company enjoys cGMP approvals and all the facilities are built and operated according to the cGMP (current Good Manufacturing Practices).

Concerns:

- Set-up of Raw Material supply chain for Lactose Manufacturing, due to increased sales.
- Increase in Working Capital requirement, due to increased sales.

Internal Control System and their adequacy:

Being a pharma company and ISO Certified the process parameters are fully documented and are in place. The role and responsibilities of various people are fully defined in all the functional level. There is continuous flow of information at all level and effective internal audit and internal checks are done at regular interval to ensure their adequacy and efficiency.

Additionally, the following measures are taken to ensure proper control:

- Budgets are prepared for all the operational levels.
- Any material variance from budget has to be approved by the CFO.
- Any major policy change is approved by the managing director.
- Any deficiency in not achieving target is reviewed at management meetings.

Discussion on financial performance with respect to operational performance:

Particulars	(Rs. In Lakhs)	
	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operation	6579.63	4593.90
Other Income	72.94	57.86
Profit/Loss Before Depreciation and Tax	614.97	772.51
Tax (Including Deferred Tax) Net	25.58	71.49
Profit/Loss After Depreciation and Tax	127.64	238.08

Human Resource development / Industrial relations:

The company continues to focus on training and motivation of manpower so as to develop team of qualified and skilled personnel to effectively discharge their responsibilities in a number of projects and activities. It is in this context, we have been working towards promoting the skills and professionalism of our employees to cope with and focus on the challenges and growth. The overall industrial relations atmosphere continues to be cordial. The company has revamped the existing HR policies to be more people friendly and offered them a better work life balance.

Details of significant changes:

Particulars	F.Y. 2022-23	F.Y. 2021-22
Debtors Turnover	5.52	5.17
Inventory Turnover	1.63	0.98
Interest Coverage Ratio	1.49	1.67
Current Ratio	1.41	1.53
Debt Equity Ratio	0.96	1.04
Operating Profit Margin(%)	19%	28%
Net Profit Margin(%)	1.94%	5.18%

Details of any change in Return on Net Worth:

The Return on Net Worth of the company was **3.15%** (2022-23) and **6.06%** (2021-22).

INDEPENDENT AUDITOR'S REPORT

To the Members of Lactose India Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lactose India Limited ("the Company"), which comprises the balance sheet as at 31st March 2023, and the statement of Profit and Loss (Including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 of the current period. 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 that there are no key audit matters to be communicated in our report.

Other Information

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual report but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

Management's and Board of Directors Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, the Management and Board of Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

1. 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 Standards on Auditing 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.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the 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 the management and Board of Directors use of the going concern basis of accounting in preparation of the financial statements 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.
 3. 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.
 4. 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.
 5. 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 for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet , the Statement of Profit & 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 books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 litigation on its financial position in its financial statements (refer note no 30 of the Financial Statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - iv. (a) The Management has represented that, to the best of its 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether 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. During the year the company has not declared any dividend
 - 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.
3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For C A S & Co
Chartered Accountants
FRN. 111075W

sd/-

Sajjan Kanodia
Partner

Mem.No.048047

UDIN No:- 23048047BGWQMK8485

Place: Mumbai
Date: 30th May,2023

Annexure “A”

To the Independent Auditor’s Report on the Financial Statements of Lactose India Limited for the year ended 31st March, 2023

(Referred to in paragraph 1, under Report on Other Legal & Regulatory Requirements in the Independent Auditor’s Report)

- (i) a) A The company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and equipment.
- B The Company has maintained proper records showing full particulars of intangible assets.
- b) As explained to us, the Property, Plant and Equipment have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of its assets. There are no material discrepancies which have been noticed on such physical 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) as disclosed in the financial statements are held in the name of the Company.
- d) 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 revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- 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 proceeding initiated or pending against the company for holding benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) a) The inventory has been physically verified at reasonable interval by the management.
- In our opinion, the coverage & procedure of such verification is appropriate. No material discrepancies were noticed on such verification.
- b) According to the information and explanations provided to us, the Company has not been sanctioned any working capital limits from banks/ financial institution. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company

- iii) According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable
- vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii) a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount involved (Rs in lakhs)	Amount paid (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending.
Income Tax Act, 1961	Income Tax	20.23	3.03	A.Y.2013-14	The Commissioner of Income Tax Appeal (Mumbai)
Central Excise Act, 1944	Excise Duty	102.82	4.84	October 2014 to June 2017	Appeal to the appellate Tribunal in the Customs, Excise & Service Tax Appellate Tribunal
GST ACT	Central Tax	8.29	0.83	Prior to June 2017	Office of the commissioner, CGST and Central Excise(appeals), Vadodara
Service Tax	Service Tax	79.06	3.76	April 14 to March 15	Appeal to the appellate Tribunal in the Customs, Excise & Service Tax Appellate Tribunal

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year

(ix) (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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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 not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company

(e) Since the company is not having any Subsidiaries, associate & joint venture the provision stated in paragraph 3(ix) (e) of the Order is not applicable to the Company.

(f) Since the company is not having any Subsidiaries, associate & joint venture the provision stated in paragraph 3(ix) (f) of the Order is not applicable to the Company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 that the 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.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report
- (xx) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For C A S & Co
Chartered Accountants
FRN. 111075W

sd/-
Sajjan Kanodia
Partner
Mem.No.048047
UDIN No:- 23048047BGWQMK8485

Place: Mumbai
Date: 30th May,2023

Annexure “B”

To the Independent Auditor’s Report on the Financial Statements of Lactose India Limited for the year ended 31st March 2023

Report on the Internal Financial Controls with reference to the aforesaid financial statement under clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

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

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

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to 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 financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal

financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For C A S & Co
Chartered Accountants
FRN. 111075W

sd/-
Sajjan Kanodia
Partner
Mem.No.048047
UDIN No:- 23048047BGWQMK8485

Place: Mumbai
Date: 30th May,2023

Balance Sheet as at 31st March 2023

(₹ in lakhs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	5,587.33	5,882.25
Intangible Asset	3B	0.91	1.86
Right of use Assets	3C	18.77	37.40
<u>Financial assets</u>			
Investments	4	0.05	74.15
Other Financial Assets	5	528.18	447.23
Other non-current assets	6	292.92	304.43
Total non-current assets		6,428.16	6,747.32
Current assets			
Inventories	7	2,277.95	711.85
<u>Financial assets</u>			
Trade receivables	8		
Billed		1,076.84	385.83
Unbilled		172.39	748.97
Cash and cash equivalents	9	58.11	192.35
Bank balances other than Cash and cash equivalents	10	33.40	15.18
Other Financial Assets	5	10.08	9.35
Current tax assets (net)	11	28.64	42.22
Other current assets	6	92.54	169.17
Total current assets		3,749.95	2,274.92
TOTAL ASSETS		10,178.11	9,022.24
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	12	1,258.90	1,258.90
Other equity		2,797.20	2,669.56
Total equity		4,056.10	3,928.46
LIABILITIES			
Non-current liabilities			
<u>Financial liabilities</u>			
Borrowings	13	3,303.83	3,425.29
Lease Liability	14	-	23.97
Provisions	15	93.44	95.46
Deferred Tax Liabilities	16	68.05	58.00
Other non-current liabilities	17	-	-
Total non-current liabilities		3,465.32	3,602.72
Current liabilities			
<u>Financial liabilities</u>			
Borrowings	13	578.59	670.30
Lease Liability	14	13.26	12.98
Trade payables	18		
- Total outstanding dues of micro enterprise and small enterprise; and		55.48	45.20
- Total outstanding dues of creditors other than micro enterprise and small enterprise		1,715.14	358.58
Other financial liabilities	19	177.20	144.03
Other current liabilities	17	103.86	252.53
Provisions	15	13.16	7.44
Total current liabilities		2,656.69	1,491.06
TOTAL EQUITY AND LIABILITIES		10,178.11	9,022.24
Notes 1 to 39 form an integral part of the financial statements			

As per our report of even date attached

For C A S & CO.

