



LOTUS CHOCOLATE COMPANY LIMITED

Reg. Office: 8-2-596, 1st Floor, 1B, Sumedha Estates,
Avenue-4, Puzzolana Towers, Street No. 1, Road No. 10,
Banjara Hills, Hyderabad 500034, Telangana
Tel: 91-40-4020 2124
E-mail: investors@lotuschocolate.com
Website: www.lotuschocolate.com
CIN: L15200TG1988PLC009111

Copy to:

**Central Depository Services (India)
Limited**

Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg, Lower Parel,
Mumbai -400013, Maharashtra

**National Securities Depository
Limited**

3rd Floor, Naman Chamber,
Plot C-32, G-Block, Bandra Kurla
Complex, Bandra East,
Mumbai - 400 051, Maharashtra

KFin Technologies Limited

Selenium Tower B, Plot 31&32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad –
500032, Telangana





ANNUAL REPORT

2024-25





Lotus Chocolate Company Limited

Lotus Chocolate takes great pride in being one of India's select manufacturers of the finest chocolates, cocoa products and cocoa derivatives. Our products are supplied to chocolate makers and chocolate users across the world, from local bakeries to multinational companies. Incorporated in the year 1989 and having commenced operations in 1992, Lotus is a renowned and reliable business partner for the supply of cocoa and chocolate products.

Lotus starts right from the sourcing of fine quality cocoa beans, to processing of cocoa beans, to delivering the finest chocolates. Lotus has a fully-integrated manufacturing facility, and is built with the best technologies and expertise from across the globe.



Cocoa Mass

Pure chocolate at its heart, pour a rich, intense flavour into your special creations — both chocolate and confectionery.



Cocoa Butter

Nature's luxurious fat, extracted from premium cocoa beans. Smooth, aromatic and delectable, perfect for crafting melt-in-your-mouth chocolates.



Cocoa Powder

Dark, full-bodied and versatile, prepare to tantalise your taste buds with a punchy chocolate flavour. Be spoilt for choice between natural or alkalized flavour profiles.



Compound Slabs

A sensory delight, craft decadent confections, coatings and decorations without curbing your creativity!



Spreads

Little drops of heaven in the mouth! Bake cookies and cakes to your heart's content with our dark or white compound chips.



Compound Chips

A smooth preparation with a distinct rich flavour of cocoa. Suitable for use ice-cream coverings, cone sprays, biscuit fillings and much more.



Dear Shareholders,

It gives me great pleasure to present to you the Annual Report of your Company **for the financial year 2024 - 25**. This has been a year of both challenges and opportunities, and I am pleased to report that your Company has emerged stronger, delivering growth in revenues along with a positive bottom line, despite **significant volatility in global cocoa prices**.

Through prudent sourcing strategies and an agile product mix, we were able to successfully navigate commodity headwinds while continuing to meet the evolving needs of our customers. Our strong backward linkages with domestic bean growers, coupled with strategic procurement of high-quality African beans at competitive price points, have reinforced the resilience of our raw material base. These initiatives have enabled us to deliver consistent quality and competitiveness in our B2B cocoa derivatives and ingredients business.

During the year, we also undertook important supply chain and operational upgradation across our two processing units, aimed at strengthening our bean-to-derivative and ingredient capabilities. These investments will enhance **efficiency, quality standards, and scalability, thereby supporting long-term growth**.


Looking ahead, we are committed to building a **diversified** and resilient portfolio by accelerating our consumer-facing business in chocolates and confectioneries. **This will not only enable us to capture the significant growth potential in India's confectionery market but also help us de-risk against commodity price cycles**. Our go-to-market strategy is being expanded through deeper penetration in general trade, modern retail, and through strong partnerships with key distribution channels such as Reliance Smart Points and Metro Cash & Carry.

At the core of our growth journey lies our people. We continue to invest in building a culture that fosters capability development, skill enhancement, and recognition. Structured initiatives in learning, leadership development, and performance-driven rewards are ensuring that our teams are equipped and **motivated to deliver on the Company's ambitious growth agenda**.

Your Company is on a strong trajectory of growth and transformation. On behalf of the Board, I extend my heartfelt gratitude to all our shareholders for their trust, **confidence**, and continued support. Together, we are building a Company that is resilient, innovative, and well-positioned to achieve greater heights in the years to come. "

Prof. Dipak C. Jain
Chairman

Contents of this Report

	Page No.
Company Information	2
Notice of Thirty-Sixth Annual General Meeting	3
Board's Report	19
Management Discussion and Analysis	32
Corporate Governance Report 	36
Independent Auditors' Report on Financial Statement	61
Balance Sheet	70
Statement of Profit and Loss	71
Statement of Changes in Equity	72
Statement of Cash Flow	73
Notes to the Financial Statement	74

Company Information

BOARD OF DIRECTORS

Prof. Dipak C. Jain
Chairman, Independent Director

Mr. K. Sudarshan
Independent Director

Ms. Riddhi Bhimani
Independent Director

Mr. Krishnakumar Thirumalai
Non-executive Director

Mr. Ketan Mody
Non-executive Director

Mr. Natarajan Venkataraman
Whole-time Director
(appointed w.e.f. 16th July, 2025)

Mr. Asim Parekh
Non-executive Director

Mr. Abhijeet Pai
Non-executive Director

Mr. Aditya Pai
Non-executive Director

CHIEF EXECUTIVE OFFICER

Mr. Sandipan Ghosh

CHIEF FINANCIAL OFFICER

Mr. S. Gautham

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Utsav Saini

REGISTERED OFFICE

8-2-596, 1st Floor, 1B,
Sumedha Estates, Avenue - 4,
Puzzolana Towers, St. No.1. Rd. No.10,
Banjara Hills, Hyderabad, Telangana - 500 034
Tel No.: +91 40 4020 2124
Email: investors@lotuschocolate.com
Website: www.lotuschocolate.com

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited
Selenium Tower B
Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032, India
Toll Free No: 1800 309 4001
E-mail: lotusinvestor@kfintech.com
Website: www.kfintech.com

AUDIT COMMITTEE

Prof. Dipak C. Jain, Chairman
Mr. K. Sudarshan
Mr. Ketan Mody


NOMINATION AND REMUNERATION COMMITTEE

Mr. K. Sudarshan, Chairman
Prof. Dipak C. Jain
Mr. Ketan Mody

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Ketan Mody, Chairman
Prof. Dipak C. Jain
Mr. Natarajan Venkataraman

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

 Prof. Dipak C. Jain, Chairman
Mr. K. Sudarshan
Mr. Ketan Mody

RISK MANAGEMENT COMMITTEE

Prof. Dipak C. Jain, Chairman
Mr. K. Sudarshan
Mr. Ketan Mody

STATUTORY AUDITOR

Deloitte Haskins and Sells LLP

PLANT LOCATIONS

S. No 31 and 39, Sangareddy Road, Nastipur Village,
Hathnoora Mandal, Doulatabad, Sangareddy District,
Telangana - 502296

Survey No 161/A, S.V. CO-OP Industrial Area, IDA Bollaram,
Sangareddy District, Telangana - 502325

BANKERS

Canara Bank
Axis Bank

NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of Lotus Chocolate Company Limited will be held on **Tuesday, September 30, 2025 at 11:00 a.m. (IST)** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

- To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

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

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ketan Mody (DIN: 07723933), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

- To appoint Mr. Asim Parekh (DIN: 00056125), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Asim Parekh (DIN: 00056125), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS

- To approve the appointment of Mr. Natarajan Venkataraman (DIN: 05324934) as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including

any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Mr. Natarajan Venkataraman (DIN: 05324934), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, as a Director of the Company, liable to retire by rotation, be and is hereby approved.

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

- To approve the appointment of Mr. Natarajan Venkataraman (DIN: 05324934) as Whole-time Director and approve remuneration payable to him and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) 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), the appointment of Mr. Natarajan Venkataraman (DIN: 05324934) as a Whole-time Director of the Company for a period of 5 (five) years, with effect from July 16, 2025, be and is hereby approved on the terms and conditions including remuneration as set out in the Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT if in any financial year, during the tenure of office of Mr. Natarajan Venkataraman, the Company has no profit or its profits are inadequate, the Company shall pay remuneration to him within the limits set out under Schedule V to the Act or any statutory modification(s) thereto or re-enactment(s) thereof;

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

- To appoint Secretarial Auditor and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 204 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and basis the recommendation of the Board of Directors of the Company, KSR & Co., Company Secretaries, LLP (Firm Registration No: P2008TN006400), be and are hereby appointed as Secretarial Auditor of the Company, for a term of 5 (five) consecutive financial years, commencing from the financial year 2025-26 to the financial year 2029-30, on such remuneration as may be determined by the Board of Directors.

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

By the order of Board of Directors



Utsav Saini

Company Secretary and Compliance Officer

Thursday, September 4, 2025

Registered Office:

8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana-500034
Tel No.: +91 40-4020 2124
Email: cs@lotuschocolate.com
Website: www.lotuschocolate.com

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has, vide its general circular dated September 19, 2024 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 05, 2022, December 28, 2022 and September 25, 2023, (collectively referred to as “MCA Circulars”), permitted convening of the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. In terms of the provisions of Section 152 of the Act, Mr. Ketan Mody and Mr. Asim Parekh, Non-executive Directors of the Company, retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend their respective re-appointments.

Mr. Ketan Mody and Mr. Asim Parekh, Non-executive Directors of the Company, are interested in the Ordinary Resolutions set out at Item Nos. 2 and 3 respectively, of the Notice with regard to their re-appointment. The relatives of Mr. Ketan Mody and Mr. Asim Parekh may be deemed to be interested in the resolutions set out at Item Nos. 2 and 3 of the Notice respectively, to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.

6. Details of Directors retiring by rotation / seeking appointment at this Meeting are provided in the ‘Annexure’ to the Notice.

Despatch of Annual Report through Electronic Mode:

7. **In compliance with the MCA Circulars and Regulation 36(1)(a) of the Listing Regulations, Notice of the AGM along with the Annual Report for the financial year 2024-25 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company / Registrar and Share Transfer Agent /**

Depository Participants / Depositories. Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2024-25 is available, is being sent to those Members whose e-mail address is not registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories.

Members may note that this Notice and Annual Report for the financial year 2024-25 will also be available on the Company's website at www.lotuschocolate.com, website of BSE Limited at www.bseindia.com and on the website of Company's Registrar and Share Transfer Agent, KFin Technologies Limited ("KFinTech") at <https://evoting.kfintech.com/>

8. For receiving all communication (including Annual Report) from the Company electronically:
- Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant. National Securities Depository Limited ("NSDL") has provided a facility for registration / updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login>
 - Members holding shares in physical mode are requested to follow the process set out in Note No. 18 in this Notice.

Procedure for joining the AGM through VC / OAVM:

9. The Company will provide VC / OAVM facility to its Members for participating at the AGM;
- Members will be able to attend the AGM through VC / OAVM through JioEvents by using their login credentials provided in the accompanying communication.**
Members are requested to follow the procedure given below:
 - Launch internet browser by typing / clicking on the following link: <https://jioevents.jio.com/lotuschocolateagm>
 - Click on 'Shareholders **CLICK HERE**' button.
 - Enter the login credentials (i.e. User ID and password provided in the accompanying communication) and click on 'Login'.**
 - Upon logging-in, you will enter the Meeting Room.
 - Members who do not have or who have forgotten their User ID and Password, may obtain / generate / retrieve the same, for attending the AGM, by following the procedure given in the instruction at Note No. 13.C.vii.III.**

- Members who would like to express their views or ask questions during the AGM may register themselves at <https://emeetings.kfintech.com>. The Speaker Registration will be open from **Tuesday, September 16, 2025 to Thursday, September 18, 2025**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers at the AGM depending on the availability of time appropriate for smooth conduct of the AGM.
 - All shareholders attending the AGM will have the option to post their comments / queries through a dedicated Chat box that will be available below the Meeting Screen.
 - Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
 - Institutional / Corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) to anilglohia@gmail.com (scrutinizer) with a copy marked to evoting.lotus@kfintech.com. Such authorisation should contain necessary authority in favour of its authorised representative(s) to attend the AGM.**
 - Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting.
 - Members who need assistance before or during the AGM, can contact KFinTech at evoting.lotus@kfintech.com or call on toll free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days). Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number ('EVEN') in all your communications.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
12. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM.

PROCEDURE FOR ‘REMOTE E-VOTING’ AND E-VOTING AT THE AGM (‘INSTA POLL’)

13A. E VOTING FACILITY

The Company is providing to its Members, facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means (“e-voting”). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (“remote e-voting”).

Further, the facility for voting through electronic voting system will also be made available at the Meeting (“Insta Poll”) and Members attending the Meeting who have not cast their votes by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

The manner of voting, including voting remotely by (i) individual Members holding shares of the Company in demat mode, (ii) Members other than individuals holding shares of the Company in demat mode, (iii) Members holding shares of the Company in physical mode, and (iv) Members who have not registered their e-mail address, is explained in the instructions given under C and D hereinbelow.

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

REMOTE E-VOTING PERIOD	
Commencement of remote e-voting	09:00 a.m. (IST) on Thursday, September 25, 2025
End of remote e-voting	05:00 p.m. (IST) on Monday, September 29, 2025

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

Voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his / her / its shareholding in the paid-up equity share capital of the Company as on the cut-off date, i.e. Tuesday, September 23, 2025 (“Cut-off Date”).

The Board of Directors of the Company has appointed Mr. Anil Lohia, a Practicing Chartered Accountant (Membership No.: 031626), partner of Dayal and Lohia, Chartered Accountants or failing him, Mr. Khushit Jain, a Practicing Chartered Accountant (Membership No.: 608082), partner of Dayal and Lohia, Chartered Accountants, as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

The Scrutiniser’s decision on the validity of the votes cast through remote e-voting and Insta Poll shall be final.

B. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

- (i) **Members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.**
- (ii) **Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.**
- (iii) A Member can opt for only single mode of voting, i.e. through remote e-voting or voting at the Meeting (Insta Poll). If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as ‘INVALID’.
- (iv) **A person, whose name is recorded in the Register of Members / Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only, shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a Member as on the Cut-off Date, should treat the Notice for information purpose only.**
- (v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the Cut-off Date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

C. REMOTE E VOTING:

(vi) INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY INDIVIDUAL MEMBERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE

As per Securities and Exchange Board of India (“SEBI”) Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, as amended, **all “individual Members holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s). The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:**

Procedure to login through website of Depositories

National Securities Depository Limited (“NSDL”)	Central Depository Services (India) Limited (“CDSL”)
<p>1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <ol style="list-style-type: none"> i. Type in the browser / Click on the following e-Services link: https://eservices.nsdl.com ii. Click on the button “Beneficial Owner” available for login under ‘IDeAS’ section. iii. A new page will open. Enter your User ID and Password for accessing IDeAS. iv. On successful authentication, you will enter your IDeAS service login. Click on “Access to e-Voting” under Value Added Services on the panel available on the left hand side. v. You will be able to see Company Name: “Lotus Chocolate Company Limited” on the next screen. Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication. 	<p>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</p> <ol style="list-style-type: none"> i. Type in the browser / Click on any of the following links: https://web.cdslindia.com/myeasitoken/home/login or https://www.cdslindia.com and click on New System Myeasi / Login to Myeasi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox). ii. Enter your User ID and Password for accessing Easi /Easiest. iii. You will see Company Name: “Lotus Chocolate Company Limited” on the next screen. Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.
<p>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <ol style="list-style-type: none"> i. To register, type in the browser/Click on the following e-Services link: https://eservices.nsdl.com ii. Select option “Register Online for IDeAS” available on the left hand side of the page or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote. 	<p>2. Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:</p> <ol style="list-style-type: none"> i. To register, type in the browser / Click on any of the following links: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration ii. Proceed to complete registration using your DP ID Client ID (BO ID), etc. iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
<p>3. Users may directly access the e-voting module of NSDL as per the following procedure:</p> <ol style="list-style-type: none"> i. Type in the browser / Click on the following link: https://www.evoting.nsdl.com/ ii. Click on the button “Login” available under “Shareholder / Member” section. iii. On the login page, enter User ID (i.e., (a) 16-character demat account number held with NSDL, starting with IN; (b) alpha-numeric User ID already set by the Member), Login Type, i.e., through typing Password (in case you are registered on NSDL’s e-voting platform) / through generation of OTP (in case your mobile / e-mail address is registered in your demat account) and Verification Code as shown on the screen. 	<p>3. Users may directly access the e-Voting module of CDSL as per the following procedure:</p> <ol style="list-style-type: none"> i. Type in the browser / Click on the following link: https://evoting.cdslindia.com/Evoting/EvotingLogin ii. Provide Your Demat Account Number and PAN. iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. iv. On successful authentication, you will enter the e-Voting module of CDSL. Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.

National Securities Depository Limited (“NSDL”)	Central Depository Services (India) Limited (“CDSL”)
<p>As an alternate OTP based login, click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. Enter 8-digit DP ID, 8-digit Client ID, PAN No., Verification code as shown on the screen and click on ‘Generate OTP’ button. Enter the OTP received on your registered email id / mobile number and click on ‘Log-in’ button. After successful authentication, you will be redirected to NSDL website, wherein you can see e-Voting page.</p> <p>iv. You will be able to see Company Name: “Lotus Chocolate Company Limited” on the next screen. Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</p>	

Procedure to login through demat accounts / Website of Depository Participant

Individual members holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL / CDSL. An option for ‘e-Voting’ will be available once they have successfully logged-in through their respective logins. Click on the option ‘e-Voting’ and they will be redirected to e-Voting modules of NSDL / CDSL (as may be applicable). Click on the e-Voting link available against ‘Lotus Chocolate Company Limited’ or select e-Voting service provider ‘KFinTech’ and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.

Members who are unable to retrieve User ID / Password are advised to use ‘Forgot User ID’ / ‘Forgot Password’ options available on the websites of Depositories / Depository Participant(s).

Contact details in case of any technical issue on NSDL Website	Contact details in case of any technical issue on CDSL Website
<p>Members facing any technical issue during login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or contact at 022-48867000 / 1800 102 0990</p>	<p>Members facing any technical issue during login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 210 9911</p>

(vii) INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY (I) MEMBERS OTHER THAN INDIVIDUALS HOLDING SHARES OF THE COMPANY IN DEMAT MODE AND (II) ALL MEMBERS HOLDING SHARES OF THE COMPANY IN PHYSICAL MODE

(I)A. In case a Member receives an e-mail from the Company / KFinTech [for Members whose e-mail address is registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- (b) Enter the login credentials (**User ID and password provided in the e-mail**). The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFinTech for e-voting, you can use the existing password for logging-in. If required, please visit <https://www.evoting.kfintech.com> or contact toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days) for assistance on your existing password.
- (c) After entering these details appropriately, click on ‘LOGIN’.
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password

and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Lotus Chocolate Company Limited.
- (g) On the voting page, enter the number of shares as on the Cut-off Date under either 'FOR' or 'AGAINST' or alternatively, you may partially enter any number under 'FOR' / 'AGAINST', but the total number under 'FOR' / 'AGAINST' taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to 'ABSTAIN' and vote will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item, it will be treated as 'ABSTAINED'.
- (j) You may then cast your vote by selecting an appropriate option and click on 'SUBMIT'.
- (k) A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Institutional / Corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail id anilglohia@gmail.com with a copy marked to evoting.lotus@kfintech.com Such authorisation should contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be 'Corporate Name EVEN'.