 Chartered Accountants
 Firm Registration No.111075W

Sd/-

Sajjan Kanodia

Partner

Mem. No. 048047

Place: Mumbai

Date : 30th May,2023

For and on behalf of the Board
LACTOSE (INDIA) LIMITED

Sd/-

Atul Maheshwari

Managing Director

DIN : 00255202

Place: Mumbai

Date : 30th May,2023

Sd/-

Sangita Maheshwari

Whole Time Director & CFO

DIN : 00369898

Sd/-

Ritesh Pandey

Company Secretary

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

(₹in lakhs)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from Operations	20	6,579.63	4,593.90
Other Income	21	72.94	57.86
Total Income		6,652.57	4,651.76
EXPENSES			
Cost of materials consumed	22	3,564.70	557.02
Purchase of Stock-in-Trade	23	-	160.61
Changes in Inventories of finished goods and Work in progress	24	(1,131.49)	40.15
Employee benefits expense	25	1,371.88	1,373.79
Finance costs	26	603.56	511.60
Depreciation and amortisation expenses	3	468.51	455.87
Other expenses	27	1,628.95	1,236.09
Total expenses		6,506.11	4,335.13
Profit before tax		146.45	316.63
Tax expense			
Current tax		24.45	56.94
Tax for earlier years		(6.52)	-
Deferred tax liability / (assets)		7.66	14.56
Total Tax expense		25.58	71.49
Profit for the year (A)		120.87	245.13
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post employment benefit obligation		9.15	(9.42)
- Income tax effect on above		(2.38)	2.37
Other comprehensive income for the year, net of tax (B)		6.77	(7.05)
Total comprehensive income for the year, net of tax (A+B)		127.64	238.08
Earnings per equity share (EPS)			
(per equity share of nominal value Rs. 10 each)	28		
Basic and diluted (in Rs.)		0.96	2.10
Notes 1 to 39 form an integral part of the financial statements			

As per our report of even date attached

For C A S & CO.
Chartered Accountants
Firm Registration No.111075W

For and on behalf of the Board
LACTOSE (INDIA) LIMITED

Sd/-
Sajjan Kanodia
Partner
Mem. No. 048047
Place: Mumbai
Date : 30th May,2023

Sd/-
Atul Maheshwari
Managing Director
DIN : 00255202
Place: Mumbai
Date : 30th May,2023

Sd/-
Sangita Maheshwari
Whole Time Director & CFO
DIN : 00369898

Sd/-
Ritesh Pandey
Company Secretary

Statement of Cash Flow for the year ended 31st March 2023

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	146.45	316.63
Adjustments for		
Depreciation and amortisation expense	468.51	455.87
Interest expenses (including fair value change in financial instruments)	603.56	511.61
Interest income	3.72	(14.58)
Provision / (Reversal) of provision for expected credit loss	-	(2.87)
Provision made for expected credit loss	7.76	-
Remeasurement of post employment benefit obligation	9.15	(9.42)
Unrealised Gain on exchange fluctuations (net)	(13.51)	(0.76)
(Gain) / loss on fair value of investment	-	(4.26)
Loss on sale of Fixed Asset	-	23.99
Unrealised loss on exchange fluctuations (net)	-	-
Operating cash flow before working capital changes	1,225.65	1,276.21
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,566.10)	120.35
Trade Receivables - Billed	(698.49)	260.67
Trade Receivables - UnBilled	576.58	(748.97)
Other financial assets	(81.69)	(16.42)
Other assets	88.13	(292.17)
Adjustments for increase / (decrease) in operating liabilities:		
Trade and other payables	1,380.07	187.13
Other financial Liabilities	30.88	20.78
Other liabilities	(148.68)	8.19
Short Term Provisions	5.72	4.95
Long Term Provisions	(2.02)	19.26
Cash generated from operations	810.05	839.98
Income Tax paid	(4.34)	6.69
Net Cash Flow generated from / (used in) Operating Activities	805.72	846.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, plant and equipments	(156.06)	(132.27)
Proceeds from sale of Property, plant and equipments	2.06	29.27
Capital Advance (given) / received	-	-
Fixed Deposits with Banks	(18.22)	34.63
(Purchase)/Sale of Investment	74.10	(2.35)
Interest received	(3.72)	14.58
Net Cash Flow generated from / (used in) Investing Activities	(101.84)	(56.16)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from long-term borrowings (net)	(133.29)	(324.51)
Proceeds/(Repayment) from short-term borrowings (net)	(77.58)	(139.10)
Payment of Lease Liabilities	(23.69)	(20.59)
Proceeds from issue of Equity Shares (including Security Premium)	-	181.44
Interest paid	(603.56)	(511.60)
Net Cash Flow generated from / (used in) Financing Activities	(838.11)	(814.36)

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net Increase / (Decrease) in Cash and Cash Equivalents	(134.24)	(23.85)
Cash and cash equivalents at the beginning of the year	192.34	216.19
Cash and cash equivalents at the end of the year	58.10	192.34
Reconciliation of cash and cash equivalents with the Balance Sheet		
In bank current accounts	43.91	184.34
Cash on hand	14.19	8.00
Cash and cash equivalents as at the end of the year	58.10	192.34

Note :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

Notes 1 to 39 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For C A S & CO.

Chartered Accountants
Firm Registration No.111075W

Sd/-

Sajjan Kanodia

Partner

Mem. No. 048047

Place: Mumbai

Date : 30th May, 2023

For and on behalf of the Board**LACTOSE (INDIA) LIMITED**

Sd/-

Atul Maheshwari

Managing Director

DIN : 00255202

Place: Mumbai

Date : 30th May, 2023

Sd/-

Sangita Maheshwari

Whole Time Director & CFO

DIN : 00369898

Sd/-

Ritesh Pandey

Company Secretary

Statement of Changes in Equity for the year ended 31st March 2023
A) Equity share capital

Particulars	Number	(₹ in lakhs)
Equity shares of Rs.10 each issued, subscribed and paid		
Balance as at 1 April 2021	1,14,37,000	1,143.70
Issue of Equity Share	11,52,000	115.20
Balance as at the 31 March 2022	1,25,89,000	1,258.90
Issue of Equity Share	-	-
Balance as at the 31 March 2023	1,25,89,000	1,258.90

B) Other equity

(₹ in lakhs)

Particulars	Reserves and surplus			Other Comprehensive Income	Share Warrants	Total equity attributable to equity holders
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans		
Balance as at 1 April 2021	75.00	1,181.82	1,039.12	8.82	60.48	2,365.23
Total comprehensive income for the year	-	-	245.13	(7.05)	-	238.08
Money received against Convertible Share Warrants	-	-	-	-	(241.92)	(241.92)
Converted into equity shares	-	-	-	-	181.44	181.44
Share Premium on issue of Equity shares	-	126.72	-	-	-	126.72
Balance as at 31 March 2022	75.00	1,308.54	1,284.25	1.77	-	2,669.56
Total comprehensive income for the year	-	-	120.87	6.77	-	127.64
Money received against Convertible Share Warrants	-	-	-	-	-	-
Converted into equity shares	-	-	-	-	-	-
Share Premium on issue of Equity shares	-	-	-	-	-	-
Balance as at 31 March 2023	75.00	1,308.54	1,405.11	8.54	-	2,797.20

Nature and purpose of reserves
I Capital reserve

The capital reserve is created on account of subsidy received from Government of India.