B. In case of a Member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:

- (a) Members holding shares in physical mode, who have not registered / updated their e-mail address with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching form ISR-1 available on the Company's website at www.lotuschocolate.com or e-mail at investors@lotuschocolate.com or to KFinTech at lotusinvestor@kfintech.com.
- (b) **Members holding shares in dematerialized mode who have not registered their e-mail address with their Depository Participant(s) are requested to register / update their e-mail address with the Depository Participant(s) with which they maintain their demat accounts.**
- (c) After due verification, the Company / KFinTech will forward your login credentials to your registered e-mail address.
- (d) Follow the instructions at (vii) (I).A. (a) to (m) above to cast your vote.

(II) Members can also update their mobile number and e-mail address in the 'user profile details' in their e-voting login on <https://evoting.kfintech.com>.

(III) Any person who becomes a Member of the Company after despatch of this Notice of the Meeting and holding shares as on the Cut-off Date / any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFinTech in the manner as mentioned below:

- (a) If the mobile number of the Member is registered against his / her / its Folio No. / DP ID Client ID.

In case the shares are held in dematerialised mode: The Member may send SMS: MYEPWD <space> DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

In case the shares are held in physical mode: The Member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. to 9212993399

Example for Physical:
MYEPWD <SPACE> XXXX123456789

- (b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate password.
- (c) Member may call on KFinTech's toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).
- (d) Member may send an e-mail request to evoting.lotus@kfintech.com. After due verification of the request, User ID and password will be sent to the Member.
- (e) If the Member is already registered with KFinTech's e-voting platform, then he / she / it can use his / her / its existing password for logging-in.
- (IV) In case of any query on e-voting, Members may refer to the 'Help' and 'FAQs' sections / E-voting user manual available through a dropdown menu in the 'Downloads' section of KFinTech's website for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given under Note No. 13(E).

D. INSTA POLL:

(viii) INFORMATION AND INSTRUCTIONS FOR INSTA POLL:

Facility to vote through Insta Poll will be made available on the Meeting page (after you log into the Meeting) and will be activated once the Insta Poll is announced at the Meeting. An icon, 'Vote', will be available at the bottom left on the Meeting Screen. Once the voting at the Meeting is announced by the Chairman, Members who have not cast their vote using remote e-voting will be able to cast their vote by clicking on this icon.

E. CONTACT DETAILS FOR ASSISTANCE ON E-VOTING

- (ix) **Members are requested to note the following contact details for addressing e-voting related matters:**

Shri V. Balakrishnan, Vice President
KFin Technologies Limited
(Unit: Lotus Chocolate Company Limited)
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032,
Telangana, India.
Toll-free No.: 1800 309 4001

(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).
E-mail: evoting.lotus@kfintech.com.

F. E-VOTING RESULT:

- (x) The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or any person authorised by him. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: <https://www.lotuschocolate.com> and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchange. The result will also be displayed at the registered office of the Company.
- (xi) **Subject to receipt of requisite number of votes, the Resolutions proposed in this Notice shall be deemed to have been passed on the date of the Meeting, i.e. Tuesday, September 30, 2025.**

PROCEDURE FOR INSPECTION OF DOCUMENTS:

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in this Notice will be available, electronically, for inspection by the Members during the AGM.

All the documents referred to in this Notice will also be available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM.

Members seeking to inspect such documents can send an e-mail to investors@lotuschocolate.com mentioning his / her / its folio number / DP ID and Client ID.

15. Members seeking any information with regard to the accounts or any matter to be considered at the AGM, are requested to write to the Company on or before Tuesday, September 23, 2025 by sending e-mail on investors@lotuschocolate.com. The same will be replied by the Company suitably.

OTHER INFORMATION

16. As mandated by the SEBI, shares of the Company can be transferred / traded only in dematerialised mode. Members holding shares in physical mode are advised to avail the facility of dematerialisation.

17. Members are advised to exercise diligence and obtain statement of holdings periodically from the concerned Depository Participant and verify the holdings from time to time.
18. (a) Members are requested to intimate / update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.
- (b) Members holding shares in dematerialised mode should contact their Depository Participant for making necessary changes. NSDL has provided a facility for registration / updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login> and opt-in / opt-out of nomination through the link: <https://eservices.nsdl.com/instademat-kyc-nomination/#/login>.
- (c) Members holding shares in physical mode should submit to KFinTech the Forms given below along with requisite supporting documents:

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

19. Non-Resident Indian members are requested to inform the Company / KFinTech (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.
20. Members may please note that the Listing Regulations mandate transfer, transmission and transposition of securities of listed companies held in physical form only in demat mode. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim for unclaimed suspense account / renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4

along with requisite supporting documents to KFinTech as per the requirement of the aforesaid circular.

The aforesaid forms can be downloaded from the Company's website at https://www.lotuschocolate.com/investor_services and is also available on the website of KFinTech at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

All aforesaid documents/requests should be submitted to KFinTech, at the address mentioned under Note No. 13(E).

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('THE ACT') AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER

The following statement sets out all material facts relating to the Special Business proposed in this Notice:

ITEM NO. 4 and 5

The Board of Directors of the Company ("Board"), at its meeting held on July 16, 2025, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and in accordance with the provisions of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, appointed Mr. Natarajan Venkataraman (DIN: 05324934) as an Additional Director with effect from July 16, 2025. Further, the Board has, subject to the approval of the Members, appointed Mr. Natarajan Venkataraman as Whole-time Director for a period of 5 (five) years with effect from July 16, 2025, on the terms and conditions including remuneration as recommended by the NRC.

Mr. Natarajan Venkataraman is qualified to be appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from him, confirming that he is not debarred from holding the office of director by virtue of any order passed by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any other such authority.

The Company has also received a notice under Section 160 of the Act from a Member proposing the candidature of Mr. Natarajan Venkataraman for the office of a Director of the Company.


Mr. Natarajan Venkataraman is a seasoned business leader with extensive experience in the retail and consumer goods sectors.

Over the course of his career, Mr. Natarajan Venkataraman has held several key leadership positions viz. Managing Director - Wrigley India Private Limited, Managing Director - Mars International, Head of Grocery, Fruits, and Vegetables Retail - Ninja Cart, Business Head – Snacks - J K Foods Limited and

Chief Business Officer - VLCC Personal Care Limited. Since March 2025, he was serving as Business Head – Biscuits, Chocolates & Confectionery at Reliance Consumer Products Limited.

His expertise encompasses consumer / customer facing roles including Brand building, product portfolio strategy, Route to market, Channel management, supply chain efficiency and team leadership. He brings deep domain knowledge in the areas of processed foods, beverages, and personal care products. The said skills have been developed vide his tenure across MNCs, Indian companies and start-up companies.

Mr. Natarajan Venkataraman holds a Post Graduate Diploma in Management (Marketing and Finance) from the Indian Institute of Management, Lucknow and a Bachelor's degree in Electronics and Telecommunication Engineering from Regional Engineering College, Nagpur.

Details of Mr. Natarajan Venkataraman, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"); and (ii) Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to this Notice. 

Broad particulars of the terms of appointment of and remuneration payable to Mr. Natarajan Venkataraman, are as under:

1) **Remuneration will include:**

(a) **Salary, Perquisites and Allowances:**

Salary, perquisites and allowances in the range of Rs. 1.95 crore to Rs. 3.5 crore per annum.

The perquisites and allowances shall include insurance and/or any other perquisites as per Company's policy. The said perquisites and allowances shall be determined, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) thereto or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be determined at actual cost.

(b) **Contribution to provident fund, superannuation or annuity fund, gratuity, etc.**

The Company's contribution to provident fund, superannuation or annuity fund, if any, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the salary, perquisites and allowances under (a) above.

2) Increment in salary, perquisites and allowances and amounts, if any, by way of incentive / bonus payable to Mr. Natarajan Venkataraman, as may be determined by the Board and / or the NRC of the Board, shall be within the limits set out in para 1 above.

3) **Reimbursement of Expenses:**


Expenses incurred for travelling, boarding and lodging during business trips; use of corporate credit card and provision of any medical assistance; provision of car and use thereof on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

4) **General:**

- i. During the term of his appointment, Mr. Natarajan Venkataraman will be paid remuneration under (1) and (2) above, up to 10% of net profits of the Company as per the provisions of Section 197 of the Act, subject to approval of Members.
- ii. Where in any financial year closing after March 31, 2025, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Natarajan Venkataraman, shall be as permissible under Section II of Part II of Schedule V to the Act or any statutory modification(s) thereto or re-enactment thereof for a period of 3 (three) years based on the effective capital as per the explanation set out in the Schedule mentioned above.
- iii. The Whole-time Director shall perform such duties as shall from time to time be entrusted to him by the Board, subject to superintendence, guidance and control of the Board.
- iv. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- v. The Whole-time Director shall adhere to the Company's Code of Conduct for the time being in force.
- vi. The office of the Whole-time Director may be terminated, either by the Company or by Mr. Natarajan Venkataraman, by giving 3 (three) months' prior notice in writing.
- vi. The Whole-time Director shall not be entitled for fees for attending meetings of the Board of Directors or Committees.

Information required to be disclosed in this Statement in terms of provisions of Section II of Part II of Schedule V of the Act are as under:

I	General Information																				
a) Nature of Industry	Chocolate and confectionery																				
b) Date or expected date of commencement of commercial production	The Company is presently engaged in manufacturing of finest chocolates, cocoa products and cocoa derivatives																				
c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																				
d) Financial performance based on given indicators	<p>Financial Performance for past 3 financial years is as under:</p> <p align="right">(₹ In crore)</p> <table border="1"> <thead> <tr> <th></th> <th align="center">2024-25</th> <th align="center">2023-24</th> <th align="center">2022-23</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td align="right">574.56</td> <td align="right">201.15</td> <td align="right">62.82</td> </tr> <tr> <td>Profit before Tax</td> <td align="right">23.06</td> <td align="right">2.24</td> <td align="right">(6.93)</td> </tr> <tr> <td>Net Profit</td> <td align="right">17.23</td> <td align="right">5.06</td> <td align="right">(6.96)</td> </tr> <tr> <td>Net Worth</td> <td align="right">63.65</td> <td align="right">46.42</td> <td align="right">(2.04)</td> </tr> </tbody> </table>		2024-25	2023-24	2022-23	Total Income	574.56	201.15	62.82	Profit before Tax	23.06	2.24	(6.93)	Net Profit	17.23	5.06	(6.96)	Net Worth	63.65	46.42	(2.04)
	2024-25	2023-24	2022-23																		
Total Income	574.56	201.15	62.82																		
Profit before Tax	23.06	2.24	(6.93)																		
Net Profit	17.23	5.06	(6.96)																		
Net Worth	63.65	46.42	(2.04)																		
e) Foreign investments or collaborations, if any	No foreign investment was made by the Company during the financial year 2024-25. The equity shares of the Company are listed on BSE Limited. As on June 30, 2025, total foreign shareholding in the Company was 0.26% of the total equity paid-up capital of the Company.																				
II	Information about the appointee:																				
a) Background details	<p>Mr. Natarajan Venkataraman is a seasoned business leader with extensive experience in the retail and consumer goods sectors.</p> <p>Over the course of his career, Mr. Natarajan Venkataraman has held several key leadership positions viz. Managing Director- Wrigley India Private Limited, Managing Director- Mars International, Head of Grocery, Fruits, and Vegetables Retail - Ninja Cart, Business Head – Snacks - J K Foods Limited and Chief Business Officer - VLCC Personal Care Limited. Since March 2025, he was serving as Business Head – Biscuits, Chocolates & Confectionery at Reliance Consumer Products Limited.</p> <p>His expertise encompasses consumer / customer facing roles including Brand building, product portfolio strategy, Route to market, Channel management, supply chain efficiency and team leadership. He brings deep domain knowledge in the areas of processed foods, beverages, and personal care products. The said skills have been developed during his tenure across MNCs, Indian companies and start-up companies.</p> <p>Mr. Natarajan Venkataraman holds a Post Graduate Diploma in Management (Marketing and Finance) from the Indian Institute of Management, Lucknow and a Bachelor's degree in Electronics and Telecommunication Engineering from Regional Engineering College, Nagpur.</p>																				
b) Past remuneration	Not Applicable																				
c) Recognition or awards	None																				

d) Job profile and his suitability	<p>The Company is into the business of manufacturing finest chocolates, cocoa products and cocoa derivatives. Mr. Natarajan Venkataraman has vast experience in consumer / customer facing roles including brand building, product portfolio strategy, route to market, channel management, supply chain efficiency and team leadership.</p> <p>He will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and / or regulations as may from time to time be given and / or made by the Board and his functions as Whole-time Director will be under the overall supervision and authority of the Board of Directors of the Company.</p> <p>Considering his background, knowledge, experience and expertise, his appointment will be in the interest of the Company.</p>
e) Remuneration proposed	As per the resolution at item no. 5 of this Notice convening this Meeting read with the statement pursuant to Section 102(1) of the Act thereto.
f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>The remuneration proposed is commensurate with the remuneration paid to similar senior level personnel in other companies.</p> <p style="text-align: center;"></p>
g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Apart from receiving remuneration, Mr. Natarajan Venkataraman has no pecuniary relationship directly or indirectly with the Company.
III Other Information:	
a) Reasons of loss or inadequate profits	<p>The Company is in the business of manufacturing finest chocolates, cocoa products and cocoa derivatives and sourced high-quality cocoa beans both from Indian and global markets. With global cocoa prices at all-time high, the industry has witnessed significant shifts in consumer behaviour which has also impacted the business of the Company. The focus of the Company will remain on strengthening the business across segments.</p> <p>It is pertinent to mention that due to improved performance and the turnaround made by the Company in the last two financial years, the accumulated losses have come down to Rs. 3.78 Crore as at March 31, 2025 compared to Rs. 26.06 Crore (accumulated losses) as at March 31, 2023.</p>
b) Steps taken or proposed to be taken for improvement	<p>Due to the improved business performance, the Company has made a profit before tax of Rs. 23.06 crore in the FY 2024-25. The business outlook for FY 2025-26 and coming years is positive with both value and volume expected to grow.</p> <p>The focus remains on strengthening the B2B business while parallelly building presence in the B2C segment through omni channel distribution and portfolio encompassing products across key segment.</p>
c) Expected increase in productivity and profits in measurable terms	Please refer point III (b) above.

Mr. Natarajan Venkataraman satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for his appointment.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Natarajan Venkataraman under Section 190 of the Act.

Members' approval is sought for the appointment of and remuneration payable to Mr. Natarajan Venkataraman, as Whole-time Director, in terms of the applicable provisions of the Act.

Mr. Natarajan Venkataraman is interested in the resolutions set out at Item Nos. 4 and 5 of this Notice with regard to his appointment. The relatives of Mr. Natarajan Venkataraman may be deemed to be interested in the resolutions set out at Item Nos. 4 and 5 of this Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 4 and 5 of this Notice.

The Board recommends the Resolutions set out at Item Nos. 4 and 5 of this Notice for approval by the Members.

ITEM NO. 6

Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") requires every listed entity to appoint a peer reviewed Company Secretary or a Firm of Company Secretary(ies) as a Secretarial Auditor on the basis of recommendation of the Board of the Directors.

The Board of Directors of the Company ("Board"), at its meeting held on April 21, 2025 has, considering the experience and expertise and on the recommendation of the Audit Committee, recommended to the Members of the Company, appointment of KSR & Co., Company Secretaries, LLP ('KSR') (Firm

Registration No: P2008TN006400), as Secretarial Auditor for a term of 5 (five) consecutive financial years, commencing from the financial year 2025-26 to the financial year 2029-30 on such remuneration as may be determined by the Board of Directors of the Company from time to time.

KSR is a renowned Company Secretaries firm with expertise in diverse domains including corporate law practice, audits, merger & acquisitions, litigation management etc.

KSR have consented to their appointment as the Secretarial Auditor, if appointed and have confirmed that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India ("ICSI") and holds a valid certificate of peer review issued by the ICSI.

The proposed remuneration to be paid to the Secretarial Auditor for the financial year 2025-26 is ₹ 4,85,000/- (Rupees Four Lakh Eighty-Five Thousand only). The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent years of their term shall be fixed by the Board of Directors based on the recommendation of the Audit Committee of the Company. There is no change in the remuneration proposed to be paid to the Secretarial Auditor for the financial year 2025-26 vis-a-vis the remuneration paid for the financial year 2024-25.

In accordance with the provisions of Regulation 24A of the Listing Regulations, the appointment of Secretarial Auditor, is required to be approved by the Members of the Company. Accordingly, approval of the Members is sought for passing the Ordinary Resolution as set out at Item No. 6 of this Notice.

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

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

ANNEXURE TO THE NOTICE DATED SEPTEMBER 4, 2025

Details of Directors retiring by rotation / seeking appointment at the Meeting:

Name	Mr. Ketan Mody
DIN	07723933
Age (in years)	48
Qualifications	Chartered Accountant
Experience (including expertise in specific functional area) / Brief Resume	He has over two decades of experience spanning various industries including FMCG, Retail, & Telecom, Fashion & Lifestyle, in treasury, finance and strategy roles. His expertise lies in business strategy, operations, planning & strategic alliances. He has worked extensively in corporate development and inorganic growth, including mergers and acquisitions (M&A), partnerships, and joint ventures (JVs).
Terms and conditions of re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Ketan Mody is liable to retire by rotation.
Remuneration (including sitting fees, if any) last drawn (FY 2024-25)	Nil
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	May 24, 2023
Number of meetings of the Board attended	FY 2024-25: 100% (5 meetings held) FY 2025-26 (till the date of this Notice): 100% (2 meetings held)
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2025	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Directorships of other Boards as on March 31, 2025	Sosyo Hajoori Beverages Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2025	Nil
Listed entities from which the Director has resigned in the past three years	Nil

Name	Mr. Asim Parekh
DIN	00056125
Age (in years)	61
Qualifications	B. Tech from IIT-Kharagpur and Post Graduate Degree from ISB Hyderabad
Experience (including expertise in specific functional area) / Brief Resume	Mr. Asim Parekh is the manufacturing & supply chain head at Reliance Consumer Products Limited and brings with him over 36 years of experience across the FMCG industry. He has experience in developing and executing a supply chain strategy, overseeing physical asset operations including manufacturing/production, inventory, operational compliance and also strategic procurement and value chain optimization.
Terms and conditions of re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Asim Parekh, who was appointed as Non-Executive Director through Postal Ballot passed on March 29, 2024, is liable to retire by rotation.
Remuneration (including sitting fees, if any) last drawn (FY 2024-25)	Nil
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	January 03, 2024
Number of meetings of the Board attended	FY 2024-25: 100% (5 meetings held) FY 2025-26 (till the date of this Notice): 100% (2 meetings held)
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2025	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Directorships of other Boards as on March 31, 2025	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2025	Nil
Listed entities from which the Director has resigned in the past three years	Nil

Name	Mr. Natarajan Venkataraman
DIN	05324934
Age (in years)	56
Qualifications	Post Graduate Diploma in Management (Marketing and Finance) from the Indian Institute of Management, Lucknow and a Bachelor's Degree in Electronics and Telecommunication Engineering from Regional Engineering College, Nagpur
Experience (including expertise in specific functional area) / Brief Resume	Mr. Natarajan Venkataraman is a seasoned business leader with extensive experience in the retail and consumer goods sectors. For detailed profile, please refer Company's website: www.lotuschocolate.com
Terms and conditions of Appointment	As per the resolution set out at Item No. 5 of this Notice read with the Explanatory Statement pursuant to Section 102(1) of the Act thereto.
Remuneration (including sitting fees, if any) last drawn (FY 2024-25)	Not Applicable
Remuneration proposed to be paid	As per the resolution at item no. 5 of this Notice read with the Explanatory Statement pursuant to Section 102(1) of the Act thereto.
Date of first Appointment on the Board	July 16, 2025
Number of meetings of the Board attended	FY 2024-25: Not Applicable FY 2025-26 (till the date of this Notice): 100% (1 meeting held)
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2025	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Directorships of other Boards as on March 31, 2025	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2025	Nil
Listed entities from which the Director has resigned in the past three years	Nil

Board's Report

Dear Members,

The Board of Directors present the Company's Thirty-Sixth Annual Report and the Company's audited financial statement for the financial year ended on March 31, 2025.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2025 is summarized below:

(₹ in crore)

Particulars	2024-25	2023-24
Revenue from Operations (net)*	573.75	200.03
Other Income	0.81	1.12
Profit/(Loss) before Depreciation, Amortization, Interest and Taxes	31.98	4.07
Less: Interest	7.11	0.81
Less: Depreciation and Amortization Expense	1.81	1.02
Profit/(Loss) Before Tax	23.06	2.24
Less: Tax Expense (includes current tax, deferred tax, short /excess provision of tax relating to earlier year/s)	5.83	(2.82)
Profit/(Loss) for the Year	17.23	5.06
Add: Other comprehensive Income	(0.15)	(0.17)
Total Comprehensive Income for the Year	17.08	4.89

(* excludes Goods and Service Tax)

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, the revenue from operations (excluding the goods and service tax) increased to ₹ 573.75 crore (previous year ₹ 200.03 crore). The profit before depreciation, amortization, interest and tax was ₹ 31.98 crore (previous year ₹ 4.07 crore). The Company's profit after tax was ₹ 17.23 crore as compared to a profit of ₹ 5.06 crore in the previous year.