II Securities premium reserve

Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

- i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
- ii) for the purchase of its own shares or other securities;

- iii) in writing off the preliminary expenses of the Company;
- iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
- v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Notes 1 to 39 form an integral part of the financial statements

As per our report of even date attached

For C A S & CO.

Chartered Accountants
Firm Registration No.111075W

Sd/-

Sajjan Kanodia

Partner

Mem. No. 048047

Place: Mumbai

Date : 30th May, 2023

For and on behalf of the Board

LACTOSE (INDIA) LIMITED

Sd/-

Atul Maheshwari

Managing Director

DIN : 00255202

Place: Mumbai

Date : 30th May, 2023

Sd/-

Sangita Maheshwari

Whole Time Director & CFO

DIN : 00369898

Sd/-

Ritesh Pandey

Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023**1. Company Overview:**

Lactose (India) Limited ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a Pharmaceutical Company and engaged in the Business of Manufacturing, trading and carrying out job work and manufacturing of Pharmaceutical Products. The equity of the Company is listed on the Bombay Stock Exchange.

The financial statements of the Company for the year ended 31 March 2023 were authorized for issue in accordance with resolution of the Board of Directors on 30th May 2023.

2. Statement of Significant Accounting Policies:**2.1 Basis of preparation of financial statements:**

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Ind AS Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Rupees, except when otherwise indicated.

2.2 Use of estimates:

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions; however uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

2.3 Fair Value Measurement:

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

2.4 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and when the revenue can be reliably measured.

Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from the sale of goods is net-off returns, taxes or duties collected on behalf of the government and applicable trade discounts and rebates.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Revenue in respect of export sales is recognized on the basis of dispatch of goods for exports. (i.e. on the date of Bill of Lading).

Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reasonably.

Other Income is accounted for on accrual basis, when certainty of receipt is established.

2.5 Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Stores and Spares and Packing Materials, are valued at cost or net realizable value, whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

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

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

2.6 Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.

An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

2.7 Capital Work in Progress

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is included under Capital Work in Progress & the same is allocated to the respective PPE on the completion of its construction.

2.8 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

2.9 Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

2.10 Depreciation

Depreciation on Plant, Property and Equipment has been provided on the Straight - Line basis, over the estimated useful lives of assets. The Company provides pro-rata depreciation from the date of addition / up to the date of deletion made during the reporting period. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

2.11 Impairment of Non - financial Assets:

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

2.12 Government Subsidy

Grants and subsidies from the Government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.13 Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

b) Deferred tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognized for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realization.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

c) Minimum Alternate Tax

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

2.14 Financial Assets

a) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the statement of Profit and Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Asset at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order 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. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Asset Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.15 Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(i) Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

(ii) Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.17 Employee Benefits

a) Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023**b) Post-employment obligations**

The Company operates the following post – employment schemes:

1. Defined benefit plans such as gratuity, and
2. Defined contribution plans such as provident fund.

Gratuity Obligation:

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

Defined Contribution Plans

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

2.18 Foreign Exchange Translation and Accounting of Foreign Exchange Transaction**a) Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b) Conversion :

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

2.19 Provisions, Contingent Liabilities and Capital Commitments

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

2.20 Earnings per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

2.21 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act

2.22 Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.23 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.24 Trade Receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

2.25 Trade payable

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

2.26 Leases**Company as a lessee**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Notes forming part of financial statement for the year ended 31st March 2023.

Note 3A : Property, plant and equipment

Tangible Assets

Gross carrying value (at deemed cost)

(₹ in lakhs)

Particulars	Land - Freehold	Building - (Factory)	Building - (Office)	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installations	Total
Balance as at 1 April 2021	280.25	1,629.62	10.32	5,309.82	94.32	153.68	33.47	23.56	127.41	7,662.45
Additions	-	-	-	437.11	0.80	45.16	0.57	0.43	-	484.07
Deductions made during the year	-	-	-	(102.14)	-	(41.20)	-	-	-	(143.34)
Balance as at 31 March 2022	280.25	1,629.62	10.32	5,644.79	95.12	157.64	34.04	23.99	127.41	8,003.18
Additions	-	-	-	152.12	1.86	-	-	2.09	-	156.06
Deductions made during the year	-	-	-	-	-	(41.20)	-	-	-	(41.20)
Balance as at 31 March 2023	280.25	1,629.62	10.32	5,796.91	96.98	116.44	34.05	26.08	127.41	8,118.04
Accumulated depreciation										
Balance as at 1 April 2021	-	297.55	1.01	1,264.47	58.03	52.09	15.34	13.11	73.13	1,774.73
Depreciation charge	-	65.13	0.20	319.99	9.39	19.52	5.55	4.37	12.15	436.30
Adjustments / deductions	-	-	-	(50.93)	-	(39.14)	-	-	-	(90.07)
Balance as at 31 March 2022	-	362.68	1.21	1,533.53	67.42	32.47	20.88	17.48	85.28	2,120.95
Depreciation charge	-	64.95	0.20	336.84	5.91	19.49	5.52	4.49	11.51	448.92
Deductions	-	-	-	-	-	(39.14)	-	-	-	(39.14)
Balance as at 31 March 2023	-	427.63	1.41	1,870.37	73.33	12.82	26.40	21.97	96.79	2,530.73
Net carrying value										
Balance as at 1 April 2021	280.25	1,332.07	9.31	4,045.35	36.29	101.59	18.13	10.45	54.28	5,887.72
Balance as at 31 March 2022	280.25	1,266.94	9.11	4,111.26	27.70	125.17	13.16	6.51	42.13	5,882.25
Balance as at 31 March 2023	280.25	1,201.99	8.91	3,926.53	23.64	103.62	7.65	4.11	30.62	5,587.33

Notes forming part of financial statement for the year ended 31st March 2023.
Note 3B : Capital work-in-progress

(₹ in lakhs)

Particulars	Total
Gross Carrying value (at deemed cost)	
Balance as at 1 April 2021	351.80
Additions/(Adjustment) during the Year	130.72
Capitalisation During the Year	-482.52
Balance as at 31 March 2022	-0.00
Additions/(Adjustment) during the Year	148.19
Capitalisation During the Year	-148.19
Balance as at 31 March 2023	-0.00

CWIP ageing schedule: As at 31st March 2023

(₹ in lakhs)

Capital-Work-in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

CWIP ageing schedule: As at 31st March 2022

(₹ in lakhs)

Capital-Work-in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Note : All Capital Work in Projects are running as per schedule and no project has been suspended. Further no project has exceeded its cost as compared to budgeted plan.