Your company has strengthened its position as one of the leading manufacturers of cocoa products in the country. Your company has two state-of-art manufacturing facilities near Hyderabad. Both facilities are equipped with the latest technologies in manufacturing with continued investment being undertaken for capacity enhancement.

Your company sources high quality cocoa beans both from Indian and global markets and manufactures cocoa derivatives including Cocoa Mass, Cocoa Butter and Cocoa Powder and also offers a range of choco chips and choco slabs which are supplied to leading Food Manufacturers, Ice-cream manufacturers and Bakeries across the country. In FY 2024-25, the company has also expanded its range of consumer products with the introduction of products in confectionery and chocolate categories and also building up an omni channel distribution pathway in general retail, standalone chains and modern trade outlets.

DIVIDEND

The Board of Directors has not recommended any dividend for the year under review.

TRANSFER TO RESERVES

During the year under review, no amount has been transferred to the Reserves of the Company. Please refer to Statement of changes in Equity in the Financial Statement for details pertaining to changes during the year in Other Equity.

MATERIAL EVENTS DURING THE YEAR UNDER REVIEW AND UPDATES THEREON

During the year under review, the Hon'ble National Company Law Tribunal, Hyderabad Bench, vide its order dated August 8, 2024 (effective date) sanctioned the Scheme of Amalgamation of Soubhagya Confectionery Private Limited ("SCPL"), wholly-owned subsidiary of the Company, with the Company under Sections 230 to 232 of the Companies Act, 2013 with Appointed Date being May 25, 2023. Accordingly, SCPL stood amalgamated with the Company with effect from that date.

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

No material changes and commitments occurred affecting the financial position of the Company between the end of the financial year to which the financial statement relates and the date of this report.

SHARE CAPITAL

During the year under review, there has been no change in authorized and paid up share capital of the Company. The total paid-up share capital of the Company as on March 31, 2025 is ₹ 63,63,42,490/- comprising of:

- ₹ 12,84,10,490/- equity share capital divided into 1,28,41,049 Equity Shares of ₹10/- each; and
- ₹ 50,79,32,000/- preference share capital divided into 5,07,93,200, 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable Preference Shares of ₹10/- each.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is presented in a separate section, and forms part of this Report.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

During the year under review, the Hon'ble National Company Law Tribunal, Hyderabad Bench, vide its order dated August 8, 2024 (effective date) sanctioned the Scheme of Amalgamation of SCPL, wholly-owned subsidiary of the Company, with the Company under Sections 230 to 232 of the Companies Act, 2013 with Appointed Date being May 25, 2023. Accordingly, SCPL stood amalgamated with the Company with effect from that date. The Company did not have any other subsidiary.

The Company did not have any joint venture or associate company during the year under review.

SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 ("the Act") have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best

governance practices. The Corporate Governance Report as stipulated under the Listing Regulations forms part of this Annual Report. Certificate from KSR & Co., Company Secretaries LLP, confirming compliance with the conditions of Corporate Governance is attached to the Corporate Governance Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

There were no contracts / arrangements / transactions with related parties which are required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is put up on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/files/Policy-on-Materiality-of-RPT.pdf>.

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

The Board of Directors of the Company draw attention of the Members to Note No. 32 to the Financial Statement which sets out related party disclosures pursuant to Indian Accounting Standards.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility ("CSR") Committee comprising Prof. Dipak C. Jain (Chairman), Mr. K. Sudarshan and Mr. Ketan Mody as members. The Company has a CSR policy in place which is available on the Company's website at <https://www.lotuschocolate.com/documents/files/CSR-Policy.pdf>

During the year under review, the Company was not required to spend on CSR as the Company did not meet any of the criteria prescribed under Section 135 of the Act. Further, the Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith and marked as **Annexure - I**.

RISK MANAGEMENT

The Board of the Company has formed a Risk Management Committee, on voluntary basis, to frame, implement and monitor the risk management policy / plan for the Company and ensuring its effectiveness.

The Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. Risk Management Committee has, inter-alia, been entrusted with the responsibility for overseeing implementation / monitoring of risk management plan and policy; and continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

The details on the risk management are also covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has adequate systems of internal financial controls to safeguard and protect the Company from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the management.

The Company is following the applicable Accounting Standards for properly maintaining the books of accounts and reporting Financial Statements.

The Internal financial controls have been embedded in the business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews and continuous monitoring as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

The Audit Committee reviews adequacy and effectiveness of Company's internal controls and monitors the implementation of audit recommendations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ketan Mody and Mr. Asim Parekh, Non-executive Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors, based on the recommendation of Nomination and Remuneration Committee ("NRC"), has recommended their re-appointment.

Upon completion of the second-term as an Independent Director, Mr. Bharathan Rajagopalan Thatai ceased to be director of the Company on November 25, 2024.

Mr. Dinesh Taluja resigned from the Board effective from November 25, 2024.

The Board places on record its sincere appreciation for the contribution made by them during their tenure on the Board of the Company.

The Board of Directors, based on the recommendation of the NRC, approved the appointment of Ms. Riddhi Bhimani as an Additional Director, designated as an Independent Director of the Company w.e.f. November 26, 2024 and the shareholders approved her appointment as an Independent Director of the Company, through resolution passed by postal ballot on February 21, 2025.

In the opinion of the Board, Ms. Riddhi Bhimani possesses requisite expertise, proficiency, integrity and experience.

The Board of Directors, based on the recommendation of the NRC, also approved the appointment of Mr. Abhijeet Pai and Mr. Aditya Pai as Additional Directors, designated as Non-Executive Directors of the Company and the shareholders approved their appointment as Non-Executive Directors of the Company, liable to retire by rotation, through resolution passed by postal ballot on February 21, 2025.

Ms. Renuka Shastry resigned from the Board effective from July 10, 2025.

The Board of Directors, based on the recommendation of the NRC, also approved the appointment of Mr. Natarajan Venkataraman (DIN: 05324934) as an Additional Director and Whole-time Director of the Company with effect from July 16, 2025. The Company has received requisite notice in writing from a member proposing his candidature for appointment as a Director, liable to retire by rotation. The Board of Directors has recommended the appointment of Mr. Natarajan Venkataraman as Director and Whole-time Director of the Company for a period of 5 years for approval of members at the ensuing Annual General Meeting.

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

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations;
- b) they have registered their names in the Independent Directors' Databank; and
- c) they have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Act.

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

- a) Policy for selection of Directors and determining Directors' independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying persons who are qualified to become Directors and to determine the independence of Directors, while considering their appointment/ re-appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual board members with diverse background and experience that are relevant for the Company's operations. The Policy is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/files/Policy-for-Selection-of-Directors.pdf>.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements. The remuneration policy is in consonance with existing industry practice. The Policy is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/files/Remuneration-Policy-for-Directors.pdf>.

PERFORMANCE EVALUATION

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of Directors.

In accordance with the manner of evaluation specified by the NRC, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairman, the non-independent directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board based on the report of evaluation received from the respective Committees.

A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No: 117366W/W-100018) ("DHS"), were appointed as the Statutory Auditors of the Company for a term of 5 consecutive years, at the 34th Annual General Meeting held on August 10, 2023. DHS have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company.

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

Secretarial Auditor

The Board had appointed KSR & Co., Company Secretaries LLP, to conduct Secretarial Audit of the Company for the FY 2024-25. The Secretarial Audit Report for the financial year ended March 31, 2025 is annexed and marked as **Annexure- II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

In accordance with the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Board has recommended to the Members of the Company, the appointment of KSR & Co., Company Secretaries LLP (Firm Registration No. P2008TN006400) as the Secretarial Auditor of the Company for a term of 5 consecutive financial years commencing from the financial year 2025-26 to the financial year 2029-30 to conduct Secretarial Audit of the Company. They have confirmed their eligibility and qualification required under the Act and the Listing Regulations for holding office, as the Secretarial Auditor of the Company.

DISCLOSURES

Meetings of the Board

Five Meetings of the Board of Directors were held during the financial year under review. The particulars of the meetings held and attendance of each Director are detailed in the Corporate Governance Report forming part of this Annual Report.

Further, maximum interval between two meetings of the Board of the Directors has not exceeded 120 days.

Committees of Board

The Company has in place the Committee(s) as mandated under the provisions of the Act and the Listing Regulations. There are currently five committees of the Board, namely:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee (constituted voluntarily by the Company).

Details of the Committees along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has established a robust Vigil Mechanism and has a Whistle Blower Policy ("Policy"), to provide a formal mechanism to its employees and other stakeholders to report instances of fraud, actual or suspected violations of applicable laws and regulations and the Code of Conduct. The Policy provides for a mechanism to report such concerns to the Compliance Officer of the Company or Chairman of the Audit Committee in exceptional cases.

During the year under review, no Protected Disclosure concerning any Reportable Matter in accordance with the Policy of the Company was received by the Company.

The Policy is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/files/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf>.

PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE

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

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

The Company has not given any loan or provided guarantee or made any investments or offered any security in connection with loans to any other body corporate or individual during the year under review. (Please refer Note 34 to the financial statement).

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings & outgo, as required to be disclosed under the Act, are provided in **Annexure - III** to this Report.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2025 is available on the Company's website and can be accessed at https://www.lotuschocolate.com/documents/downloads/Annual_Return_24-25.pdf.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 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 forms part of this Report. Further, since there is no employee drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requirement of disclosure in terms of Section 197(12) of the Act read with said rule does not arise.

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

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

GENERAL

During the year under review:

- a) the Company has not accepted deposits covered under Chapter V of the Act;
- b) the Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- c) the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme;
- d) the Company has not issued any debentures, bonds, warrants or any other convertible securities;
- e) the Company did not have any scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- f) no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- g) no fraud has been reported by the Auditors to the Audit Committee or the Board of Directors of the Company;

-
- h) as the Company did not have any joint venture or associate company during the year, the reporting requirements under Rule 8(1) and Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 are also not applicable to the Company;
 - i) there has been no change in capital structure of the Company;
 - j) there has been no instance of transferring the funds to the Investor Education and Protection Fund;
 - k) there has been no change in the nature of business of the Company;
 - l) the Company is not required to maintain cost records as prescribed by the Central Government under Section 148(1) of the Act;
 - m) the Company has not bought back its shares, pursuant to the provisions of Section 68 of the Act and Rules made thereunder;
 - n) the Company did not have any Managing Director (“MD”) or Whole-time Director (“WTD”), hence the disclosure requirement in respect of receipt of remuneration does not arise;
 - o) the financial statements of the Company were not revised.
 - p) statement of deviation or variation in connection with preferential issue was not applicable to the Company;
 - q) the Company has not failed to implement any corporate action;
 - r) there was no amendment in the policies referred to in this report;
 - s) the Company is fully compliant with the provisions of the Maternity Benefit Act, 1961. Maternity leave and benefits are applicable to all eligible women as per the applicable statutory guidelines.
 - t) there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016; and
 - u) there was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

The Board places on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the banks, government and regulatory authorities, stock exchange, customers, vendors and members during the year under review.

For and on behalf of the Board of Directors

Prof. Dipak C Jain
Chairman

Place: Mumbai
Date: July 16, 2025

ANNEXURE- I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

1. Brief outline on CSR Policy of the Company:

The Company follows established ethical standards for all its dealings and believes in inspiring trust and confidence. The Company strongly believes that, it exists not only for doing good business, but equally for the betterment of the Society and the same is covered under Company's CSR policy.

2. Composition of CSR Committee:

Sr. No.	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year*	Number of meetings of CSR Committee attended during the year*
1.	Prof. Dipak C. Jain** (w.e.f. November 26, 2024)	Chairman (Non-Executive Independent Director)	1	1
2.	Mr. K. Sudarshan	Member (Non-Executive Independent Director)	2	2
3.	Mr. Ketan Mody	Member (Non-Executive Director)	2	2

*details of meetings held and attended are considered as per their respective tenure.

**Prof. Dipak C. Jain was inducted as Member and appointed as Chairman of the Committee w.e.f. November 26, 2024. Mr. Bharathan Rajagopalan Thatai and Mr. Dinesh Taluja ceased to be the Directors of the Company on November 25, 2024 and consequently ceased to be the Chairman and member, respectively, of the CSR Committee. They had attended one meeting of CSR Committee held on April 16, 2024.

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

The web links are as under:

Composition of CSR Committee	https://www.lotuschocolate.com/committees_of_board_of_directors
CSR Policy	https://www.lotuschocolate.com/documents/files/CSR-Policy.pdf
CSR projects approved by the Board	Not Applicable

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

Not Applicable

5. Average net profit of the company as per sub- section (5) of Section 135: Not Applicable

- 6. (a) Two percent of average net profit of the company as per sub- section (5) of Section 135 – Not Applicable**
(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not Applicable
(c) Amount required to be set-off for the financial year, if any: Not Applicable
(d) Total CSR obligation for the financial year [(a)+(b)-(c)]: Nil
(e) CSR amount spent or unspent for the financial year: Nil

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
Not Applicable					

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

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Amount remaining to be spent in succeeding financial years (in Rs.)
					Amount (in ₹)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors



Dipak C. Jain
Chairman, CSR Committee

Sandipan Ghosh
Chief Executive Officer

Place: Mumbai
Date : July 16, 2025

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lotus Chocolate Company Limited (CIN - L15200TG1988PLC009111)** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2025 in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, 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, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.

The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992: -

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- d. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, to the extent applicable.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

- a) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

We have also examined the compliance with applicable clauses of the following:

- (i) Listing Agreement entered into by the Company with Stock Exchange.
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that, the Company has identified the following laws as specifically applicable to the Company:

- (a) Food Safety and Standards Act, 2006, rules and regulations thereunder;
- (b) Legal Metrology Act, 2009, rules and regulations thereunder;
- (c) Bureau of Indian Standards (BIS) Act, 2016;

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Non-Executive Directors, Woman Director(s) and Independent Directors. The changes made to the composition of the Board of Directors was duly carried out in compliance with law during the period covered under the Audit.

Adequate notice was given to all Directors to schedule the Board Meetings and to the respective directors for Committee Meetings. The agenda and detailed notes on Agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions made at the Board meeting and Committee meetings have unanimous consent of directors (excluding the directors who were concerned or interested in specific item) as recorded in minutes of meeting of Board of Directors and committees of the Board, as the case maybe. No dissenting views were found in 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 period covered under the Audit, we are of the opinion that, the Company has not performed specific actions apart from ones mentioned hereinbelow having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines:

- (i) Soubhagya Confectionery Private Limited ("SCPL"), a wholly-owned subsidiary of the Company, was amalgamated with the Company pursuant to the order passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench on August 8, 2024 (effective date), with Appointed Date being May 25, 2023 upon sanctioning the Scheme of Amalgamation between SCPL and the Company.
- (ii) The Company has increased the borrowing limits to ₹ 500 crores under Section 180(1)(c) of the Act and creation of mortgage, charge, hypothecation etc. on the assets, properties or undertaking(s) of the Company upto the borrowing limit of the Company under Section 180(1)(a) of the Act to that effect.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan
Partner
FCS No.: 5367 | CP No.: 4408
UDIN: F005367G000163910
FRN: P2008TN006400
PR No.: 2635/2022

Place: Coimbatore
Date: 21st April, 2025

KSR/CBE/L-60/060/2025-2026

April 21, 2025

To,
The Members,
Lotus Chocolate Company Limited
8-2-596, 1st Floor, 1B, Sumedha Estates,
Avenue-4, Puzzolana Towers, Street No.1,
Road No. 10, Banjara Hills, Hyderabad,
Telangana, India, 500034.

**Our Secretarial Audit Report of even date of Lotus Chocolate Company Limited
("the Company") 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 had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the company. The management has confirmed that the records provided to us for audit through electronic mode are final, true, and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the financial year ended on 31st March, 2025.
4. 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 provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan
Partner
FCS No.: 5367 | CP No.: 4408
UDIN: F005367G000163910
FRN: P2008TN006400
PR No.: 2635/2022

Place: Coimbatore
Date: 21st April, 2025

ANNEXURE-III

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

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

(A) Conservation of Energy

The Company has established an efficient energy management system and continuous efforts are made to optimize process parameters and conserve energy.

The steps taken or impact on conservation of energy:

Installation of energy saving devices viz. LED Street Lights, Power Capacitors, Bank Steam Condensate Recovery system etc. and an Effluent Treatment Plant (ETP) has been installed to curb water wastage.

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

The Company has installed solar panels in factory premises as a source of renewable energy.

The capital investment on energy conservation equipment:

The Company has not made any major capital investment on utilizing alternate sources of energy and conservation equipment during the year under review.

(B) Technology Absorption**Efforts made in technology absorption and benefits derived:**

The efforts are being made to adopt feasible technology in the operations of the Company.

Information regarding imported technology (imported during last three years):

The Company has not imported any technology during last three years.

Expenditure incurred on research and development:

The Company has not incurred any expenditure on Research and Development during the year under review.

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of Actual Inflows - Nil.

Foreign Exchange outgo in terms of Actual Outflows - ₹ 38.08 Crore

For and on behalf of the Board of Directors

Prof. Dipak C Jain
Chairman

Place: Mumbai
Date: July 16, 2025

Management Discussion and Analysis

(a) Industry structure and developments

The Chocolates and Confectionery industry is estimated to be over ~INR 34,000 Crore in size (consumer spends) with Chocolates accounting for around 58% of the industry and Confectionery accounting for 42%. The industry is expected to grow to over INR 50,000 Crore (CAGR of 10%) over the next 5 years.

Chocolates category is dominated by international players (Mondelez, Nestle, Ferrero, Mars account for 85% share) with Indian companies starting to make headway in recent time, Amul being the largest player. Confectionery, on the contrary, is more fragmented in nature with Top 12 companies accounting for 80% share and largest player having 25% share. The category has large number of regional players having significant share in their respective strongholds.