Note 3B : Intangible Asset

(₹ in lakhs)

Particulars	Software	Total
Gross carrying value(at deemed cost)		
Balance as at 1st April 2021	3.67	3.67
Addition	-	-
Disposals	-	-
Balance as on 31st March 2022	3.67	3.67
Addition	-	-
Disposals	-	-
Balance as on 31st March 2023	3.67	3.67
Accumulated Amortisation		
Balance as at 1st April 2021	0.87	0.87
Amortisation charge	0.93	0.93
Balance as on 31st March 2022	1.81	1.81
Amortisation charge	0.95	0.95

Notes forming part of financial statement for the year ended 31st March 2023.

(₹ in lakhs)

Particulars	Software	Total
Balance as on 31st March 2023	2.76	2.76
Net Carrying value		
Balance as at 1st April 2021	2.80	2.80
Balance as on 31st March 2022	1.86	1.86
Balance as on 31st March 2023	0.91	0.91

Note 3C : Right of use Assets

(₹ in lakhs)

Particulars	Office Premises	Land	Total
Gross Carrying Value (at deemed cost)			
Balance as at 1st April 2021	94.82	9.65	104.47
Addition	-	-	-
Disposals	-	-	-
Balance as on 1st April 2022	94.82	9.65	104.47
Addition	-	-	-
Disposals	-	-	-
Balance as on 31st March 2023	94.82	9.65	104.47
Accumulated Amortisation			
Balance as at 1st April 2021	44.57	3.86	48.43
Amortisation charge	16.70	1.93	18.64
Balance as on 1st April 2022	61.28	5.79	67.07
Amortisation charge	16.70	1.93	18.64
Balance as on 31st March 2023	77.98	7.72	85.71
Net Carrying value			
Balance as on 31st March 2021	50.24	5.79	56.04
Balance as on 31st March 2022	33.54	3.86	37.40
Balance as on 31st March 2023	16.83	1.93	18.77

Note 4 : Investments

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
I. Investment at fair value through Profit or loss		
Investment in Equity instruments		
i) In other companies	0.05	0.07
Investment in mutual fund	-	74.07
Total non-current investments	0.05	74.15

Notes forming part of financial statement for the year ended 31st March 2023.

Note 5.1 Detailed list of non-current investments

(₹ in lakhs)

Face value of Rs. 10 each, unless otherwise stated	As at 31 March 2023		As at 31 March 2022	
	Nos / Units		Nos / Units	
I. Investments valued At Fair value through Profit and Loss, fully paid up, quoted, unless otherwise stated				
i) Investment in Equity instruments				
Clio Infotech Limited (face value of Rs. 10/- each, fully paid up)	1,000	0.05	1,000	0.07
		0.05		0.07
ii) Investment in mutual fund				
Aditya Birla Sun Life Balanced Advantage Fund	-	-	1,02,398	74.07
		-		74.07
Total non-current investments		0.05		74.15

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Details:		
Aggregate of non-current investments:		
Book value of investments (net of impairment allowance)	0.05	74.15
Investments carried at fair value through profit and loss	0.05	74.15

Note 5 : Other Financial Assets

(Unsecured & considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Security Deposits	528.18	447.23
Total non-current financial assets	528.18	447.23
Current		
Loan to employee	8.42	4.34
Other Receivable	1.67	5.01
Total current financial assets	10.08	9.35
Total other financial assets	538.27	456.58

Notes forming part of financial statement for the year ended 31st March 2023.
Note 6 : Other non-current assets

(Unsecured, considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Balance with government authorities	14.82	13.99
Deferred portion of securities deposit	238.95	239.12
Prepaid expenses	39.15	51.31
Total non-current assets	292.92	304.43
Current		
Interest accrued on deposits & Fixed deposit	2.80	5.76
Duties and Taxes Receivable	44.82	38.16
Advance to suppliers	2.99	86.11
Prepaid expenses	41.93	39.13
Total current assets	92.54	169.17
Total other assets	385.47	473.61

Note 7 : Inventories

(Valued at Cost or Net Realisable Value whichever is lower)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw Materials and components	641.42	209.04
Work-in-progress	647.19	425.35
Finished goods	929.41	19.76
Stores, spares and other consumables	59.93	57.69
Total Inventories	2,277.95	711.85

Note 8 : Trade receivables

(Unsecured & considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables- billed	1,088.50	389.73
Less: Provision for expected credit loss	(11.66)	(3.90)
Unbilled Revenue	172.39	748.97
Total trade receivables	1,249.23	1,134.80

Notes forming part of financial statement for the year ended 31st March 2023.

Ageing for Trade Receivable - billed outstanding as at 31st March 2023 is as follows

Trade Receivable - Billed

(₹ in lakhs)

Particulars	less than 6 month	6month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,085.32	3.18	-	-	-	1,088.50
(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						1088.50
Add: Trade Receivable - Unbilled						172.39
Less: Provision for expected credit loss						(11.66)
						1249.23

Ageing for Trade Receivable - billed outstanding as at 31st March 2022 is as follows

Trade Receivable - Billed

(₹ in lakhs)

Particulars	less than 6 month	6month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	389.73	-	-	-	-	389.73
(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						389.73
Add: Trade Receivable - Unbilled						748.97
Less: Provision for expected credit loss						(3.90)
						1134.80

Note 9 : Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- Current accounts	43.91	184.34
Cash on hand	14.19	8.00
Total cash and cash equivalents	58.11	192.35

Notes forming part of financial statement for the year ended 31st March 2023.

Note 10 : Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks primarily relate to margin money for bank gurantee	17.70	10.18
Short term bank deposits	15.70	5.00
Total other bank balances	33.40	15.18

Margin money amounting to Rs. 17.70 lakh (PY Rs 10.18 lakh) including interest is held as bank gurantee.

Note 11 : Current tax assets (net)

(a) Amounts recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense (A)		
Current year	24.45	56.94
Short/(Excess) provision of earlier years	(6.52)	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	7.66	14.56
Tax expense recognised in the income statement (A+B)	25.58	71.49

(b) Amounts recognised in other comprehensive income

(₹ in lakhs)

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	9.15	(2.38)	6.77	(9.42)	2.37	(7.05)
	9.15	(2.38)	6.77	(9.42)	2.37	(7.05)

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	146.45	316.63
Tax using the Company's domestic tax rate (MAT @ 16.69%) (PY 16.69%)	24.44	52.85
Tax effect of :		
Tax effect on non-deductible expenses/ income	5.18	4.44
Adjustments recognised in current year in relation to the tax of prior years	(6.52)	-
Others	2.47	14.21
Tax expense as per Statement of Profit & Loss	25.58	71.49
Effective tax rate	17.464%	22.579%

Notes forming part of financial statement for the year ended 31st March 2023.