(b) Opportunities and Threats

The chocolates category has seen significant premiumization in last few years, which has created a void in the affordable segment. This presents a significant opportunity for the Company to create brands that will offer high quality at affordable price points.

Similarly, the confectionery category is fragmented with limited presence of national brands. The Company has the opportunity to build brands at scale with presence across the country, through high quality products and omni channel distribution.

In the B2B space, the growing trend of home bakers and increasing consumption of chocolate-based products presents a massive opportunity, especially in the retail and HoReCa channels, which we aim to tap into.

Increase in global cocoa prices have resulted in significant increase in the input costs, with the trend expected to continue in the foreseeable future. This is likely to impact consumer prices in the category which might impact volume growth. However, the outlook for value growth remains healthy.



(c) Segment and Product wise performance

		Vol (T)	Val (Rs. Cr)	Realization (Rs. /kg)	
	Product	YTD FY 2025	YTD FY 2025	YTD FY 2025	
B2B Business	Cocoa Mass	1,995	257.3	1,290	
	Cocoa Butter	635	125.3	1,972	
	Cocoa Powder	1,355	95.3	703	
	Choco Chips	4,091	60.4	148	
	Slabs	841	21.4	255	
	Ice Cream Covering	23	0.4	177	
	Éclair Center	16	0.4	235	
	Others	123	2.85	191	
	B2B Total		9,079	563.35	620
B2C Business	Eclairs	180	3.0	166	
	On & On	34	1.0	299	
	Toffeeman	106	1.8	171	
	Kajoos	14	0.6	430	
	Tango	67	1.9	278	
	Others	99	2.2	221	
	B2C Total		500	10.5	261
	Grand Total		9,579	573.8	881

(d) Outlook

The business outlook for FY25-26 is positive with both value and volume expected to grow.

The focus remains on strengthening the B2B business while parallelly building presence in the B2C segment through omni channel distribution and portfolio encompassing products across key segment.

With global cocoa prices at all-time high, the industry will be impacted by significant shifts in consumer behaviour expected. In the short term, there is likely to be impact on volumes, while value growth will continue to be healthy. In due course, there is likely to be increased pace of innovation, as manufacturers endeavour to deliver superior experiences while minimizing price inflation.

(e) Risks and concerns**RISK MANAGEMENT**

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

• Financing Risks

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

• Human Resource Risk

Talented human capital is a critical enabler of our business success. The Company's ability to drive growth, innovation, and operational excellence is heavily reliant on its ability to attract, retain, and develop skilled professionals. Given the competitive talent landscape and industry-wide scarcity of specialized skills, retention and succession planning remain key focus areas.

To mitigate this risk, the Company has invested in building an agile and performance-oriented organization structure, supported by robust talent acquisition processes, career development frameworks, and employee engagement initiatives. Our focus on internal capability building and structured leadership development programs is designed to create a future-ready talent pipeline.

(f) Internal control systems and their adequacy

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

(g) Discussion on financial performance with respect to operational performance

The Company's financial performance for the year ended March 31, 2025 is summarized below:

(Rs. in crore)

Particulars	2024-25	2023-24
Revenue from Operations	573.75	200.03
Profit before Depreciation, Amortisation, Interest and Taxes	31.98	4.07
Less: Interest	7.11	0.81
Less: Depreciation and Amortisation Expense	1.81	1.02
Profit/(Loss) before Tax	23.06	2.24
Less: Tax Expense (includes current tax, deferred tax, short /excess provision of tax relating to earlier years)	5.83	(2.82)
Profit/(Loss) for the Year	17.23	5.06
Add: Other comprehensive Income	(0.15)	(0.17)
Total Comprehensive Income for the Year	17.08	4.89
Less: Total Comprehensive Income attributable to Non- Controlling Interest	0.00	0.00
Total Comprehensive Income Attributable to Owners of the Company	17.08	4.89
Less: Appropriation (Transfer to General Reserve)	0.00	0.00
Earnings Per Share (Basic) (in Rs.)	13.42	3.84

The Financial Statements of the Company for the financial year ended March 31, 2025, have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and the provisions of Companies Act, 2013.

During the year under review, the operating turnover of the Company increased by 186.83% to ₹ 573.75 crore as compared to ₹ 200.03 crore in the previous year.

The Profit before interest, depreciation and tax was ₹ 31.98 crore as compared to ₹ 4.07 crore Profit in the previous year.

The Profit before Tax was ₹ 23.06 Crore as compared to ₹ 2.24 crore in the previous year.

The Profit for the year was ₹ 17.23 crore as compared to ₹ 5.06 Crore in the previous year.

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed

During FY 2024–25, the Company witnessed strong momentum in people expansion and capability building. The total headcount grew from 85 at the end of FY 2023-24 to 173 at the end of FY 2024-25, reflecting a significant increase to support business growth across sales, factories, and support functions. This includes 41 new hires in the B2C Confectionery business.

Employee engagement and retention have remained key priorities, resulting in a healthy employee retention rate. On the industrial relations front, the Company maintained a stable and compliant environment. A landmark Long-Term Settlement was signed at Factory in FY 2024-25, ensuring long-term harmony and alignment. Statutory compliance and contractor governance continue to be closely monitored.

Significant efforts have been directed towards leadership development and enhancing technical and functional capabilities, aligning our team with the evolving needs of our industry. Our commitment to building a high-performing culture has been evident through numerous engagement initiatives, fostering a sense of belonging and motivation among our employees.

The year also marked the successful rollout of digital HR tools to enable employee life cycle. With structured training interventions and capability building initiatives, HR remains focused on enabling a performance-driven and future-ready workforce.

As we stride forward into the coming year, we remain resolute in our commitment to harnessing and optimizing our human capital, ensuring sustained growth and success for the Company.

(i) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation therefor

Particulars	FY 2024-25	FY 2023-24	Difference	Reasons
Debtors Turnover (in times)	7.17	12.77	-43.85%	The increase in sales compared to the previous financial year led to a rise in the average trade receivables, which in turn resulted in a decrease in the turnover ratio.
Inventory Turnover (in times)	12.54	23.04	-45.59%	The decrease in the inventory turnover ratio is attributed to higher average inventory levels as well as an increase in turnover compared to the previous financial year.
Interest Coverage Ratio (in times)	4.01	32.02	-87.49%	The coverage ratio declined in FY 2024–25 compared to the previous year, primarily due to an increase in interest expenses.
Current Ratio (in times)	1.18	2.16	-45.19%	The current ratio declined in the current financial year compared to the previous year, primarily due to increased borrowing, which led to a rise in current liabilities.
Debt Equity Ratio (in times)	2.63	0.30	786.08%	This increase is attributed to the working capital demand loan and the Axis Bank cash credit account.
Operating Profit Margin (in %)	5.12%	0.96%	433.33%	The increase in the operating margin ratio is primarily attributable to the fact that the cost of materials consumed has not risen in the same proportion as the increase in sales.
Net Profit Margin (in %)	3.00%	2.53%	18.81%	The business became more profitable, leading to an increase in the net profit ratio compared to the previous financial year.
Return on Net worth (in %)	28.94%	11.91%	142.98%	The return on net worth is increased due to increase in the profit as compared to previous financial year.

Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and contains details of Corporate Governance systems and processes at Lotus Chocolate Company Limited ('Lotus' or 'the Company'):

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. We look upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term shareholders value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company has a defined policy framework for ethical conduct of businesses.

The Company believes that sound Corporate Governance is critical to enhance and retain investors' trust. The Company's Corporate Governance philosophy is based on the six core values viz., Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. The Company has constituted the requisite committees to look into issues of financial reporting, investor grievances, corporate social responsibilities, risk management and executive remuneration. This approach of the Company has strengthened the bond of trust with its stakeholders, including society at large.

CORPORATE GOVERNANCE STRUCTURE, POLICIES AND PRACTICES

Good Corporate Governance practices are being followed by the Company and steps are being taken to develop suitable policies / guidelines. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner.

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of shareholders and other stakeholders. The Board, inter-alia, reviews and guides corporate strategy, major plans of action, risk policy, annual budgets etc. It also establishes governance structure and practices, monitors its implementation and effectiveness and makes changes therein as needed.

The Board has delegated its functioning in relevant areas to designated Board Committees to effectively deal with specialised issues. The Committees make recommendations for action to the Board, which retains collective responsibility for decision making.

The Company Secretary assists in convening and conducting the Board, Committee and Shareholders meetings, dissemination of information to all stakeholders of the Company, co-ordination with the concerned Regulator(s) and all other stakeholders of the Company.

ETHICS / GOVERNANCE POLICIES

The Company strives to conduct the business and strengthen relationship in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has inter-alia adopted various codes and policies, as outlined below, to carry out its duties in an ethical manner.

- Code of Conduct
- Code to Regulate, Monitor and Report Trading in Securities of the Company
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for Selection of Directors and determining Directors' Independence
- Remuneration policy for directors, key managerial personnel and other employees
- Vigil Mechanism and Whistle Blower Policy
- Policy on prevention of sexual harassment of women at workplace
- Corporate Social Responsibility Policy
- Policy for Preservation of Documents
- Risk Management Policy
- Policy for determining Material Subsidiaries
- Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions
- Policy on determination and disclosure of materiality of events and information and web archival policy

CODE OF CONDUCT

The Company has a Code of Conduct (“Code”) in place applicable to all the Directors and employees of the Company. The Code gives guidance and support needed for ethical conduct of business and governance. The Code is available on the Company’s website and accessible at https://www.lotuschocolate.com/documents/files/Code_of_Conduct.pdf.

A declaration on confirmation of compliance of the Code by Directors and Senior Management of the Company, signed by Chief Executive Officer of the Company forms part of this Report.

VIGIL MECHANISM AND WHISTLE-BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy (‘Policy’), to provide a formal mechanism to its employees under which employees are free to report fraudulent practices, corruption and breaches of Code of Conduct for communicating instances of breach of any statute, actual or suspected fraud etc.

The Policy provides for a mechanism to report such concerns to the Chairman of the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. In terms of the Policy of the Company, no personnel of the Company have been denied access to the Audit Committee. During the year under review, no protected disclosure concerning any reportable matter in accordance with the Policy of the Company was received by the Company.

The Vigil Mechanism and Whistle Blower Policy is available on the website of the Company and can be accessed at <https://www.lotuschocolate.com/documents/files/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf>.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has constituted a Risk Management Committee on voluntary basis which has been entrusted with the responsibility to assist the Board and Audit Committee in overseeing and managing the Company’s risk management framework.

The Company has robust internal control systems and procedures including internal financial controls with reference to financial statements commensurate with its nature of business.

Quarterly internal audits are being conducted of critical functions and activities to ensure that proper systems are in place and due processes are being followed. The Audit Committee of the Board also reviews the adequacy of internal control systems.

AUDITS, INTERNAL CHECKS AND BALANCES

Deloitte Haskins and Sells LLP, Chartered Accountants, are the Statutory Auditors of the Company and group internal audit cell, co-sourced with professional firms of Chartered Accountants are the Internal Auditors of the Company. The Statutory Auditors and the Internal Auditors perform independent reviews of the ongoing effectiveness of the Company’s Management System which integrates various components of the systems of internal control.

CORPORATE GOVERNANCE PRACTICES

The Company strives for best Corporate Governance standards and practices. Some of the implemented governance norms and practices include the following:

- The Company has independent Board Committees covering matters related to Risk Management, Corporate Social Responsibility, Audit, Stakeholders’ Relationship, Remuneration of the Directors, Key Managerial Personnel etc. and the Nomination of Board members.
- The Company has a separate Internal Audit Function that provides risk-based assurance across all material areas of Risk and Compliance exposures.
- The Company undergoes Annual Secretarial Audit by a Company Secretary in whole-time practice.

BOARD OF DIRECTORS

Composition and Category of Directors

In compliance with the requirement of Regulation 17 of Listing Regulations, the Company has requisite number and category of Directors on its Board to uphold the independence of the Board and separate the functions of Governance and Management

through Board and Committees. As on March 31, 2025, the Board of the Company comprised of 9 (Nine) Directors out of which 3 (Three) were Independent Directors including one Independent Woman Director and 6 (Six) were Non-Executive Non-Independent Directors including one Woman Director.

The composition of the Board, category of Directors and number of other board of directors or committees in which a director is a member or a chairperson as on March 31, 2025 were given below:

Name of Director & DIN	Designation	Category	No. of other Directorship(s) [§]	Names of other listed entities along with category of Directorship	No. of committee memberships in other company(ies) [¶]	No. of Chairmanship in committees of other company(ies) [¶]
Prof. Dipak C. Jain (DIN: 00228513)	Chairman	Independent Director	3	Just Dial Limited- Independent Director	5	1
Mr. K. Sudarshan (DIN: 01029826)	Director	Independent Director	10	Just Dial Limited- Independent Director EMA Partners India Limited – Managing Director	8	Nil
Ms. Riddhi Bhimani* (DIN: 10072936)	Director	Independent Director	6	Reliance Industrial Infrastructure Limited- Independent Director	5	1
Mr. Krishnakumar Thirumalai (DIN: 00079047)	Director	Non-Executive Director	3	EID Parry (India) Limited - Independent Director	1	Nil
Mr. Ketan Mody (DIN: 07723933)	Director	Non-Executive Director	1	Nil	Nil	Nil
Mr. Asim Parekh (DIN: 00056125)	Director	Non-Executive Director	Nil	NA	NA	NA
Ms. Renuka Shastry (DIN: 02578917)	Director	Non-Executive Director	1	Nil	Nil	Nil
Mr. Abhijeet Pai ^{&} (DIN: 02100465)	Director	Non-Executive Director	6	Nil	Nil	Nil
Mr. Aditya Pai ^{&} (DIN: 07538946)	Director	Non-Executive Director	1	Nil	Nil	Nil

[§] excludes Directorships in foreign companies and Section 8 companies.

[¶] for determination of limits of committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee shall be considered.

* Appointed as an Independent Director w.e.f. November 26, 2024.

[&] Appointed as Non-Executive Director w.e.f. January 13, 2025.

The detailed profile of the Directors is available on the website of the Company.

The number of Directorship(s), Committee membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

Disclosure of relationships between Directors *inter-se*

None of the Directors of the Company are related to any other Director on the Board as on March 31, 2025.

Number of Shares and Convertible Instruments held by Non-Executive Directors

None of the Non-Executive Directors hold any equity shares in the Company as on March 31, 2025 except Mr. Abhijeet Pai and Mr. Aditya Pai, Non-Executive Directors, who are holding 4,52,139 and 4,07,139 equity shares in the Company, respectively. Further, Mr. Abhijeet Pai also holds 63,49,150 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable preference shares of the Company. The Company does not have any convertible instruments.

Number of Board meetings and Attendance of Directors

During the year under review, 5 (Five) Board meetings were held on April 16, 2024, July 17, 2024, August 19, 2024, October 09, 2024 and January 13, 2025. The maximum gap between any two Board Meetings was not more than 120 days at any time.

Sr. No.	Name of the Director	Number of Board Meetings ¹		Attendance at previous AGM held on September 30, 2024
		Held	Attended	
1	Prof. Dipak C. Jain	5	5	Yes
2	Mr. K. Sudarshan	5	5	Yes
3	Ms. Riddhi Bhimani*	1	1	NA
4	Mr. Krishnakumar Thirumalai	5	5	Yes
5	Mr. Ketan Mody	5	5	Yes
6	Mr. Asim Parekh	5	5	Yes
7	Ms. Renuka Shastry	5	4	Yes
8	Mr. Abhijeet Pai ^{&}	1	1	NA
9	Mr. Aditya Pai ^{&}	1	1	NA
10	Mr. Bharathan Rajagopalan Thatai**	4	4	Yes
11	Mr. Dinesh Taluja**	4	4	Yes

¹ details of meetings held and attended are considered as per their respective tenure.

* Appointed w.e.f. November 26, 2024.

[&] Appointed as Non-Executive Director w.e.f. January 13, 2025.

** ceased on November 25, 2024.

Core skills / expertise / competencies of Directors as on March 31, 2025

The Board comprises of qualified and experienced members who possess required skills, expertise and competencies that allows them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Experience and knowledge of FMCG sector
- Knowledge of Sales, Marketing, Corporate Strategy and Planning
- Expertise and knowledge in Legal & Compliance and Corporate Governance
- Expertise / knowledge in Accounting, Finance, Taxation and Risk Management
- Wide Management and Leadership experience

Given below is a list of core skills/ expertise/ competencies of the individual Directors:

S. No.	Name of the Director	Area of skills / expertise / competencies*
1.	Prof. Dipak C. Jain	<ul style="list-style-type: none"> • Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
2.	Mr. K Sudarshan	<ul style="list-style-type: none"> • Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; and • Wide Management and Leadership experience
3.	Ms. Riddhi Bhimani	<ul style="list-style-type: none"> • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience

4.	Mr. Krishnakumar Thirumalai	<ul style="list-style-type: none"> • Experience and knowledge of FMCG sector; • Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
5.	Mr. Ketan Mody	<ul style="list-style-type: none"> • Experience and knowledge of FMCG sector; • Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
6.	Ms. Renuka Shastry	<ul style="list-style-type: none"> • Expertise and knowledge in Legal & Compliance and Corporate Governance; and • Wide Management and Leadership experience
7.	Mr. Asim Parekh	<ul style="list-style-type: none"> • Experience and knowledge of FMCG sector; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
8.	Mr. Abhijeet Pai	<ul style="list-style-type: none"> • Knowledge of Corporate Strategy and Planning; and • Wide Management and Leadership experience
9.	Mr. Aditya Pai	<ul style="list-style-type: none"> • Expertise / knowledge in Accounting, Finance, Taxation and Risk Management

*These skills / competencies are broad-based, encompassing several areas of expertise / experience. Each Director may possess varied combinations of skills / experience within the described set of parameters.

Board Independence

As on March 31, 2025, the Board of the Company comprised of total 9 (Nine) Directors of which 3 (three) were Independent Directors and other 6 (Six) Directors were Non-Executive.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, declares that he/she meets the criteria of independence as prescribed under the law and that he/she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

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

Meeting of Independent Directors

The Company's Independent Directors met twice in FY 2024-25. The meetings were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

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

Familiarisation programmes for Board Members

The Board members are provided with necessary documents, reports and policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, business strategy and risks involved.

The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company at: https://www.lotuschocolate.com/documents/Disclosures-under-Regulation/Familiarisation_Programme_2024-25.pdf

BOARD COMPENSATION

The Company's Remuneration policy for directors, key managerial personnel and other employees (Remuneration Policy) is available on the website of the Company. The Company's Remuneration Policy is directed towards rewarding performance based on review of achievements.

Non-Executive Directors are liable to retire by rotation. Further, there are no service contracts and no separate provision for payment of severance fees.

The Company has not provided other benefits such as Bonus and pension to its Directors. None of the Directors has received any loans and advances from the Company during the year under review.

Criteria of making Payment to Non-Executive Directors

The Independent Directors of the Company are entitled for sitting fees for attending meetings of Board and Committees thereof. The Non-Executive Non-Independent Directors are not entitled to receive sitting fees for any Board/Committee meetings attended by them.

Remuneration of Directors

Independent Directors of the Company receive sitting fees for attending Board Meetings, Committee Meetings and other meetings of the Company

The sitting fees paid to Independent Directors is within the limits prescribed under the Act.