(d) Income tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax and TDS	28.64	42.22
Total Income Tax Assets	28.64	42.22

Note 12 : Equity Share capital

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital 1,50,00,000 (PY 1,50,00,000) equity shares of Rs.10/- each	1,500.00	1,500.00
Total authorised share capital	1,500.00	1,500.00
Issued, subscribed and paid-up equity share capital: 1,25,89,000 (PY 1,25,89,000) equity shares of Rs. 10/- each, fully paid up	1,258.90	1,258.90
Total issued, subscribed and paid-up equity share capital	1,258.90	1,258.90

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	Number	(₹ in lakhs)
As at 1 April 2021	1,14,37,000	1,143.70
Issued during the year	11,52,000	115.20
As at 31 March 2022	1,25,89,000	1,258.90
Issued during the year	-	-
As at 31 March 2023	1,25,89,000	1,258.90

b) Terms/rights attached to equity shares:

- The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh equity shares shall rank pari-passu with the existing shares.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shareholding of more than 5%:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	% held	No. of shares	% held	No. of shares
Sangita Maheshwari	12.23%	15,39,910	12.23%	15,39,910
Atul Maheshwari	10.81%	13,61,010	10.81%	13,61,010
Shyamsunder Toshniwal	10.49%	13,20,573	10.49%	13,20,573
MadhuBala Toshniwal	8.13%	10,23,468	8.13%	10,23,468
SST Private Family Trust	5.96%	7,50,000	5.96%	7,50,000

Notes forming part of financial statement for the year ended 31st March 2023.
d) Reconciliation of number of shares

(₹ in lakhs)

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the Beginning of the year	1,25,89,000	1,258.90	1,14,37,000	1,143.70
Shares issued during the year	-	-	11,52,000	115.20
Shares outstanding at the end of the year	1,25,89,000	1,258.90	1,25,89,000	1,258.90

e) Shareholding of Promoters

Name of the promoters	As at March, 2023		As at March, 2022		% Change during the year
	No. of Shares	% of total shares	No of Shares	% of total shares	
Mr. Atul Maheshwari	13,61,010	10.81	13,61,010	10.81	-
Mrs. Sangita Maheshwari	15,39,910	12.23	15,39,910	12.23	-
Mr. Shyamsunder Toshniwal	13,20,573	10.49	13,20,573	10.49	-
Mrs. Madhubala Toshniwal	10,23,468	8.13	10,23,468	8.13	-
Mrs. Pushpa Maheshwari	1,12,920	0.9	1,12,920	0.90	-
Atul Maheshwari HUF	50,000	0.4	50,000	0.40	-
Mr. Yashvardhan Maheshwari	35,360	0.28	35,360	0.28	-
M/s. Madhusa Lifecare Pvt Ltd	5,78,184	4.59	5,78,184	4.59	-
SST Private Family Trust	7,50,000	5.96	7,50,000	5.96	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note 13 : Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non current		
Secured		
Term Loan from NBFCs	3,766.58	3,874.65
Less: Current maturities of long term Borrowing	(499.13)	(513.08)
	3,267.45	3,361.57
Vehicle loan from Bank	63.72	91.23
Less: Current Maturities of Long term Borrowings	(27.34)	(27.51)
	36.38	63.72
	3,303.83	3,425.29
Total non-current borrowings	3,303.83	3,425.29
Current		
Secured		
Loan from NBFCs repayable on demand	49.15	129.70
Current maturities of long-term debt	526.47	540.60
Unsecured		
Loan from Directors	2.98	-
Total current borrowings	578.59	670.30
Total borrowings	3,882.43	4,095.59

Notes forming part of financial statement for the year ended 31st March 2023.
Note:
I) Secured borrowings
Term Loan From NBFCs

- a) Term loan from Aditya Birla Finance Limited. Amounting to Rs.2,975.28 lakhs (PY : Rs.3,226.67 lakhs). It carries an interest rate in the range of 11.50% to 13.65% p.a.. The loan is repayable in 120 monthly installment starting from 15th October, 2019.
- b) Term loan from Aditya Birla Finance Ltd. Amounting to Rs.426.10 lakhs (PY : Rs 647.98 lakhs). It carries an interest rate in the range of 11.50% to 13.65% p.a.. The loan is repayable in 36 monthly installment starting from 5th November, 2021.
- c) Term loan from Aditya Birla Finance Ltd. Amounting to Rs.365.20 lakhs (PY : Rs Nil) . It carries an interest rate in the range of 11.50% to 13.65% p.a.. The loan is repayable in 60 monthly including 24months moratorium starting from 5th September, 2024.
- d) Working Capital loan from Aditya Birla Finance Ltd amounting to Rs.49.15 lakhs (P.Y.129.70 lakhs). The said loan is repayable on demand and carries interest in the range of 11.50% to 13.65% (PY 11.50% p.a.)

The above loan from Aditya Birla are secured by

The above loan is secured against hypothecation of current asstes, plant & machinery, factory land and building situated at village Poicha (Rania) Taluka salvi Dist Vadodra

Minimum 26% of shares of Lactose (India) Ltd held by promoters is been pledged

Term Loan From Banks :
Vehicle loans From Bank

- a) Vehicle loans from HDFC Bank amounting to Rs.29.36 lakhs (PY : Rs. 47.17 lakhs) are secured against respective vehicles. It carries interest rate of 8.40% to 10.00% p.a. and are repayable in 48 to 60 equal monthly installments.
- b) Vehicle loan from HDFC Bank amounting to Rs.18.69 lakhs (PY : Rs.23.47 lakhs) is secured against respective vehicles. It carries interest rate of 7.30% p.a. and is repayable in 60 equal monthly installment.
- c) Vehicle loan from Axis Bank amounting to Rs.2.50 lakhs (PY : Rs.4.45 lakhs) is secured against respective vehicles. It carries interest rate of 9.51% p.a. and is repayable in 60 equal monthly installment.
- d) Vehicle loan from Kotak Bank amounting to Rs.13.17 lakhs (PY : Rs. 16.13 lakhs) is secured against respective vehicles. It carries interest rate of 7.15% p.a. and is repayable in 60 equal monthly installment.

Unsecured borrowings from Directors

Short term loans from Directors amounting to Rs.2.98 lakhs (PY : Rs Nil) are unsecured and chargeable to interest @13%. The loan is repayable on demand.

Note 14 : Lease Liability

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non - Current		
Lease liability	-	23.97
Current		
Lease Liability	13.26	12.98
Total	13.26	36.94

Notes forming part of financial statement for the year ended 31st March 2023.

Note 15 : Provisions

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits (Refer note 31)		
- Gratuity	93.44	95.46
Total non-current provisions	93.44	95.46
Current		
Provision for employee benefits (Refer note 31)		
- Gratuity	13.16	7.44
Total current provisions	13.16	7.44
Total provisions	106.60	102.90

Note 16 : Deferred Tax Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liability on account of :		
Property, Plant and Equipments	691.46	701.22
Others	3.57	1.87
Indexed Cost of Land	-	-
	695.03	703.09
Deferred Tax Asset on account of :		
Provision for employee benefits	27.72	25.90
Lease as per Ind As 116	(1.31)	(0.49)
Provision for expected credit loss on trade receivables	3.03	0.98
Investments carried at fair value through profit and loss	0.00	0.18
Unabsorbed Depreciation	312.88	357.57
MAT Credit Entitlement	284.66	260.95
	626.98	645.09
Total Deferred Tax Liabilities	68.05	58.00

Note 17 : Other liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Advance Manufacturing Consideration [Refer note (a) below]	-	81.84
Less : Current maturities of Advance Manufacturing Consideration	-	(81.84)
Total other non-current liabilities	-	-
Current		
Duties & Taxes Payable	98.96	33.60
Current maturities of Advance Manufacturing Consideration [Refer Note (a) below]	-	81.84
Advance from Customer	2.65	134.86
Other payable	2.25	2.24
Total other current liabilities	103.86	252.53
Total other liabilities	103.86	252.53

Notes forming part of financial statement for the year ended 31st March 2023.
Note 18 : Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note below)	55.48	45.20
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,715.14	358.58
Total trade payables	1,770.62	403.78

The disclosure pursuant to the micro,small and medium enterprises development act,2006,(msmed act) for dues to micro enterprise and small enterprises as at 31st March' 23 and 31st March' 22 is as under

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year*;	55.48	45.20
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.23	1.02
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

Trade Payables ageing schedule
As at March 31, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	55.48	-	-	-	55.48
(ii) Others	1,700.04	9.39	3.43	2.28	1,715.14
(iii) Disputed Dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
	1,755.52	9.39	3.43	2.28	1,770.62

Notes forming part of financial statement for the year ended 31st March 2023.

As at March 31, 2022

(₹ in lakhs)

Particulars	Outstanding for following periods				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	45.20	-	-	-	45.20
(ii) Others	356.26	-	-	2.32	358.58
(iii) Disputed Dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
	401.46	-	-	2.32	403.78

Note 19 : Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Provision for Expenses	154.18	123.80
Deposit received	1.20	0.70
Interest accrued but not due	21.83	19.53
Total	177.20	144.03

Note 20 : Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of Product Comprises of:		
Sales	4,526.37	1,236.39
Conversion Charges	1,964.88	2,524.78
Unbilled Revenue*	-	748.97
	6,491.25	4,510.14
Other operating revenue		
Scrap Sales	6.53	25.99
Manufacturing Consideration	81.84	57.77
	88.38	83.76
Total Revenue from Operations	6,579.63	4,593.90

During the year Manufacturing Agreement with Kerry Ingredients India Private Limited has been terminated vide agreement dated 21st April 2022. Accordingly the balance advance manufacturing consideration of Rs 81.84 lakhs has been amortised fully in the current year.

Note 21 : Other Income

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest Income		
-on Fixed Deposits	1.06	3.47
- on others	2.66	3.00
-on Income Tax Refund	-	8.10
-on VAT Refund	1.02	-

Notes forming part of financial statement for the year ended 31st March 2023.

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Reversal of provision for Expected Credit Loss	-	2.87
Rent Income	21.00	6.60
Unwinding of Interest income on deposits	31.15	6.90
Fair valuation of Investment	-	4.27
Foreign Exchange Gain	13.47	18.18
Profit on Sale of Property, Plant and Equipment	2.58	-
Profit on Sale of Investment	-	4.47
Total other income	72.94	57.86

Note 22 : Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Raw Material Consumed	3,500.02	485.06
Packing Material Consumed	64.68	71.95
Total	3,564.70	557.02

Note 23 : Purchase of Stock-in-Trade

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of Stock-in-Trade	-	160.61
	-	160.61

Note 24 : Changes in Inventories of finished goods and Work in progress

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<u>Opening Inventory</u>		
Finished Goods	19.76	44.96
Work-In-Progress	425.35	440.30
	445.11	485.26
<u>Closing Inventory</u>		
Finished Goods	929.41	19.76
Work-In-Progress	647.19	425.35
	1,576.60	445.11
Total Changes in Inventories of finished goods and Work in Progress	(1,131.49)	40.15

Notes forming part of financial statement for the year ended 31st March 2023.
Note 25 : Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	1,177.63	1,180.61
Directors Remuneration	148.28	148.46
Gratuity (Refer note 31 A)	17.45	14.80
Contribution to provident and other funds (Refer note 31 (B))	21.64	20.97
Staff welfare	6.89	8.96
Total employee benefits expense	1,371.88	1,373.79

Note : Salaries and Wages include amount paid towards contractual wages Rs. 566.40 lakhs (31.03.2022 : Rs.657.32 lakhs).

Note 26 : Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest Expenses		
- Banks & Financial Institutions	497.59	487.37
- Unsecured loan	7.46	9.30
- Interest Expenses on security deposit	24.90	-
- Interest accrued on lease liability as per Ind AS 116	2.75	4.29
- Other Borrowing Cost	62.13	8.61
Bank Charges	8.72	2.03
Total finance costs	603.56	511.60

Note 27 : Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	86.17	82.16
Power and Fuel expenses	709.14	689.13
Laboratory materials consumed	38.16	37.51
Rent	9.54	6.60
Repairs to :		
- Building	16.88	11.74
- Machinery	258.26	104.45
Insurance Charges	31.55	25.93
Legal and Professional fees	69.38	48.09
Communication Expenses	9.30	5.02
Auditor's Remuneration	8.80	7.32
Freight Outward	49.52	8.07
Environment Compensation Expense	66.75	-
Commission expenses	43.74	2.43
Provision for expected credit loss	7.76	-
Miscellaneous Expenses	224.02	207.65

Notes forming part of financial statement for the year ended 31st March 2023.

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total other expenses	1,628.95	1,236.09
Auditors' remuneration:		
i) Statutory audit fees	8.80	7.32
	8.80	7.32

Note 28 : Earnings per equity share (EPS)

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

(₹ in lakhs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lakhs)	120.87	245.13
Weighted average number of equity shares for EPS computation (Nos.)	1,25,89,000	1,16,83,921
EPS - Basic and Diluted EPS (Rs.)	0.96	2.10

Note 29 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

- a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Nature of the party
A) Key Management Personnel (KMP) and their relatives	
Mr. Atul Maheshwari	Managing Director
Mrs. Sangita Maheshwari	Whole time Director and CFO
Mr. Dhaval Jayant Soni	Non Executive- Independent Director
Mr. Pramod Kalani	Non Executive- Independent Director
Mr. Gopal Krishna Sarda	Non Executive- Independent Director
Mr. Yash Maheshwari	Manager, Relative of Director
Mrs. Pushpa Maheshwari	Relative of Director
Mrs. Madhu Toshniwal	Relative of Director
Mr. Ritesh Pandey	Company Secretary
B) Other Related parties with whom transaction have taken place during the year	
Madhusa Lifecare Private Limited	
Lotus Global Private Limited	
Omega Colors Private Limited	
Vitanosh Ingredients Private Limited	

Notes forming part of financial statement for the year ended 31st March 2023.