Remuneration (sitting fee) paid to Non-Executive Directors for FY 2024-25 is as follows:

(₹ In Lakhs)

Name of Director	Sitting Fees
Prof. Dipak C. Jain, Independent Director	5.95
Mr. K. Sudarshan, Independent Director	5.60
Ms. Riddhi Bhimani, Independent Director	0.70
Mr. Bharathan Rajagopalan Thatai, Independent Director	3.85
Total	16.10

During the year, there were no pecuniary relationships or transactions with the Non-Executive Directors, except payment of sitting fees to Independent Directors for attending meeting of Board, Committees, etc.

The tenure of Independent Directors of the Company is for 5 (five) years from their respective date of appointment.

Performance evaluation criteria for Directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria, provides certain parameters like attendance, acquaintance with business, communication inter-se between board members, effective participation, domain knowledge, compliance with code of conduct, strategy, etc., which is in compliance with applicable laws, regulations and guidelines.

BOARD COMMITTEES

The Board has constituted various Committees, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee and may constitute other functional Committees, from time to time, depending on business needs. The recommendations of the Committees are submitted to the Board for approval. During the year, all recommendations made by the respective Committees were accepted by the Board.

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

AUDIT COMMITTEE

Brief terms of reference

The terms of reference stipulated by the Board to the Audit Committee, inter alia, includes the following:

- Recommend appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by them.

- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review and monitor the auditor’s independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions with related parties of the Company.
- Review the functioning of the Whistle Blower mechanism/ oversee the vigil mechanism.

The detailed terms of reference of the Committee are available on the website of the Company which can be accessed at https://www.lotuschocolate.com/documents/committees-of-board-of-directors/Terms_of_reference_of_Audit_Committee.pdf.

Composition:

The composition of Audit Committee of the Board of Directors of the Company as on March 31, 2025, is as follows:

Sr. No.	Name of the Members	Designation
1.	Prof. Dipak C. Jain*	Chairman - Independent Director
2.	Mr. K. Sudarshan	Member - Independent Director
3.	Mr. Ketan Mody#	Member - Non-Executive Director

* appointed as Chairman w.e.f. November 26, 2024.

appointed as Member w.e.f. November 26, 2024.

Mr. Bharathan Rajagopalan Thatai ceased as Chairman & Member of the Committee on November 25, 2024.

Mr. Dinesh Taluja ceased as member of the Committee on November 25, 2024.

All the members of the Audit Committee possess requisite qualifications.

Meeting and attendance:

During the year under review, 6 (Six) meetings of the Committee were held on April 16, 2024, July 17, 2024, August 19, 2024, October 09, 2024, January 13, 2025 and March 31, 2025. The details of the meetings and attendance therein are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1.	Prof. Dipak C. Jain	6	6
2.	Mr. K. Sudarshan	6	6
3.	Mr. Ketan Mody*	2	2
4.	Mr. Bharathan Rajagopalan Thatai*	4	4
5.	Mr. Dinesh Taluja*	4	4

* details of meetings held and attended are considered as per their respective tenure.

The representatives of Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings held quarterly, to review the financial results. The recommendations made by the Audit Committee from time to time have been followed. The Chairman of the Audit Committee had attended the last Annual General Meeting to answer the queries raised by the shareholders regarding Audit and Accounts.

NOMINATION AND REMUNERATION COMMITTEE

Brief terms of reference:

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee (‘NRC’), *inter alia*, includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of the Directors.

- Devise a policy on Board Diversity.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The detailed terms of reference of the NRC are available on the website of the Company which can be accessed at https://www.lotuschocolate.com/documents/committees-of-board-of-directors/Terms_of_reference_of_Nomination_Remuneration_Committee.pdf.

Composition:

The composition of NRC as on March 31, 2025, is as follows:

Sr. No.	Name of the Members	Designation
1.	Mr. K. Sudarshan	Chairman - Independent Director
2.	Prof. Dipak C. Jain	Member - Independent Director
3.	Mr. Ketan Mody	Member – Non-Executive Director

Mr. Bharathan Rajagopalan Thatai ceased as member on November 25, 2024.

Meeting and attendance:



During the year under review, 2 (Two) meetings of the Committee were held on April 16, 2024 and January 13, 2025. The details of the meetings and attendance therein are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1.	Mr. K. Sudarshan	2	2
2.	Prof. Dipak C. Jain	2	2
3.	Mr. Ketan Mody	2	2
4.	Mr. Bharathan Rajagopalan Thatai*	1	1

*details of meetings held and attended are considered as per his tenure.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Brief terms of reference:

The terms of reference stipulated by the Board to the Stakeholders' Relationship Committee ('SRC'), *inter alia*, includes the following:

- Resolve grievances of security holders of the Company including complaints related to transfer / transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the security holders of the Company.

The detailed terms of reference of the SRC are available on the website of the Company which can be accessed at https://www.lotuschocolate.com/documents/committees-of-board-of-directors/Terms_of_reference_of_Stakeholders_Relationship_Committee.pdf.

Composition:

The composition of SRC as on March 31, 2025, is as follows:

Sr. No.	Name of the Members	Designation
1.	Mr. Ketan Mody [#]	Chairman - Non-Executive Director
2.	Prof. Dipak C. Jain	Member - Independent Director
3.	Ms. Renuka Shastry*	Member – Non-Executive Director

[#] appointed as Chairman w.e.f. November 26, 2024.

* appointed as member w.e.f. November 26, 2024.

Mr. Dinesh Taluja ceased as Chairman & Member on November 25, 2024.

Meeting and attendance:

During the year under review, 2 (Two) meetings of the Committee were held on April 16, 2024 and October 09, 2024. The details of the meetings and attendance therein are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1.	Mr. Ketan Mody	2	2
2.	Prof. Dipak C. Jain	2	2
3.	Ms. Renuka Shastry*	0	0
4.	Mr. Dinesh Taluja*	2	2

* details of meetings held and attended are considered as per their respective tenure.

Compliance Officer

Mr. Utsav Saini is the Company Secretary and Compliance Officer of the Company.

Status of Investor Complaints received during the year under review

No. of complaints received	9
No. of complaints resolved to the satisfaction of investors	7
No. of pending complaints	2

RISK MANAGEMENT COMMITTEE

Brief terms of reference:

The terms of reference stipulated by the Board to the Risk Management Committee ('RMC'), inter alia, includes the following:

- Formulate / review risk management plan and risk management policy.
- Ensure that appropriate methodology, processes and system are in place to monitor and evaluate risks associated with the business of the Company.
- Oversee implementation / monitoring of Risk Management Plan and Policy including evaluating and validating the adequacy of risk management systems.
- Periodically review and evaluate the Risk Management Policy and Practices with respect to risk assessment and risk management processes.
- Review of cyber security and related risks.

The detailed terms of reference of the RMC are available on the website of the Company which can be accessed at:

https://www.lotuschocolate.com/documents/committees-of-board-of-directors/Terms_of_reference_of_Risk_Management_Committee.pdf.

Composition:

The composition of RMC, constituted on voluntary basis, as on March 31, 2025, is as follows:

Sr. No.	Name of the Members	Designation
1.	Prof. Dipak C. Jain*	Chairman - Independent Director
2.	Mr. K. Sudarshan	Member - Independent Director
3.	Mr. Ketan Mody	Member – Non-Executive Director

* appointed as Chairman & Member w.e.f. November 26, 2024.

Mr. Dinesh Taluja ceased as Chairman & Member on November 25, 2024.

Meeting and attendance:

During the year under review, 1 (One) meeting of the Committee was held on March 31, 2025. The details of the meeting and attendance therein are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1.	Prof. Dipak C. Jain*	1	1
2.	Mr. K. Sudarshan	1	1
3.	Mr. Ketan Mody	1	1
4.	Mr. Dinesh Taluja*	0	0

* details of meetings held and attended are considered as per their respective tenure.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Brief terms of reference:

The terms of reference stipulated by the Board to the Corporate Social Responsibility Committee, inter alia, includes the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the implementation of the CSR Policy of the Company from time to time.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

The detailed terms of reference of the CSR Committee are available on the website of the Company which can be accessed at https://www.lotuschocolate.com/documents/committees-of-board-of-directors/Terms_of_reference_of_Corporate_Social_Responsibility_Committee.pdf

Composition:

The composition of CSR Committee as on March 31, 2025, is as follows:

Sr. No.	Name of the Members	Designation
1.	Prof. Dipak C. Jain*	Chairman - Independent Director
2.	Mr. K. Sudarshan	Member - Independent Director
3.	Mr. Ketan Mody	Member - Non-Executive Director

* appointed as Chairman & Member w.e.f. November 26, 2024.

Mr. Bharathan Rajagopalan Thatai ceased as Chairman & Member on November 25, 2024.

Mr. Dinesh Taluja ceased as member on November 25, 2024.

Meeting and attendance:

During the year under review, 2 (two) meetings of the Committee were held on April 16, 2024 and January 13, 2025. The details of the meetings and attendance therein are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1.	Prof. Dipak C. Jain*	1	1
2.	Mr. K. Sudarshan	2	2
3.	Mr. Ketan Mody	2	2
4.	Mr. Bharathan Rajagopalan Thatai*	1	1
5.	Mr. Dinesh Taluja*	1	1

*details of meetings held and attended are considered as per their respective tenure.

The Company Secretary and Compliance Officer is the Secretary to all the Committees constituted by the Board.

Succession Planning

The Company believes that sound succession plan for the senior leadership is very important for creating a robust future for the Company. The Nomination and Remuneration Committee works along with the Human Resource team of the Company for a structured leadership succession plan.

PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY

Name of Senior Management Personnel	Category
Mr. Sandipan Ghosh	Chief Executive Officer
Mr. S. Gautham	Chief Financial Officer
Mr. Utsav Saini	Company Secretary & Compliance Officer
Mr. Kaushik Desai	Human Resources
Mr. Varudu Lakshmana Murthy	Procurement

During the year under review, there has been no change in the KMPs and Senior Management of the Company.

GENERAL BODY MEETINGS

(i) Annual General Meetings and Extra-ordinary General Meeting

Details of Annual General Meetings (AGM) and Extra-ordinary General Meeting (EGM) held during preceding three years and the Special Resolution(s) passed thereat, are as follows:

Year	Type of Meeting	Date and Time	Special Resolution(s) Passed	Venue
2023-24	AGM	September 30, 2024 11:30 a.m. (IST)	1. Increase in borrowing Limits of the Company pursuant to section 180(1)(c) of the Companies Act, 2013. 2. Creation of mortgage, charge, etc. on the assets, properties of the Company under section 180(1)(a) of the Companies Act, 2013.	Held through video conferencing (Deemed venue was the registered office of the Company- 8-2-596, 1 st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana-500034)
2022-23	AGM	August 10, 2023 11:30 a.m. (IST)	1. Appointment of Prof. Dipak C. Jain as an Independent Director. 2. Appointment of Mr. Krishnan Sudarshan as an Independent Director. 3. Adoption of the restated Articles of Association of the Company.	
2022-23	EGM	February 16, 2023 11:30 a.m. (IST)	1. Approved the limit under Section 186 of the Companies Act, 2013. 2. Issue and allotment of Redeemable Preference Shares by way of a preferential allotment on a Private Placement Basis.	
2021-22	AGM	September 30, 2022 9:00 a.m. (IST)	No Special Resolution was passed.	

(ii) Resolution(s) passed through Postal Ballot

For matters which are urgent and require Shareholders' approval in the period between the AGMs, the Company seeks the approval of Shareholders' through postal ballot. During the FY 2024-25, members of the company approved the resolutions, stated in the table below by requisite majority, through postal ballot:

Sr. no.	Particulars of Resolution	% of Votes in favor on votes polled	% of Votes against on votes polled	Status of Resolution
Ordinary Resolution				
1	Appointment of Mr. Abhijeet Pai (DIN: 02100465) as a Non-Executive Director of the Company	99.5849	0.4151	Passed with requisite Majority
2	Appointment of Mr. Aditya Pai (DIN: 07538946) as a Non-Executive Director of the Company	99.5849	0.4151	
Special Resolution				
3	Appointment of Ms. Riddhi Bhimani (DIN: 10072936) as an Independent Director of the Company	99.5954	0.4046	Passed with requisite Majority
4	Increase in borrowing limits of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013	99.5953	0.4047	
5	Creation of mortgage, charge, hypothecation etc. on the assets, properties or undertaking(s) of the Company under Section 180(1)(a) of the Companies Act, 2013	99.5953	0.4047	

Procedure adopted for Postal Ballot

In accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, read with other relevant circulars, including General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (“MCA Circulars”), resolutions were proposed to be passed by means of Postal Ballot, only by way of remote e-voting process (“e-voting”). The Company had engaged the services of KFin Technologies Limited (“KFinTech”) as the agency to provide e-voting facility.

Mr. Anil Lohia, a Practicing Chartered Accountant (Membership No.: 031626), Partner of Dayal and Lohia, Chartered Accountants or failing him Mr. Khushit Jain, a Practicing Chartered Accountant (Membership No.: 608082), Partner of Dayal and Lohia, Chartered Accountants, acted as Scrutinizer for conducting the Postal Ballot, through e-voting process, in a fair and transparent manner.

In accordance with MCA Circulars, the Postal Ballot Notice dated January 20, 2025, was sent only by electronic mode to those Members whose names appeared on the Register of Members / List of Beneficial Owners as on Friday, January 17, 2025 (“Cut-Off Date”) received from the Depositories and whose e-mail addresses were registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories. The manner of e-voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) shareholders other than individuals holding shares of the Company in the demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) shareholders who have not registered their e-mail addresses, were explained in the Postal Ballot Notice.

Members cast their vote(s) through remote e-voting from 9:00 a.m. (IST) on Thursday, January 23, 2025 till 5:00 p.m. (IST) on Friday, February 21, 2025.

The Scrutinizer submitted report on February 21, 2025, after the completion of scrutiny and result of the e-voting was announced on February 21, 2025. The resolutions were passed with requisite majority on February 21, 2025. Voting result of postal ballot is available on the website of the Stock Exchange and the Company.

(iii) Proposal for Postal Ballot

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

MEANS OF COMMUNICATION**Financial Results**

The Company’s quarterly / half-yearly / annual financial results are filed with the Stock Exchange and published in ‘Financial Express’ and ‘Nava Telangana’ newspapers. They are also available on the website of the Company.

Newspapers Publication

The official news releases, if any, are published in Financial Express (English) and Nava Telangana (Telugu) and the same are displayed on the Company’s website i.e. <https://www.lotuschocolate.com/notices>

Website

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

Annual Report

The Annual Report containing, *inter alia*, Audited Financial Statement, Board’s Report, Auditors’ Report and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.

Letters / e-mails to Investors

The Company has communicated through various letters / e-mails / SMS with its shareholders during the year. This includes intimation for dematerialisation of shares, updating e-mail, PAN, bank account details, Nomination details etc. The Company has sent communications to its shareholders from time to time, in due compliance of relevant SEBI Circulars.

Presentations made to institutional investors or to the analysts

The Company has not made any presentation to institutional investors or to the analysts.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')


BSE Limited (BSE) Listing Centre is a web-based application designed for corporates. All periodical compliance filings like financial results, shareholding patterns, corporate governance reports, statement of investor complaints, among others, are also filed electronically on the Listing Centre.

Investor Grievance & Investor Contacts

The Board has delegated the power to the Stakeholders' Relationship Committee to examine and redress complaints by shareholders and investors. The status of quarterly complaints is reported to the Board of Directors of the Company. The Company and its Registrar & Transfer Agent constantly monitors the Investor Complaints Module as available on the BSE Listing Portal, SEBI Complaints Redress System ["SCORES"] Portal and Online Dispute Resolution ["ODR"] Portal to track and redress the investor complaints and disputes in a speedy manner.

Investors can raise complaints via:**A. Listed Company/RTA grievance email**

SEBI has requested the shareholder to approach the Company directly at the first instance for their grievance. The Company has designated the following email-ids exclusively for investor servicing/ complaints.

- For queries in respect of shares in physical mode: lotusinvestor@kfintech.com
- For other queries: investors@lotuschocolate.com 

B. SCORES 2.0 (SEBI portal)

If the Company does not resolve the complaint of the Shareholders' within stipulated time to their satisfaction, the shareholders may then lodge the complaint with SEBI/Stock Exchange for further action.

Further, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 read with Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 1, 2023 has notified the revised framework for handling and monitoring of investor complaints received through SCORES platform by the Company and designated Stock Exchanges effective from 1st April, 2024. The Shareholders' can access the new version of SCORES 2.0 at <https://scores.sebi.gov.in>. The Company will upload the Action Taken Report within 21 days from the date of receipt of complaint which will be automatically routed to the complainant through SCORES Portal.

C. SMARTODR platform (conciliation arbitration-based resolution)

If the shareholder is not satisfied with the outcome, dispute resolution can be initiated through the ODR Portal at <https://smartodr.in/login>. It may be noted that the dispute resolution through the ODR Portal can be initiated only if such grievance / complaint / dispute is not pending before any arbitral process, court, tribunal or consumer forum or if the same is non-arbitrable under the Indian law. The shareholder can directly initiate dispute resolution through the ODR Portal without having to go through SCORES Portal, if the grievance/complaint/dispute lodged with the RTA/ Company was not satisfactorily resolved.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Tuesday, September 30, 2025 at 11:00 a.m. (IST) through Video Conferencing/Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting (AGM). Deemed venue of the AGM is the registered office of the Company at 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana - 500034
Financial Year	April 01 to March 31
Financial Calendar	(Tentative) Results for the quarter ending: June 30, 2025 — Second week of July, 2025 September 30, 2025 — Second week of October, 2025 December 31, 2025 — Second week of January, 2026 March 31, 2026 — Third week of April, 2026 Annual General Meeting — August / September 2026
Dividend Payment Date	Not Applicable
Listing of equity shares on Stock Exchanges	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001
ISIN	INE026D01011 (Equity Shares), INE026D04023 (Preference Shares)
Payment of Listing Fees	Annual listing fees for the financial year 2025-26 has been paid by the Company within due date to BSE Limited
Payment of Depository Fees	Annual Custody / Issuer fee for the financial year 2025-26 has been paid by the Company within the due date based on invoices received from the Depositories.
Preference shares	The preference shares issued by the Company are not listed on any stock exchange.

Fees to the Statutory Auditors

The Company does not have any subsidiary. The total fees paid by the Company to Statutory Auditor during the financial year 2024-25 is ₹ 19.43 lakh. As confirmed by Statutory Auditor of the Company, they are not part of any network firm / network entity.

Credit Rating

The Company does not have any debt instruments or any fixed deposits scheme or programme. Hence, credit rating in relation to aforesaid purpose is not applicable to the Company.

Shareholding Pattern as on March 31, 2025

Sr. No	Category of equity shareholders	Number of equity shareholders	Total number of equity shares (Fully Paid-up)	% of total number of equity shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	9	92,54,150	72.07
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	9	92,54,150	72.07
(B)	Public Shareholding			
(1)	Institutions	6	13,900	0.11
(2)	Non-institutions	24,172	35,72,999	27.82
	Total Public Shareholding	24,178	35,86,899	27.93
(C)	Non-Promoter Non-Public			
(1)	Shares held by Custodian(s) against which Depository Receipts have been issued	-	-	-
	Total shares held by Non-Promoter Non-Public	-	-	-
	Total (A) + (B) + (C)	24,187	1,28,41,049	100.00

Distribution of Equity Shareholding by size as on March 31, 2025

Category (Shares)	No. of Shareholders	No. of Shares	% of total Shares
1-500	23,539	13,78,503	10.74
501-1000	328	2,54,023	1.98
1001-2000	159	2,33,730	1.82
2001-3000	64	1,59,186	1.24
3001-4000	25	88,307	0.69
4001-5000	13	60,217	0.47
5001-10000	23	1,71,797	1.34
Above 10000	36	1,04,95,286	81.72
Total	24,187	1,28,41,049	100.00

Dematerialisation of Equity Shares & Liquidity

Mode of Holding	% of total shares
National Securities Depository Limited	60.70
Central Depository Services (India) Limited	33.41
Physical	5.89
Total	100.00

The equity shares are free tradable on BSE and admitted into both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2025, 1,20,84,500 equity shares were held in demat form constituting 94.11% of the total shareholding of the Company.

Outstanding GDR's / ADR's / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDR's / ADR's / Warrants or any other convertible instruments.

Employee Stock Options

The Company does not have any employee stock option scheme.

Commodity Price Risks / Foreign Exchange Risk and Hedging Activities

The Company has in place a risk management framework for identification, monitoring and mitigation of commodity price and foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework. For further details, please refer the Risk Management section of the Management Discussion and Analysis Report.

Plant Locations

- S. No 31 and 39, Sangareddy Road, Nastipur Village, Hathnoora Mandal, Doulatabad, Sangareddy District, Telangana, 502296; and
- Survey No. 161/A, S.V. CO-OP Industrial Area, IDA Bollaram, Sangareddy District, Telangana, 502325

ADDRESS FOR CORRESPONDENCE


Any query on the Annual Report

Mr. Utsav Saini
Company Secretary and Compliance Officer

8-2-596, 1st Floor, 1B, Sumedha Estates,
Avenue 4, Puzzolana Towers, Street No. 1,
Road No. 10, Banjara hills, Hyderabad, Telangana - 500034
E mail: investors@lotuschocolate.com
Website: <https://www.lotuschocolate.com>

Registrar and Share Transfer Agent (RTA)

KFin Technologies Limited (w.e.f. January 17, 2025)
Selenium Tower B
Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032, Telangana India
Toll Free No: 1800 309 4001
(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)
E-mail: lotusinvestor@kfintech.com
Website: www.kfintech.com

CIL Securities Limited (till January 16, 2025)
214, Raghava Ratna Towers,
Chirag Ali Lane, Abids, Hyderabad-500 001, Telangana India
Tel No.: +91 040 2320 2465
(From 10:00 a.m. to 6:30 p.m. IST on all working days) 
Email: rta@cilsecurities.com
Website: www.cilsecurities.com

Share Transfer System

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat mode. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios.

SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors has mandated the listed entities to issue securities for the following investor service requests only in dematerialised form:

- (i) issue of duplicate securities certificate;
- (ii) claim from unclaimed suspense account;
- (iii) renewal/exchange of securities certificate;
- (iv) endorsement;
- (v) sub-division/ splitting of securities certificate;
- (vi) consolidation of securities certificates/folios and
- (vii) transmission and transposition.

Further, SEBI has also simplified the process for transmission of shares and issue of duplicate share certificates to make it more efficient and investor friendly. The manner and process of making application as per the aforesaid revised framework and operational guidelines thereto are available on the website of the RTA at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> and the Company at <https://www.lotuschocolate.com>.

During the year under review, all requests received from the Shareholders' by the Company or its RTA were addressed in accordance with the timelines as prescribed by the Authorities, from time to time.

OTHER DISCLOSURES**Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

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

The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of the Company and can be accessed at <https://www.lotuschocolate.com/documents/files/Policy-on-Materiality-of-RPT.pdf>

All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the FY 2024-25, contracts / arrangements / transactions entered into with related parties were in accordance with the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions. The Company has disclosed transactions with the related parties as set out in Note 32 of Financial Statement, forming part of the Annual Report.

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

There were no instances of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority.

Framework for monitoring subsidiary companies

During the year under review, the Hon'ble National Company Law Tribunal, Hyderabad Bench, vide its order dated August 8, 2024 (effective date) sanctioned the Scheme of Amalgamation of Soubhagya Confectionery Private Limited ("SCPL") the wholly owned subsidiary of the Company with the Company under Sections 230 to 232 of the Companies Act, 2013 ("the Act") with Appointed Date being May 25, 2023. Accordingly, SCPL stood amalgamated with the Company with effect from that date.

The policy for determining material subsidiary is available on the Company's website and can be accessed at <https://www.lotuschocolate.com/documents/files/Material-Subsidiaries.pdf>

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has complied with the provisions related to the constitution of Internal Committee which has been set up to redress complaint received regarding sexual harassment. During the year, no complaint was received by the Company.

Disclosure of loans and advances in the nature of loans to Firms / Companies in which directors are interested

During the year under review, the Company has not given any loans or advances to any firm / company in which its Directors are interested.

Agreements relating to the Company

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

Adoption of Mandatory and Discretionary Requirements

The Company has complied with all mandatory applicable requirements of Regulation 34 of the Listing Regulations. The Company has also adopted the following discretionary requirements of Listing Regulations:

(a) One Woman Independent Director

The Company has one Woman Independent Director on its Board.

(b) Audit Qualification

The Company is in the regime of unmodified opinions on financial statements.

(c) Separate posts of Chairperson and Chief Executive Officer

The Company has separate Chairperson and Chief Executive Officer. The Chairperson is an Independent Director and not a relative of Chief Executive Officer.

(d) Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

(e) Meetings of Independent Directors

During the year under review, the Independent Directors met two times without the presence of non-independent directors and members of the management and all the independent directors were present at the meetings.

(f) Risk Management Committee

The Company has a Risk Management Committee, constituted on voluntary basis, with similar composition, roles and responsibilities as specified in regulation 21 of Listing Regulations.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulations 32(7A) of the Listing Regulations

Not Applicable

Disclosure with respect to Demat suspense account / unclaimed suspense account

There are no shares lying in the Suspense Escrow Demat Account and in the Unclaimed Suspense Account.

Unclaimed Dividend

Not Applicable

Transfer of Shares to Investor Education and Protection Fund

Not Applicable

Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations

The Company has complied with all the requirements in this regard, to the extent applicable.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company does not have any subsidiary.

The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations.

CODE OF CONDUCT DECLARATION

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and other employees of the Company. An affirmation of compliance with the Code is received from them on an annual basis. The Code of Conduct declaration is annexed herewith and marked as **Annexure I** to this Report.

CEO AND CFO CERTIFICATION

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board of Directors in terms of Regulation 17(8) of the Listing Regulations, a copy of which is attached to this Report. The CEO and CFO also give quarterly certification on financial results while placing the same before the

Board of Directors in terms of Regulation 33(2) of the Listing Regulations. The CEO and CFO certification is annexed herewith and marked as **Annexure II** to this Report.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

The Company has received certificate from KSR & Co., Company Secretaries LLP, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is annexed herewith and marked as **Annexure III**.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from KSR & Co., Company Secretaries LLP, confirming compliance with the conditions of Corporate Governance, as stipulated under Listing Regulations, is annexed herewith and marked as **Annexure IV**.



ANNEXURE I

CODE OF CONDUCT DECLARATION

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

Sandipan Ghosh

Chief Executive Officer

Date: April 21, 2025

Place: Hyderabad



ANNEXURE II**CEO AND CFO CERTIFICATION**

To,
The Board of Directors
Lotus Chocolate Company Limited

1. We have reviewed the financial statement and cash flow statement of Lotus Chocolate Company Limited (“the Company”) for the year ended March 31, 2025 and to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company’s internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which we have become aware.

Sandipan Ghosh
Chief Executive Officer

S. Gautham
Chief Financial Officer

Date: April 21, 2025
Place: Hyderabad

ANNEXURE III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
 The Members of
Lotus Chocolate Company Limited,
 8-2-596, 1st Floor, 1B, Sumedha Estates,
 Avenue-4, Puzzolana Towers, Street No.1,
 Road No. 10, Banjara Hills, Hyderabad,
 Telangana, India - 500 034.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Lotus Chocolate Company Limited (CIN - L15200TG1988PLC009111)** and having its registered office at 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road no.10, Banjara Hills, Hyderabad, Telangana, India, 500034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority:

Sr. No.	Name of Directors	DIN	Date of Appointment / Re-appointment in the Company
1.	Prof. Dipak Chand Jain	00228513	24.05.2023
2.	Mr. K. Sudarshan	01029826	24.05.2023
3.	Ms. Riddhi Bhimani	10072936	26.11.2024
4.	Mr. Krishnakumar Thirumalai	00079047	24.05.2023
5.	Mr. Ketan Mody	07723933	24.05.2023
6.	Mr. Asim Parekh	00056125	03.01.2024
7.	Ms. Renuka Shastry	02578917	24.05.2023
8.	Mr. Abhijeet Pai	02100465	13.01.2025
9.	Mr. Aditya Pai	07538946	13.01.2025
10.	Mr. Bharathan Rajagopalan Thatai*	02464132	26.11.2014
11.	Mr. Dinesh Taluja [#]	08144541	24.05.2023

* ceased as Director of the Company on November 25, 2024 upon completion of his second term as Independent Director.

[#] resigned as Director of the Company w.e.f. November 25, 2024.

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 this, 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 **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan

Partner

FCS No.: 5367 | CP No.: 4408

UDIN: F005367G000163910

FRN: P2008TN006400

PR No.: 2635/2022

Place: Coimbatore

Date: 21st April, 2025



ANNEXURE IV

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE
REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATION, 2015**

To,
The Members of
Lotus Chocolate Company Limited
8-2-596, 1st Floor, 1B, Sumedha Estates,
Avenue-4, Puzzolana Towers, Street No.1,
Road No. 10, Banjara Hills, Hyderabad,
Telangana, India - 500 034.

We have examined all the relevant records for certifying the compliance of conditions of Corporate Governance by **Lotus Chocolate Company Limited** (the Company) (CIN - L15200TG1988PLC009111) for the year ended 31st March, 2025, as stipulated in Schedule V read with Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. The responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Listing Regulations.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C and D of Schedule V of the Listing Regulations, as applicable.

The Company has complied with paragraph E and G of discretionary requirements as stated under Part E of Schedule II of Listing Regulations read with clause (xii) of Paragraph C of Schedule V of the Listing Regulations.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan
Partner
FCS No.: 5367 | CP No.: 4408
UDIN: F005367G000163910
FRN: P2008TN006400
PR No.: 2635/2022

Place: Coimbatore
Date: 21st April, 2025

Independent Auditor’s Report

To
The Members of
Lotus Chocolate Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lotus Chocolate Company Limited (the “Company”), which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), The Statement of Cash flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material 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 Indian Accounting Standards prescribed under section 133 of the Act, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1	<p>Revenue Recognition</p> <p>Revenue is recognised when control of the goods is transferred to the customers. Control is transferred upon shipment of goods to the customers provided that the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. For revenue transactions close to balance sheet date, it is essential to verify whether the transfer of control of the goods by the Company to the customer has occurred before the balance sheet date or otherwise. We have considered revenue recognition as a key audit matter as there is a risk of revenue not being recorded in the correct accounting period on account of the ability to establish with certainty the point of time when control has been transferred.</p> <p>Refer note 2.2 (2) for the accounting policy on revenue recognition.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of the process followed by the management for recording revenue. • Assessed the appropriateness of the relevant accounting policy. • Evaluated the design and implementation of internal controls over recognition of revenue in the appropriate period in accordance with the Company’s accounting policy. • On a test-check basis, tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. • On a test-check basis, performed test of details of sales recorded close to the balance sheet date, which included the following: <ul style="list-style-type: none"> ➢ Analysed the terms and conditions of the underlying contract with the customer. ➢ Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents. • Assessed the relevant disclosures made in the Ind AS financial statements.

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

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors’ report but does not include the financial statements and our auditor’s report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 Section 143(3) of the Act, based on our audit 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 and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year.
 - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to 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 have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed 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. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31st March 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 25103999BMLENF9837

Place: Mumbai
Date: 21st April 2025

Annexure “A” To the Independent Auditor’s Report

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

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

We have audited the internal financial controls with reference to financial statements of Lotus Chocolate Company Limited (the “Company”) as at 31st March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control 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. 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. 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 control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to 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 control 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Place: Mumbai
Date: 21st April 2025

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 25103999BMLENF9837

Annexure “B” To the Independent Auditor’s Report

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and capital work- in-progress so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company had a sanctioned working capital facility in excess of ₹ 5 crores from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause 3(vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including 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 applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of Sales tax, Service tax, duty of excise and Value added tax, are not applicable

to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at 31st March 2025 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2025 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved net of amount paid under protest Rs. in lakhs	Amount Paid under Protest Rs. in lakhs
Customs Act, 1962	Custom Duty	Hon'ble High Court of Telangana	2014- 2019	287.41	-
Customs Act, 1962	Custom Duty	Hon'ble High Court of Telangana	2014- 2018	-	238.74

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 177 and section 188 of the Companies Act for all transactions with

the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company for the year ended 31st March 2025.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- As represented by the management, the Group has more than one Crore Investment Company (CIC) as part of the Group as per definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. There are 2 CICs forming part of the Group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner

(Membership No. 103999)

UDIN: 25103999BMLENF9837

Place: Mumbai

Date: 21st April 2025

Balance Sheet as at 31st March, 2025

Particulars	Note No.	(Amount Rs. in Lakhs)	
		As at 31st March, 2025	As at 31st March, 2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	2,486.99	1,556.49
Capital Work-in-Progress	3	281.73	58.05
Goodwill		18.59	18.59
Deferred Tax Assets (net)	4	44.27	275.36
Other Non-Current Assets	5(a)	435.70	574.22
Total Non-Current Assets		3,267.28	2,482.71
Current Assets			
Inventories	6	8,061.50	1,091.93
Financial Assets			
Trade Receivables	7	13,308.49	2,689.51
Cash and Cash Equivalents	8	-	569.33
Other Financial Assets	9	221.06	162.35
Other Current Assets	5(b)	2,176.12	313.79
Total Current Assets		23,767.17	4,826.91
Total Assets		27,034.45	7,309.62
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	1,284.10	1,284.10
Other Equity	11	4,669.17	2,961.25
Total Equity		5,953.27	4,245.35
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	13	808.30	730.38
Provisions	14(a)	154.47	94.30
Total Non-Current Liabilities		962.77	824.68
Current Liabilities			
Financial Liabilities			
Borrowings	12	14,837.71	528.80
Trade Payables Due to:			
(i) Micro and Small Enterprises	15	3,218.47	952.22
(ii) Other than Micro and Small Enterprises	15	1,871.48	596.24
Other Current Liabilities	16	148.82	141.63
Provisions	14(b)	41.93	20.70
Total Current Liabilities		20,118.41	2,239.59
Total Equity and Liabilities		27,034.45	7,309.62

Material Accounting Policies

1 - 2

See accompanying Notes to the Financial Statements

3 - 37

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner

Membership No. 103999

Date: 21st April, 2025

For and on behalf of the Board

Dipak C. Jain

Chairman

(DIN: 00228513)

Ketan Mody

Director

(DIN: 07723933)

Aditya Pai

Director

(DIN: 07538946)

K. Sudarshan

Director

(DIN: 01029826)

Asim Parekh

Director

(DIN: 00056125)

Sandipan Ghosh

Chief Executive Officer

Riddhi Bhimani

Director

(DIN: 10072936)

Renuka Shastry

Director

(DIN: 02578917)

S Gautham

Chief Financial Officer

Krishnakumar Thirumalai

Director

(DIN: 00079047)

Abhijeet Pai

Director

(DIN: 02100465)

Utsav Saini

Company Secretary &
Compliance Officer

Statement of Profit and Loss for the year ended 31st March, 2025

(Amount Rs. in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Income			
Value of Sales		64,331.86	23,045.47
Less: GST Recovered		6,956.83	3,042.34
Revenue from Operations	18	57,375.03	20,003.13
Other Income	19	80.94	111.94
Total Income		57,455.97	20,115.07
Expenses			
Cost of Materials Consumed	20	53,973.83	16,713.75
Purchases of Stock-in-Trade		1,069.69	213.59
Changes in inventories of Finished goods, Stock-in-Trade and Work-in-Progress	21	(6,244.32)	99.63
Employee Benefits Expense	22	1,797.91	895.49
Finance Costs	23	711.08	80.79
Depreciation and Amortisation expense	3	181.16	102.05
Other Expenses	25	3,661.00	1,785.88
Total Expenses		55,150.35	19,891.18
Profit before Tax		2,305.62	223.89
Tax Expenses			
Current Tax	17	346.83	-
Deferred Tax	17	236.07	(281.63)
Total Tax Expenses		582.90	(281.63)
Profit for the year		1,722.72	505.52
Other comprehensive income			
Items that will not be reclassified to Profit and Loss:			
Actuarial Gain/(Loss) on Remeasurement of Defined Benefit Obligations		(19.78)	(13.24)
Income Tax relating to Defined Benefit Obligations		4.98	(3.32)
Total Other Comprehensive Loss for the Year (Net of Tax)		(14.80)	(16.56)
Total Comprehensive Income for the year		1,707.92	488.96
Earnings Per Equity Share (EPS)			
Basic (Rs.)	26	13.42	3.84
Diluted (Rs.)	26	13.42	3.84

Material Accounting Policies 1 - 2
See accompanying Notes to the Financial Statements 3 - 37

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board

Dipak C. Jain
Chairman
(DIN: 00228513)

K. Sudarshan
Director
(DIN: 01029826)

Riddhi Bhimani
Director
(DIN: 10072936)

Krishnakumar Thirumalai
Director
(DIN: 00079047)

Ketan Mody
Director
(DIN: 07723933)

Asim Parekh
Director
(DIN: 00056125)

Renuka Shastry
Director
(DIN: 02578917)

Abhijeet Pai
Director
(DIN: 02100465)

Aditya Pai
Director
(DIN: 07538946)

Sandipan Ghosh
Chief Executive Officer

S Gautham
Chief Financial Officer

Utsav Saini
Company Secretary &
Compliance Officer

Date: 21st April, 2025

Statement of Changes in Equity for the year ended 31st March, 2025

(a) Equity Share Capital (Amount Rs. in Lakhs)

Balance as at 1st April, 2023	Changes during the year 23-24	Balance as at 31st March, 2024	Changes during the year 24-25	Balance as at 31st March, 2025
1,283.80	0.30	1,284.10	-	1,284.10

(b) Other Equity (Amount Rs. in Lakhs)

Particulars	Balance as at 1st April, 2024	Total Comprehensive Income	Preference share redeemed	Equity Component of preference share issued	Balance as at 31st March, 2025
As at 31st March, 2025					
Equity Component of Compound Financial Instrument (Preference shares)	4,410.15	-	-	-	4,410.15
Reserves and Surplus					
Capital Reserve	274.14	-	-	-	274.14
Securities Premium	379.68	-	-	-	379.68
State Investment Subsidy	15.00	-	-	-	15.00
Retained Earnings	(2,101.16)	1,722.72	-	-	(378.44)
Other Comprehensive Income	(16.56)	(14.80)	-	-	(31.36)
Total	2,961.25	1,707.92	-	-	4,669.17

Particulars	Balance as at 1st April, 2023	Total Comprehensive Income	Preference share redeemed	Equity Component of preference share issued	Balance as at 31st March, 2024
As at 31st March, 2024					
Equity Component of Compound Financial Instrument (Preference shares)	739.66	-	(739.66)	4,410.15	4,410.15
Reserves and Surplus					
Capital Reserve	274.14	-	-	-	274.14
Securities Premium	379.68	-	-	-	379.68
State Investment Subsidy	15.00	-	-	-	15.00
Retained Earnings	(2,606.68)	505.52	-	-	(2,101.16)
Other Comprehensive Income	-	(16.56)	-	-	(16.56)
Total	(1,198.20)	488.96	(739.66)	4,410.15	2,961.25