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

I. Key management personnel and their relatives

(₹ in lakhs)

Particulars	Nature of Transaction	Year ended 31 March 2023	Year ended 31 March 2022
Mr. Atul Maheshwari	Director's Remuneration	95.78	95.78
	Loan Repayment including interest	-	186.52
	Interest Expense	-	4.97
Mrs. Sangita Maheshwari	Director's Remuneration	52.67	52.67
	Rent paid	6.84	6.48
	Loan Taken	743.40	-
	Loan Repayment including interest	750.65	91.58
	Interest Expense	7.25	4.33
Mrs. Madhu Toshniwal	Consultancy Charges paid	6.90	6.90
Mrs. Pushpa Maheshwari	Interest Expense	0.19	-
	Loan Taken	7.50	-
	Loan Repayment including interest	7.69	-
Mr Yash Maheshwari	Salary paid	23.78	23.78
Mr. Ritesh Pandey	Salary paid	7.58	7.10

II. Other related parties with whom transaction have taken place during the year

(₹ in lakhs)

Particulars	Nature of Transaction	Year ended 31 March 2023	Year ended 31 March 2022
Madhusa Lifecare Private Limited	Job Work income	-	6.54
Vitanosh Ingeredients Private Limited	Deposit given	300.28	261.50
	Deposit return back	231.00	-
	Sales	28.00	192.00
	Purchase	28.32	-
Lotus Global Private Limited	Loan Taken	30.00	-
	Loan Repaid	30.00	-
Omega Colors Private Limited	Advance against purchase	-	72.00
	Advance Received back	72.00	-

III. Balance Outstanding of Related Parties:

(₹ in lakhs)

Particulars	Nature of Transaction	Year ended 31 March 2023	Year ended 31 March 2022
Mrs Sangita Maheshwari	Loan Payable	2.98	-
	Director Remuneration Payable	3.01	3.02
Mr. Atul Maheshwari	Director Remuneration Payable	5.51	5.52
	Loan Payable	-	-
Mrs. Madhu Toshniwal	Expense Payable	0.52	0.52
Mr. Yash Maheshwari	Salary Payable	1.52	1.50
Vitanosh Ingredients Private Limited	Deposit Receivable	630.78	561.50
	Trade Payable	0.32	-
Omega Colors Private Limited	Advance against purchase	-	72.00

Notes forming part of financial statement for the year ended 31st March 2023.

(₹ in lakhs)

Particulars	Nature of Transaction	Year ended 31 March 2023	Year ended 31 March 2022
	Advance against purchase- Received back	72.00	-
Madhusa Lifecare Private Limited	Trade receivable	-	6.54
Mr. Ritesh Pandey	Salary Payable	0.60	0.56

Note 30 : Contingent liabilities and Commitments

- (a) Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
I) Disputed Statutory Liability		
i) Disputed liability in respect of Income tax (AY 13-14)	20.23	20.23
Disputed liability in respect of Service Tax (From April 14 to March15)	79.06	79.06
Disputed liability in respect of Excise Duty (From Oct 14 to June 17)	102.82	102.82
Disputed liability in respect of GST Act	8.29	-
II) Guarantees		
i) Guarantee given by Bank on behalf of the Company	15.05	8.05
III) Other money for which the company is contingently liable		
i) Duty against the material imported on Advance license (Refer note a below)	433.47	121.67

Note (a): The Company has obtained Advance Licence for purchase of raw material on zero percent custom duty. Under the licence the Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty.

In case of advance licence, material must be exported within 18 months from the date on which goods were cleared from Customs under advance licence. Export obligation pending is 1613.78 MT (P.Y 250.33MT) which needs to be completed under advance License. If the export obligation is not fulfilled, then the duty component will be Rs 433.47 lacs (P.Y Rs 121.67 lacs)

Note 31 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits
A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Changes in defined benefit obligations		
Defined Benefit Obligation ("PBO") at the beginning of the year	102.90	78.68
Service cost for the year	9.84	9.45
Interest cost for the year	7.61	5.35
Actuarial losses / (gains)	(9.15)	9.42
Benefits paid	(4.59)	-
Defined Benefit Obligation ("PBO") as at the end of the year	106.60	102.90

Notes forming part of financial statement for the year ended 31st March 2023.

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
b) Amounts recognised in the Statement of Profit and Loss		
Current service cost	9.84	9.45
Net interest on net Defined Liability / (Asset)	7.61	5.35
Expenses recognised in the statement of profit and loss	17.45	14.80
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	(9.15)	9.42
Total	(9.15)	9.42
d) The amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the year	106.60	102.90
Funded value of assets (unfunded)	-	-
Net assets / (liability) recognised in balance sheet	(106.60)	(102.90)
e) Actuarial assumptions		
Discount rate	7.4%p.a.	6.80% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	7.00% p.a.	7.00% p.a.
Attrition rate	5% to 1%	5% to 1%
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
f) Quantities sensitivity analysis for significant assumption is as below:		
One percent increase		
i. Discount rate	100.38	95.80
ii. Salary escalation rate - over a long-term	113.61	110.91
iii. Withdrawal rate	106.66	102.86
One percent decrease		
i. Discount rate	113.66	111.01
ii. Salary escalation rate - over a long-term	100.30	95.75
iii. Withdrawal rate	106.54	102.94
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation, keeping all other actuarial assumptions constant.		
g) Maturity analysis of defined benefit obligation		
1st Following Year	13.16	7.44
2nd Following Year	11.75	9.63
3 rd Following Year	14.76	10.58
4th Following Year	12.48	11.75

Notes forming part of financial statement for the year ended 31st March 2023.

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
5th Following Year	18.44	11.31
Sum of Year 6 to 10 Year	47.81	62.79
Total expected payments	118.40	113.51

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Contribution to provident fund	21.64	20.97
	21.64	20.97

C Current/ non-current classification

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Gratuity		
Current	13.16	7.44
Non-current	93.44	95.46
	106.60	102.90

Note 32 : Segment Reporting as required under Indian Accounting Standard 108, “Operating Segments” :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacture and trading of Pharmaceutical Products, hence does not have any reportable Segments as per Ind AS 108 “Operating Segments”.

Note 33: Leases
Following are the changes in the carrying value of right of use assets for the year ended 31st March 2023

Particulars	(₹ in lakhs)
Balance as at 1st April 2022	37.40
Addition	-
Deletion	
Depreciation	18.64
Balance as at 31st March 2023	18.77

The following is the breakup of current and non current lease liabilities as at 31st March 2023

Particulars	(₹ in lakhs)
Current lease liability	13.26
Non current lease liability	-
	13.26

Notes forming part of financial statement for the year ended 31st March 2023.

The following is the movement in lease liability during the year ended 31st March 2023

Particulars	(₹ in lakhs)
Balance as at 1st April 2022	36.95
Addition	-
Finance cost accrued during the year	-
Deletion	-
Payment of lease liabilities	23.69
Balance as at 31st March 2023	13.26

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis

Particulars	(₹ in lakhs)
Less than one year	13.95
Later than one year but not later than five year	-
Later than five year	-
Balance as at 31st March 2023	13.95

Note 34: Fair Value Measurement

(i) Financial instruments by category

(₹ in lakhs)

Particulars	Refer note	31st March 2023				31st March 2022			
		Carrying Amount	FVPL	FVOCI	Amortised Cost	Carrying Amount	FVPL	FVOCI	Amortised Cost
Financial Assets:									
Investments in Equity Instruments	4	0.05	0.05			0.07	0.07		
Investments in Mutual Fund	4	-	-			74.07	74.07		
Trade receivables	8	-			-	-			-
Billed		1,076.84			1,076.84	385.83			385.83
Unbilled		172.39			172.39	-			-
Cash and cash equivalents	9	58.11			58.11	192.35			192.35
Bank balances other than Cash and cash equivalents	10	33.40			33.40	15.18			15.18
Other financial asset	5	538.26			538.26	456.58			456.58
Total Financial Assets		1,879.05	0.05	-	1,879.00	1,124.09	74.15	-	1,049.94
Financial Liabilities:									
Borrowings	13	3,882.43			3,882.43	4,195.26			4,095.59
Trade payables	18	1,770.62			1,770.62	216.70			403.78
Lease Liability	14	13.26			13.26	57.53			81.54
Other financial liabilities	19	177.20			177.20	487.20			144.03
Total Financial Liabilities		5,843.51	-	-	5,843.51	4,956.69	-	-	4,724.93

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The management assessed that fair value of cash and cash equivalents, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes forming part of financial statement for the year ended 31st March 2023.
Note 35 : Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

a) Interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Total Borrowings	3,904.25	4,115.12

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Increase in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, increase by	(19.52)	(20.58)
Decrease in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, decrease by	19.52	20.58

Other Price risk

The company is not exposed to the other price risk

b) Foreign currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	(₹ in lakhs)					
	As on March 31, 2023		As on March 31, 2023		As on March 31, 2022	
	(₹ in lakhs)	In Euro	(₹ in lakhs)	In USD	(₹ in lakhs)	In USD
Trade Receivable	-	-	77.54	94,314	35.39	42,024

Note : The Company has not entered into any contracts to hedge foreign currency exposures.

c) Commodity and other price risk

The Company is not exposed to the commodity and other price risk.