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
Membership No. 103999

Date: 21st April, 2025

For and on behalf of the Board

Dipak C. Jain
Chairman
(DIN: 00228513)

Ketan Mody
Director
(DIN: 07723933)

Aditya Pai
Director
(DIN: 07538946)

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(DIN: 01029826)

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(DIN: 10072936)

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Director
(DIN: 02578917)

S Gautham
Chief Financial Officer

Krishnakumar Thirumalai
Director
(DIN: 00079047)

Abhijeet Pai
Director
(DIN: 02100465)

Utsav Saini
Company Secretary &
Compliance Officer

Statement Cash Flows for the year ended 31st March, 2025

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Cash Flows from Operating Activities		
Net Profit Before Tax	2,305.62	223.89
Adjustments for:		
Depreciation and Amortisation Expense	1 81.16	1 02.05
Finance Cost	711.08	80.79
Unpaid calls, written off	-	0.30
Write Back of Liabilities no longer required	8.38	28.60
Profit on sale of Property, Plant and Equipment (Net)	(3.70)	-
Interest Income	(20.13)	(67.84)
Operating Profit before Working Capital Changes	3,182.41	367.79
Adjustments for :		
Trade and Other Receivables	(12,542.08)	(2,850.43)
Inventories	(6,969.57)	(447.54)
Trade and Other Payables	3,575.69	941.69
Cash used in Operations	(12,753.55)	(1,988.49)
Income Tax Paid (Net)	(206.12)	(108.14)
Net Cash used in Operating Activities (A)	(12,959.67)	(2,096.63)
B. Cash Flows from Investing Activities		
Expenditure on Property, Plant and Equipment (Including Capital advance)	(1,472.80)	(1,707.11)
Proceeds from disposal of Property, Plant and Equipment	163.03	-
Goodwill on Amalgamation	-	(18.59)
Interest Income	24.36	67.84
Net Cash Used in Investing Activities (B)	(1,285.41)	(1,657.86)
C. Cash Flows from Financing Activities		
Repayment of Loans from Related Parties	-	(400.00)
Redemption of Preference Shares	-	(739.66)
Issue of Preference Shares	-	5,079.32
Borrowings - Current (Net)	14,308.91	360.87
Interest Paid	(633.16)	(19.59)
Net Cash generated from Financing Activities (C)	13,675.75	4,280.94
Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(569.33)	526.45
Opening Balance of Cash and Cash Equivalents	569.33	40.76
Cash and Cash Equivalents acquired on Amalgamation	-	2.12
Closing Balance of Cash and Cash Equivalents	-	569.33

Change in Liability arising from financing activities

	1st April 2024	Cash Flow	31st March 2025
Borrowings - Current (Net)	528.80	14,308.91	14,837.71
	528.80	14,308.91	14,837.71
	1st April 2023	Cash Flow	31st March 2024
Borrowings - Current (Net)	167.93	360.87	528.80
	167.93	360.87	528.80

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board

Dipak C. Jain Chairman (DIN: 00228513)	K. Sudarshan Director (DIN: 01029826)	Riddhi Bhimani Director (DIN: 10072936)	Krishnakumar Thirumalai Director (DIN: 00079047)
Ketan Mody Director (DIN: 07723933)	Asim Parekh Director (DIN: 00056125)	Renuka Shastry Director (DIN: 02578917)	Abhijeet Pai Director (DIN: 02100465)
Aditya Pai Director (DIN: 07538946)	Sandipan Ghosh Chief Executive Officer	S Gautham Chief Financial Officer	Utsav Saini Company Secretary & Compliance Officer

Date: 21st April, 2025

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 1:

Corporate Information

Lotus Chocolate Company Limited (“the Company”) (CIN: L15200TG1988PLC009111) is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar nature products. The Company is a Public Limited Company incorporated in India as per the provisions of the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE). The Registered office of the Company is situated at #8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No.10, Banjara Hills, Hyderabad, Telangana - 500034 India. The Company has its manufacturing facilities located at Nastipur Village, Doulatabad, Hathnoora Mandal, Sangareddy Dist - 502296, Telangana and at Survey No 161/A, S.V. CO-OP Industrial Area, IDA Bollaram, Sangareddy District – 502325, Telangana.

NOTE 2:

Material Accounting Policies

I. Basis of preparation of financial statements

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair values. The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013 (as amended from time to time) and presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time. The Company follows indirect method prescribed in Ind AS 7 – Statement of Cash Flows for presentation of its cash flows. The Company’s financial statements are presented in Indian Rupees (Rs.), which is also its functional currency and all values are rounded to the nearest lakh (00,000) except when otherwise stated.

II. Summary of Material Accounting Policies

1. Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/Non-Current classification considering an operating cycle of 12 months being the time elapsed between deployment of resources and the realisation/settlement in cash and cash equivalents thereagainst.

2. Revenue recognition

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

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

3. Foreign currencies

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

Notes to Financial Statements for the Year ended 31st March, 2025

4. Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

5. Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6. Property, plant and equipment (PPE)

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

7. Depreciation

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

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

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

Notes to Financial Statements for the Year ended 31st March, 2025

Buildings	30 Years
Plant and Machinery	8 to 15 years
Electric Installations	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years

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

8. Inventories

Inventories are valued as follows:

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

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

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

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

9. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

10. Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notes to Financial Statements for the Year ended 31st March, 2025

11. Employee Benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method certified by the actuary. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Other long-term employee benefits

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

12. Provisions

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

13. Contingent liabilities

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

14. Financial instruments

a. Financial Assets

Purchase and sale of Financial Assets are recognized using trade date accounting. Trade receivables that do not contain a significant financing component are measured at transaction price. All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established. Other Financial Assets are generally measured at Fair Value Through Profit or Loss (FVTPL) except where the Company, based on the business model objectives, measures these at Amortised Cost or Fair Value Through Other Comprehensive Income (FVTOCI). The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to: "The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or " Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For Trade Receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade

Notes to Financial Statements for the Year ended 31st March, 2025

receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

b. Financial liabilities

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are determined to approximate fair value due to the short maturity of these instruments.

III. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

Provision and contingent liabilities

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

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting period. As at 31st March, 2025 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 3: (Amount Rs. in Lakhs)
PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS

Depreciation	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 01-04-2024	Additions/ Adjustments	Disposals/ Adjustments	As at 31-03-2025	As at 01-04-2024	For the Year	Disposals/ Adjustments	As at 31-03-2025	As at 31-03-2025	As at 31-03-2024
Property, Plant and Equipment										
Own Assets:										
Land	823.31	-	-	823.31	-	-	-	-	823.31	823.31
Buildings	540.00	392.47	4.02	928.45	180.16	48.42	3.18	225.40	703.05	359.84
Furniture and Fixture	35.18	32.82	-	68.00	13.14	2.70	-	15.84	52.16	22.04
Plant and Machinery	1,311.48	688.60	252.75	1,747.33	1,014.17	101.31	94.44	1,021.04	726.29	297.31
Office Equipment	5.44	55.30	0.18	60.56	2.09	2.74	-	4.83	55.73	3.35
Electric Installations	69.15	28.34	-	97.49	49.97	10.97	-	60.94	36.55	19.18
Computers	19.86	66.90	-	86.76	4.15	12.33	-	16.48	70.28	15.71
Vehicles	0.03	-	-	0.03	0.00	-	-	0.00	0.03	0.03
Factory Equipment	9.19	6.56	-	15.75	0.10	1.61	-	1.71	14.04	9.09
Lab Equipment	7.35	-	-	7.35	0.72	1.08	-	1.80	5.55	6.63
Total	2,820.99	1,270.99	256.95	3,835.03	1,264.50	181.16	97.62	1,348.04	2,486.99	1,556.49
Capital Work-in-Progress									281.73	58.05

Ageing of Capital Work In Progress as on 31st March, 2025

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Capital Work In Progress	281.73	-	-	-	281.73
Total	281.73	-	-	-	281.73

Ageing of Capital Work In Progress as on 31st March, 2024

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Capital Work In Progress	58.05	-	-	-	58.05
Total	58.05	-	-	-	58.05

NOTE 4: (Amount Rs. in Lakhs)
DEFERRED TAX ASSET / (LIABILITY)

Deferred Tax Asset (Net)

Particulars	As at 31st March, 2025	As at 31st March, 2024
-------------	------------------------	------------------------

The movement on the Deferred Tax account is as follows:

At the start of the period	275.36	(2.95)
Charge to Profit and Loss (Refer Note 18)	(236.07)	281.63
Charge/ (Credit) to OCI	4.98	(3.32)
At the end of year	44.27	275.36

Notes to Financial Statements for the Year ended 31st March, 2025

Component of Deferred Tax Liabilities	(Amount Rs. in Lakhs)			
	As at 1st April 2024	Statement of Profit or Loss	Other comprehensive Income	As at 31st Mar, 2025
Deferred tax liability on Property, Plant and Equipment	(7.73)	(9.40)	-	(17.13)
Deferred tax Asset on Provision for employee benefits	28.94	27.48	4.98	61.40
Deferred tax Asset on Carry forward losses	254.15	(254.15)	-	-
(Deferred Tax Liability)/ Deferred Tax Asset	275.36	(236.07)	4.98	44.27

NOTE 5:

OTHER ASSETS

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Non Current		
Advance tax	-	114.55
Balances with Government Bodies Receivable	82.72	84.89
Customs Duty paid under protest (Refer Note 28)	238.74	238.74
Advance for purchase of Property Plant and Equipment	114.24	136.04
Total	435.70	574.22
(b) Current		
Advances to Suppliers	1,598.48	238.65
Employee Advances	2.94	1.02
Balances with Government Authorities (GST, VAT)	556.63	66.09
Prepaid Expenses	18.07	8.03
Total	2,176.12	313.79

NOTE 6:

INVENTORIES

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(At lower of cost or net realisable value)		
Raw Materials	1,025.07	486.49
Work-in-progress	413.17	154.00
Finished Goods	6,264.77	251.44
Stock-in-Trade	24.36	52.54
Stores and Spares and Fuel	175.19	76.00
Packing Material	158.94	71.46
Total	8,061.50	1,091.93

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 7: (Amount Rs. in Lakhs)
TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current		
Trade Receivables	13,308.49	2,689.51
Total	13,308.49	2,689.51

Ageing for Trade Receivables as at 31st December, 2024 (Amount Rs. in Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed - Considered Good	13,308.49	-	-	-	-	13,308.49
Undisputed - which have significant increase in the credit risk	-	-	-	-	-	-
Undisputed - Credit Impaired	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - Credit Impaired	-	-	-	-	-	-
Total	13,308.49	-	-	-	-	13,308.49

Ageing for Trade Receivables as at 31st March, 2024 (Amount Rs. in Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed - Considered Good	2,689.51	-	-	-	-	2,689.51
Undisputed - which have significant increase in the credit risk	-	-	-	-	-	-
Undisputed - Credit Impaired	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - Credit Impaired	-	-	-	-	-	-
Total	2,689.51	-	-	-	-	2,689.51

NOTE 8: (Amount Rs. in Lakhs)
CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with Banks	-	569.10
Cash on Hand	-	0.23
Total	-	569.33

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 9: (Amount Rs. in Lakhs)

OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposit	43.69	5.00
Interest Receivable	-	4.23
Other Deposits	-	27.54
Other Receivables*	177.37	125.58
Total	221.06	162.35

*Comprises contractually reimbursable expenses

NOTE 10: (Amount Rs. in Lakhs)

EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2025	As at 31st March, 2024
Authorised Share Capital		
1,40,00,000 Equity Shares of Rs. 10/- each	1,400.00	1,400.00
5,87,93,200 Preference shares of Rs. 10/- each	5,879.32	5,879.32
Total	7,279.32	7,279.32

Issued, Subscribed and Fully paid-up Equity Share Capital

Equity Share Capital

1,28,41,049 Equity Shares of Rs. 10/- each (As at 31st March, 2024: 1,28,41,049 Equity Shares of Rs. 10/- each)	1,284.10	1,284.10
Total	1,284.10	1,284.10

(a) Of the above, 65,49,065 (Previous year - 65,49,065) equity shares of Rs. 10 each fully paid-up are held by Reliance Consumer Products Limited, the Holding Company.

(b) Details of shareholdings of promoters (Amount Rs. in Lakhs)

Name of Promoters	As at 31st March, 2025		As at 31st March, 2024	
	No. of Equity Shares Held	% of Total Equity Shares	% Change during the year	No. of Equity Shares Held
Equity shares of Rs. 10/- each fully paid				
Reliance Consumer Products Limited	6,549,065	51.00%	-	6,549,065
Abhijeet Pai*	452,139	3.52%	-	452,139
Aman Pai*	407,139	3.17%	-	407,139
Aditya Pai*	407,139	3.17%	-	407,139
P Anantha Pai*	385,805	3.00%	-	385,805
Prakash Peraje Pai*	384,804	3.00%	-	384,804
Ashwini Pai*	327,139	2.55%	-	327,139
Vandana Poornima Pai*	188,420	1.47%	-	188,420
Neeveditha Pai*	152,500	1.19%	-	152,500
Total	9,254,150	72.07%	-	9,254,150

* Ceased to be promoters of the Company w.e.f. 23rd May 2023.

Notes to Financial Statements for the Year ended 31st March, 2025

(c) Details of shareholders holding more than 5% shares in the Company (Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Equity Shares Held	% of Total Equity Shares	No. of Equity Shares Held	% of Total Equity Shares
Equity shares of ₹ 10/- each fully paid				
Reliance Consumer Products Limited	6,549,065	51.00%	6,549,065	51.00%

(d) Rights, Preference and Restrictions attached to the Shares:

The Company has only one class of equity shares having face value of ₹ 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

NOTE 11: (Amount Rs. in Lakhs)

OTHER EQUITY

(a) **Other Equity**

Particulars	As at 31st March, 2025	As at 31st March, 2024
Capital Reserve		
As per last balance sheet	274.14	274.14
As at period end	274.14	274.14
Securities Premium		
As per last balance sheet	379.68	379.68
As at period end	379.68	379.68
State Investment Subsidy		
As per last balance sheet	15.00	15.00
As at period end	15.00	15.00
Retained Earnings		
As per last balance sheet	(2,101.16)	(2,606.68)
Add: profit for the period	1,722.72	505.52
As at period end	(378.44)	(2,101.16)
Other Comprehensive Income		
As per last balance sheet	(16.56)	-
Add: movement (net) for the year	(14.80)	(16.56)
As at period end	(31.36)	(16.56)
Preference share capital		
As per last balance sheet	4,410.15	739.66
Redeemed during the year	-	(739.66)
Equity component of Preference shares issued during the year	-	4,410.15
As at period end	4,410.15	4,410.15
Total	4,669.17	2,961.25

Notes to Financial Statements for the Year ended 31st March, 2025

(b) Issued, Subscribed and Fully paid-up Preference Share Capital (Amount Rs. in Lakhs)
Preference Share Capital

	As at 31st March, 2025	As at 31st March, 2024
5,07,93,200 Preference shares of Rs. 10/- each (As at 31st March, 2024: 5,07,93,200 Preference shares of Rs. 10/- each)	5,079.32	5,079.32
Total	5,079.32	5,079.32

(c) Details of Preference shareholders holding more than 5% shares in the Company (Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of 0.01% Preference Shares Held	% of Total Preference Shares	No. of 0.01% Preference Shares Held	% of Total Preference Shares
Redeemable Preference Shares of ₹ 10/- each fully paid				
Reliance Consumer Products Limited	2,53,96,600	50.00%	25,396,600	50.00%
Abhijeet Pai	63,49,150	12.50%	6,349,150	12.50%
Ashwini Pai	63,49,150	12.50%	6,349,150	12.50%
P.M.F. Estates Pvt Ltd	126,98,300	25.00%	12,698,300	25.00%
Total	5,07,93,200	100.00%	50,793,200	100.00%

(d) Rights, Preference and Restrictions attached to the Preference Shares:

- i) **With respect to Preference Shares issued during the previous year:** Non-cumulative, non-convertible, non-participating and redeemable Preference Shares have right to preferential dividend of 0.01% per annum on non-cumulative basis. Preference share holders carry no voting rights. The Preference shares are payable after a period of 20 years.
- ii) **With respect to Preference Shares redeemed during the previous year:** Preference Shares have right to preferential dividend of 10% per annum on cumulative basis and also for redemption of principal over the equity shares. Preference share holders have right to vote only on the matters concerning the Preference shares.

NOTE 12: BORROWINGS (Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current		
Cash Credit facility from Bank (unsecured)*	1,337.71	528.80
Working Capital Demand Loan - WCDL**	13,500.00	-
Total	14,837.71	528.80

* Cash Credit facility carries an interest of 9.10% per annum (previous year 9.10% per annum).

** The Working Capital Demand Loan availed during the year carries an interest of 8.75% per annum.

The Company has satisfied all the covenants prescribed in terms of borrowings.

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 13: (Amount Rs. in Lakhs)
OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-Current		
Debt Component of Redeemable Preference Shares*	808.30	730.38
Total	808.30	730.38

* On 24th May 2023, the Company had issued 5,07,93,200, 0.01% Redeemable, Non-Cumulative, Non-Convertible, Non-Participating Preference Shares of Rs. 10/- each to Reliance Consumer Products Limited, PMF Estates Private Limited, Mr. Abhijeet Pai and Ms. Ashwini Pai. The above preference shares will be redeemed after a period of 20 years from the date of issue.