Notes forming part of financial statement for the year ended 31st March 2023.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

Ageing of Accounts receivables :

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Not Due - un billed	172.39	748.97
0 - 6 months	1,073.67	385.83
6 - 12 months	3.18	-
Beyond 12 months	-	-
Total	1,249.23	1,134.80

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in provision of doubtful debts

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening provision	3.90	6.77
Add : Provision / (Reversal) for Expected Credit Loss	7.76	(2.87)
Closing provisions	11.66	3.90

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs.58.11 lakhs and Rs. 192.35 lakhs as at 31 March 2023, 31 March 2022 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes forming part of financial statement for the year ended 31st March 2023.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(₹ in lakhs)

Particulars	Note No.	On Demand	Contractual cash flows			Total
			Less than 1 year	1 - 5 years	More than 5 years	
As at 31 March 2023						
Non - derivative financial liabilities						
Borrowings	13	49.15	526.47	2,523.75	783.06	3,882.43
Trade payables	18	1,770.62	-	-	-	1,770.62
Lease Liability	14	-	13.26	-	-	13.26
Other financial liabilities	19	-	155.38	-	-	155.38
		1,819.77	695.10	2,523.75	783.06	5,821.68

(₹ in lakhs)

Particulars	Note No.	On Demand	Contractual cash flows			Total
			Less than 1 year	1 - 5 years	More than 5 years	
As at 31 March 2022						
Non - derivative financial liabilities						
Borrowings	13	129.70	540.60	2,472.79	952.50	4,095.59
Trade payables	18	403.78	-	-	-	403.78
Lease Liability	14	-	12.98	23.97	-	36.95
Other financial liabilities	19	-	124.50	-	-	124.50
		533.48	678.07	2,496.76	952.50	4,660.81

Note 36 : Ratios

Ratio	Basis of Ratio	Numer-ator Current Period	Denomi-nator Current Period	Ratio Current Period	Numer-ator Previous Period	Denomi-nator Previous Period	Ratio Previous Period	Variance %	Reason for Variance
Current Ratio	Current Assets/ Current Liabilities	3,750	2,657	1.41	2,275	1,491	1.53	(7.48)	
Debt-Equity Ratio	Total Debt/ Shareholder's Equity	3,882	4,056	0.96	4,096	3,928	1.04	(8.19)	
Interest Coverage Ratio	EBIT/Interest Expense	750	505	1.49	828	497	1.67	(10.95)	
Debt Service Coverage Ratio	Earnings available for debt service ¹ / Debt Service ²	1,113	1,046	1.06	1,260	858	1.47	(27.50)	The movement in ratio is due to decrease in earning available for debt service
Return on Equity Ratio	Net profit after taxes / Average Shareholder's Equity	121	3,992	0.03	245	3,719	0.07	(54.07)	Decrease in the ratio is due to decrease in the profit
Inventory turnover Ratio	Cost of Goods Sold ³ / Average Inventories	2,433	1,495	1.63	758	772	0.98	65.83	The movement in ratio is due to increase in conversion of stock into sales and higher inventory as compared with previous year

Notes forming part of financial statement for the year ended 31st March 2023.

Ratio	Basis of Ratio	Numer-ator Current Period	Denomi-nator Current Period	Ratio Current Period	Numer-ator Previous Period	Denomi-nator Previous Period	Ratio Previous Period	Variance %	Reason for Variance
Trade Receivables turnover Ratio	Net Credit Sales / Average Trade Receivables	6,580	1,192	5.52	4,594	889	5.17	6.80	
Trade Payables turnover Ratio	Net Credit Purchases / Average Trade Payables	3,938	1,087	3.62	399	310	1.29	181.58	The improvement in ratio is due to company paying off its creditor at a faster rate than the previous year
Net capital turnover Ratio	Net Sales / Working Capital ⁴	6,580	1,093	6.02	4,594	784	5.86	2.69	
Net profit Ratio	Net Profit/Net Sales	121	6,580	0.02	245	4,594	0.05	(65.57)	Decrease in the ratio is due to decrease in the profit in the current year
Return on Capital employed	Earning before Interest and taxes/ Capital Employed ⁵	652	8,007	0.08	813	8,082	0.10	(19.14)	

- Earnings available for debt service = Net profit before tax + finance costs + depreciation & amortisation expense + loss on sale of fixed assets
- Debt Service = Interest & lease payments + principal payments
- Cost of Goods Sold = Cost of materials consumed + Purchases of stock-in-trade + Changes In inventories of finished goods (incl. stock-in-trade) and work-in-progress
- Working Capital = Total Current Assets - Total Current Liabilities
- Capital Employed = Tangible Network⁶ + Total debt + Deferred Tax liability
- Tangible Network = Total assets - Total liabilities - Intangible assets
- Average Investment = Total Equity

Note 37 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

To maintain or adjust the capital structure, the Company usually turns to reputed banks and other financial institutions for funds. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total debts	3,882.43	4,095.59
Total equity	4,056.10	3,928.46
Total debts to equity ratio (Gearing ratio)	0.96	1.04

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Notes forming part of financial statement for the year ended 31st March 2023.

Note 38 : Additional Regulatory Information Required By Schedule iii To The Companies Act, 2013

1. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
2. The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
3. The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
4. Utilisation of borrowed funds and share premium
 - I. 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.”
 - II. 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 Company 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.”
5. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. The Company has not traded or invested in crypto currency or virtual currency during the year.
7. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
8. The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

Note 39 : Prior year comparatives

Previous year's figure's have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

Notes 1 to 39 form an integral part of the financial statements

As per our report of even date attached

For C A S & CO.

Chartered Accountants
Firm Registration No.111075W

Sd/-

Sajjan Kanodia

Partner

Mem. No. 048047

Place: Mumbai

Date : 30th May, 2023

For and on behalf of the Board

LACTOSE (INDIA) LIMITED

Sd/-

Atul Maheshwari

Managing Director

DIN : 00255202

Place: Mumbai

Date : 30th May, 2023

Sd/-

Sangita Maheshwari

Whole Time Director & CFO

DIN : 00369898

Sd/-

Ritesh Pandey

Company Secretary

BOOK - POST



If undelivered, please return to :

LACTOSE (INDIA) LIMITED

Survey No.5, 6 & 7A, Village Poicha (Rania),
Taluka Savli, District Vadodara, Gujarat - 391 780.