NOTE 14: (Amount Rs. in Lakhs)
PROVISIONS

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Non Current		
Provision for Employee Benefits		
Provision for Gratuity	107.71	83.07
Provision for Compensated absences	46.76	11.23
Total	154.47	94.30
(b) Current		
Provision for Employee Benefits		
Provision for Gratuity	8.85	6.96
Provision for Compensated absences	6.92	13.74
Provision for Taxation	26.16	-
Total	41.93	20.70

NOTE 15: (Amount Rs. in Lakhs)
TRADE PAYABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Micro, Small and Medium Enterprises (MSME)	3,218.47	952.22
Other than MSME	1,871.48	596.24
Total	5,089.95	1,548.46

Ageing for Trade Payables as at 31st Mar, 2025 (Amount Rs. in Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	3,218.47	-	-	-	3,218.47
Undisputed dues - Others	1,801.17	70.31	-	-	1,871.48
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	5,019.64	70.31	-	-	5,089.95

Notes to Financial Statements for the Year ended 31st March, 2025

Ageing for Trade Payables as at 31st March, 2024

(Amount Rs. in Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	952.22	-	-	-	952.22
Undisputed dues - Others	596.24	-	-	-	596.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	1,548.46	-	-	-	1,548.46

Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2025. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31st Mar, 2025	As at 31st March, 2024
(A) (i) Principal amount remaining unpaid	3,218.47	952.22
(A) (ii) Interest amount remaining unpaid	-	-
(B) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(C) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(D) Interest accrued and remaining unpaid	-	-
(E) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

NOTE 16:

(Amount Rs. in Lakhs)

OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advances from customers	26.44	1.43
Statutory dues payable	81.10	105.16
Others*	41.28	35.04
Total	148.82	141.63

* Includes salaries and expenses payable

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 17: TAXATION (Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Tax Expenses recognised in the Statement of Profit or Loss		
Current Tax Expense	346.83	-
Deferred Tax	236.07	281.63
Total Tax Expenses Recognised during the year	582.90	281.63

The Tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Profit before tax	2,305.62	223.89
Applicable Tax rate	25.168%	25.168%
Computed Tax expenses	580.28	56.35
Tax effect of:		
Expenses / (Income) disallowed	(313.63)	45.32
Additional Allowances	80.18	(22.90)
Current Tax Provision	346.83	74.95
Current Tax provision adjusted with brought forward losses	-	(74.95)
Current Tax Provision (A)	346.83	-
Incremental Deferred tax liability on Property, Plant and Equipment and intangible assets	9.40	(4.78)
Incremental Deferred tax liability on account of financial Assets and other items	(27.48)	32.26
Deferred tax Asset on Carry forward losses	254.15	254.15
Deferred Tax Provision (B)	236.07	281.63
Tax Expenses recognised in Statement of Profit and Loss (A+B)	582.90	-
Effective Tax Rate	25.28%	(125.79%)

NOTE 18: REVENUE FROM OPERATIONS (Amount Rs. in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue from Operations		
Sale of Products*	57,347.99	20,003.13
Other Operating Revenue*	27.04	-
Total	57,375.03	20,003.13

* The Revenue is net of GST

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 19: (Amount Rs. in Lakhs)
OTHER INCOME

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest Income	20.13	67.84
Exchange Gain (Net)	19.63	15.50
Write Back of Liabilities no longer required	8.38	28.60
Misc income	32.80	-
Total	80.94	111.94

NOTE 20: (Amount Rs. in Lakhs)
COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Raw Materials		
Opening Stock	486.49	150.07
Acquired on Amalgamation	-	126.95
Purchases (Raw Materials)	54,182.71	16,634.05
Closing Stock	1,025.07	486.49
Cost of Raw Materials Consumed (A)	53,644.13	16,424.58
Packing Materials		
Opening Stock	71.46	23.21
Acquired on Amalgamation	-	9.57
Purchases (Packing Materials)	410.56	327.85
Packing Material Write Off	6.62	-
Closing Stock	158.94	71.46
Cost of Packing Materials Consumed (B)	329.70	289.17
Total Cost of Materials Consumed (A+B)	53,973.83	16,713.75

NOTE 21: (Amount Rs. in Lakhs)
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Finished Goods		
Opening Stock	251.44	125.02
Acquired on Amalgamation	-	107.00
Closing Stock	6,264.77	251.44
(Increase) / Decrease (A)	(6,013.33)	(19.42)

Notes to Financial Statements for the Year ended 31st March, 2025

Particulars	(Amount Rs. in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Work in Progress		
Opening Stock	154.00	287.59
Acquired on Amalgamation	-	38.00
Closing Stock	413.17	154.00
(Increase) / Decrease (B)	(259.17)	171.59
Stock in Trade		
Opening Stock	52.54	-
Closing Stock	24.36	52.54
(Increase) / Decrease (C)	28.18	(52.54)
Total (Increase) / Decrease in Inventories (A+B+C)	(6,244.32)	99.63

NOTE 22:

(Amount Rs. in Lakhs)

EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries and Wages	1,641.61	805.37
Contribution to Provident and other funds	104.33	67.08
Staff Welfare expenses	51.97	23.04
Total	1,797.91	895.49

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expenses for the year is as under: (Amount Rs. in Lakhs)

Particulars	FY 2024-25	FY 2023-24
Employer’s Contribution to Provident Fund	25.38	18.07

The Company’s Provident Fund is exempted under section 17 of Employee’s Provident Fund and Miscellaneous Provisions Act, 1952.

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

(Amount Rs. in Lakhs)

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	2024-25	2023-24
Defined benefit obligation at beginning of the year	90.03	36.16
Current service cost	14.20	9.43
Add: Transfer on Amalgamation	-	82.67
Interest cost	6.58	8.15
Actuarial (Gain)/ loss	22.55	(39.50)
Benefits paid	(17.05)	(6.88)
Transfer In/(Out)	-	-
Defined Benefit Obligation at year end- recognized in Balance Sheet	116.31	90.03

Notes to Financial Statements for the Year ended 31st March, 2025

II. Reconciliation of Fair Value of Assets and Obligations (Amount Rs. in Lakhs)

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	2024-25	2023-24
Fair Value of Plan Assets	-	-
Present Value of Obligation	116.31	90.03
Amount recognised in Balance Sheet (Surplus / Deficit)	(116.31)	(90.03)

III. Expenses recognised during the year (Amount Rs. in Lakhs)

Particulars	Amount FY 2024-25	Amount FY 2023-24
In Income Statement		
Current Service Cost	14.20	9.43
Interest Cost	6.58	8.15
Return on Plan Assets	-	-
Net Cost	20.78	17.58
In Other Comprehensive income		
Actuarial (Gain)/ Loss	22.55	(39.50)
Return on Plan Assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	22.55	(39.50)

IV. Actuarial Assumptions

Particulars		
Mortality Table (IALM)	2012-14	2012-14
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	6.99%	7.29%
Rate of Escalation in Salary (per annum)	7.00%	6.50%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Gratuity plan is unfunded and hence the expected contribution for the next year is considered as Nil.

V. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected Salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31st March, 2025		As at 31st Mar, 2024	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1%)	5.26	5.88	93.29	82.90
Change in rate of salary increase (delta effect of +/- 1%)	5.81	6.38	82.38	93.77

Notes to Financial Statements for the Year ended 31st March, 2025

Actuarial valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. These plans typically expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk as below:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTE 23: (Amount Rs. in Lakhs)

FINANCE COSTS

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest on debt component of Preference Shares	77.92	61.20
Interest Expense on Borrowings	633.16	19.59
Total	711.08	80.79

NOTE 24: (Amount Rs. in Lakhs)

DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation Expense	181.16	102.05
Total	181.16	102.05

NOTE 25: (Amount Rs. in Lakhs)

OTHER EXPENSES

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Selling Expenses		
Marketing and Selling Expenses	573.34	85.06
Freight Outwards	502.88	458.83
Total Selling Expenses (A)	1,076.22	543.89
Administrative Expenses		
Travelling and Conveyance	194.23	35.52
Professional Charges	1,046.12	306.12
Rates and Taxes	24.04	18.74
Software Charges	10.89	3.80
Insurance Charges	14.43	8.50
Postage, Telephone & Courier Charges	4.80	9.76

Notes to Financial Statements for the Year ended 31st March, 2025

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Statutory Audit Fees		
(i) Statutory Audit Fees	11.00	10.06
(ii) Limited review Fees	8.43	6.00
(iii) Out of Pocket Expense	2.13	1.68
CSR Expenditure	-	0.58
Fees for Increase in Authorised Share Capital	-	-
General Expenses	145.72	36.50
Office Maintenance Expenses	8.93	5.95
Commission and Brokerage	10.51	7.18
Advertisement Expenses	2.35	7.16
Balances written off	0.01	3.75
Provision for Doubtful Debt	0.17	2.90
Rental Expenses	5.35	1.47
Training Expenses	0.63	-
Loss On Sale of Stores and Spares	-	-
Other Miscellaneous expenses	6.93	6.48
Total Administrative Expenses (B)	1,496.67	472.15
Operating Expenses		
Consumption of Stores and Spares	375.96	188.69
Power and Fuel consumption	451.14	445.05
Repairs and Maintenance	15.03	42.91
Security Charges	42.80	36.20
Factory Maintenance	112.34	40.98
Warehouse Expenses	13.56	10.00
Transit Insurance	9.83	2.63
Other Manufacturing Expenses	67.37	3.35
Freight Inward	0.08	0.03
Total Operating Expenses (C)	1,088.11	769.84
Total Other Expenses (A+B+C)	3,661.00	1,785.88

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 26: (Amount Rs. in Lakhs)

EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit after Tax for the year	1,722.72	505.52
Less: Preference Dividend	-	12.33
(A) Net Profit after Tax attributable to Equity Shareholders	1,722.72	493.19
(B) Weighted Average Number of Equity Shares for the period (Basic and Diluted)	1,28,41,049	1,28,41,049
Basic EPS (A/B)	13.42	3.84
Dilutive EPS (A/B)	13.42	3.84

NOTE 27: (Amount Rs. in Lakhs)

CONTINGENT LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
In the respect of Customs Duty for the period 2014-2019. Company filed writ petition before High court of Telangana along with stay application. Honourable High Court granted stay and the matter is pending for hearing.	287.41	287.41
In the respect of Custom Duty for the period from 2014-2018 . The amount under protest was paid on 23rd May, 2023 though the final decision by the court is not yet pronounced. The management is of the opinion that the decision shall be in the favour of the Company.	238.74	238.74

Capital Commitments:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Estimated amount of contracts remaining to be executed on capital accounts and not provided for in books of accounts	-	783.27

NOTE 28:

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Net Debt	14,837.71	528.80
Total Equity	5,953.27	4,245.35
Net Gearing Ratio	2.49	0.12

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 29:

FINANCIAL INSTRUMENTS

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of the financial instruments if any, is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2025 (Carrying Amount)	As at 31st March, 2024 (Carrying Amount)
Financial Assets At Amortised Cost		
Trade Receivables	13,308.49	2,689.51
Cash and cash equivalents	-	569.33
Other Financial Assets	221.06	162.35
Financial Liabilities		
Trade Payables	5,089.95	1,548.46
Borrowings	14,837.71	528.80
Other Financial Liabilities	808.30	730.38

Except for the above, there are no Financial assets or liabilities which are valued at other than Amortized cost.

1. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings. The Company's commodity risk is managed centrally through well-established trading operations and control processes.

2. Credit Risk

Credit risk arises when a customer or counter party does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk on its operating activities (primarily trade receivables) and from its financing / investing activities. Including deposits with banks. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

3. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

Notes to Financial Statements for the Year ended 31st March, 2025

Foreign Currency Exposure

The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of purchases denominated in foreign currencies. As a policy, the Company has adopted the hedging process.

Unhedged foreign currency exposure

- The Company has not taken any forward contracts to hedge its risk associated with foreign currency fluctuations.
- Particulars of unhedged foreign currency exposures as at the reporting date:

Forex amount	As at 31st March, 2025	As at 31st March, 2024
EURO	-	42.39
USD	162.01	32.43

NOTE 30:

(Amount Rs. in Lakhs)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule VII thereof by the Company during the period is Rs. Nil (Previous year ₹ Nil). Expenditure incurred related to Corporate Social Responsibility is Rs. Nil (Previous year Rs. 0.51 lakhs).

Corporate Social Responsibility	As at 31st March, 2025	As at 31st March, 2024
Amount required to be spent during the year	-	-
Amount spent during the year	-	0.51
Shortfall at the end of the year	-	-
Total of previous year's Shortfall	-	-
Nature of CSR Activities	NA	Contribution to Reliance Foundation

NOTE 31:

(Amount Rs. in Lakhs)

ANALYTICAL RATIOS

Ratio	For the year ended 31st March, 2025	For the year ended 31st March, 2024	% Change	Reasons for Change
Current Ratio (in times)	1.18	2.16	(45.19%)	The current ratio declined in the current financial year compared to the previous year, primarily due to increased borrowing, which led to a rise in current liabilities.
Debt-Equity Ratio (in times)	2.63	0.30	786.08%	This increase is attributed to the working capital demand loan and the Axis Bank cash credit account.
Debt Service Coverage Ratio (in times)	4.01	32.02	(87.49%)	The coverage ratio declined in FY 2024–25 compared to the previous year, primarily due to an increase in interest expenses.
Return on Equity Ratio (in %)	34%	22.78%	48.33%	The return on equity decreased in the current year due to a higher average equity base, primarily driven by an increase in retained earnings compared to the previous year.

Notes to Financial Statements for the Year ended 31st March, 2025

Ratio	For the year ended 31st March, 2025	For the year ended 31st March, 2024	% Change	Reasons for Change
Inventory Turnover Ratio (in times)	12.54	23.04	(45.59%)	The decrease in the inventory turnover ratio is attributed to higher average inventory levels as well as an increase in turnover compared to the previous financial year.
Trade Receivables Turnover Ratio (in times)	7.17	12.77	(43.85%)	The increase in sales compared to the previous financial year led to a rise in the average trade receivables, which in turn resulted in a decrease in the turnover ratio.
Trade Payables Turnover Ratio (in times)	17.69	28.08	(37.02%)	The increase in procurement compared to the previous financial year led to a rise in trade payables, which resulted in a decrease in the trade payable turnover ratio.
Working Capital Turnover Ratio (in times)	18.40	13.99	31.55%	The current liabilities for the current year have increased in proportion to current assets, resulting in a decrease in the working capital ratio.
Net Profit Ratio (in %)	3.00%	2.53%	18.81%	The business became more profitable, leading to an increase in the net profit ratio compared to the previous financial year.
Return on Capital Employed (in %)	14%	4.50%	214.13%	The increase in operational efficiency have contributed to a higher ROCE percentage.

Ratio	Numerator	Denominator
Current Ratio (in times)	Total current assets	Total current liabilities
Debt-Equity Ratio (in times)	Total debt (including debt component of Redeemable Preference Shares)	Total equity
Debt Service Coverage Ratio (in times)	Profit for the year + Non-cash operating expenses + Interest	Interest payments + Principal repayments
Return on Equity Ratio (in %)	Profit for the year less Preference dividend(if any)	Average total equity
Inventory Turnover Ratio (in times)	Revenue from operations	Average inventory
Trade Receivables Turnover Ratio (in times)	Revenue from operations (credit sales)	Average trade receivables
Trade Payables Turnover Ratio (in times)	Cost of material consumed and other expenses	Average trade payables
Working Capital Turnover Ratio (in times)	Revenue from operations	Average working capital
Net Profit Ratio (in %)	Profit for the year	Revenue from operations
Return on Capital Employed (in %)	Profit before tax and Long Term Finance Costs	Total Equity + Long Term Debt

Notes to Financial Statements for the Year ended 31st March, 2025

NOTE 32:

RELATED PARTY DISCLOSURES

A. List of Related Parties

- I. Reliance Industries Limited (Ultimate Holding Company)*
- II. Reliance Retail Ventures Limited (Parent Company of Holding Company)*
- III. Reliance Consumer Products Limited (Holding Company)*
- IV. Reliance Retail Limited (Fellow Subsidiary)*
- V. Jio Platforms Limited (Fellow Subsidiary)*

V. Key Managerial Personnel

1. Sandipan Ghosh, CEO
2. S Gautham, CFO
3. Utsav Saini, CS

VI. Person(s) and close family members of the person(s) having control or joint control **

1. Abhijeet Pai
2. Aman Pai
3. Aditya Pai
4. P Anantha Pai
5. Prakash Peraje Pai
6. Ashwini Pai
7. Poornima Pai
8. Neeveditha Pai

VII. Enterprise over which Key Managerial Personnel of Ultimate Holding Company is able to exercise significant influence

1. Reliance Foundation

* with effect from 24th May, 2023

** Reliance Consumer Products Limited became promoter and acquired sole control over the Company w.e.f. 24th May, 2023. Accordingly, erstwhile promoters i.e. person(s) mentioned under point no. VI above, ceased to have control over the entity.

B. Transactions during the year

(Amount Rs. in Lakhs)

Particulars	Relationship	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1. Purchases			
Reliance Retail Limited	Fellow Subsidiary	387.91	16.06
2. Revenue			
Reliance Retail Limited	Fellow Subsidiary	656.53	306.02
3. Salary to Key Managerial persons			
1. G. S. Ram #	Whole time director	-	4.35
2. Utsav Saini	Company Secretary	31.49	7.15
4. Vivekanand Prabhu	CFO	-	0.70
3. Subodhakanta Sahoo*	Company Secretary	-	8.15

Notes to Financial Statements for the Year ended 31st March, 2025

Particulars	Relationship	For the year ended 31st March, 2025	For the year ended 31st March, 2024
4. Redemption of 10% Preference Shares			
P Anantha Pai**	Person(s) and close family members of the person(s) having control or joint control	-	369.83
Prakash Peraje Pai**	Person(s) and close family members of the person(s) having control or joint control	-	369.83
5. Issue of 0.01% Preference Shares			
Reliance Consumer Products Limited	Holding company	-	2,539.66
6. Others expenses			
Reliance Foundation	Enterprise over which Key Managerial Personnel of Ultimate Holding Company is able to exercise significant influence	-	0.51
Jio Platforms Limited	Fellow Subsidiary	1.74	-
Reliance Consumer Products Limited	Holding company	837.21	161.43

C. Closing Balances (Amount Rs. in Lakhs)

Particulars	Relationship	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1. Other Receivables			
Reliance Retail Limited	Fellow Subsidiary	-	75.12
Jio Platforms Limited	Fellow Subsidiary	0.10	-
2. Other Payables			
Reliance Consumer Products Limited	Holding company	298.89	30.24
Reliance Retail Limited	Fellow Subsidiary	34.30	-
3. Preference Shares			
Reliance Consumer Products Limited	Holding company	2,539.66	2,539.66
P Anantha Pai**	Person(s) and close family members of the person(s) having control or joint control	-	-
Prakash Peraje Pai**	Person(s) and close family members of the person(s) having control or joint control	-	-

** Reliance Consumer Products Limited became promoter and acquired sole control over the Company w.e.f. 24th May, 2023. Accordingly, erstwhile promoters i.e. person(s) mentioned under point no. VI above, ceased to have control over the entity.

* W.e.f. 2nd Jan, 2024 - Subodhakanta Sahoo ceases as Company Secretary

W.e.f. 2nd Nov, 2023 - G. S. Ram Resigns as Whole Time Director


NOTE 33:**SEGMENT INFORMATION**

The Company is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar nature of products. The Company operates in a single reporting segment, hence there is no reportable segment as per requirements of Indian Accounting Standard 108 on 'Operating Segments'. The chief operational decision maker monitors the operating results of the Company's business for the purpose of making decisions about resource allocation and performance assessment.

NOTE 34:**DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013**

- (i) There are no investments made by the Company during the year ended 31st March 2025.
- (ii) There are no Guarantees issued or loans given by the company during the year ended 31st March 2025.

NOTE 35:**OTHER STATUTORY INFORMATION**

- (i) The Company does not have any transactions with struck off companies.
- (ii) The Company has not advanced or loaned or invested funds to any other persons or entities, 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.
- (iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Company does not have any such 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.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (x) The stock statements filed by the Company with the banks and financial institutions are consistent with the books of accounts.
- (xi) The Company does not have any charges or satisfaction which is yet to be registered with the Register of Companies beyond the statutory period.
- (xii) The capital work-in-progress is not overdue as at the year end.
- (xiii) The deeds of immovable properties are held in the name of the Company.

NOTE 36:

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

NOTE 37:

The Financial statements were approved for issue by the Board of Directors on 21st April, 2025.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Varsha A. Fadte

Partner
Membership No. 103999

Date: 21st April, 2025

For and on behalf of the Board

Dipak C. Jain

Chairman
(DIN: 00228513)

Ketan Mody

Director
(DIN: 07723933)

Aditya Pai

Director
(DIN: 07538946)

K. Sudarshan

Director
(DIN: 01029826)

Asim Parekh

Director
(DIN: 00056125)

Sandipan Ghosh

Chief Executive Officer

Riddhi Bhimani

Director
(DIN: 10072936)

Renuka Shastry

Director
(DIN: 02578917)

S Gautham

Chief Financial Officer

Krishnakumar Thirumalai

Director
(DIN: 00079047)

Abhijeet Pai

Director
(DIN: 02100465)

Utsav Saini

Company Secretary &
Compliance Officer





LOTUS CHOCOLATE COMPANY LIMITED

Registered Office: 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4,
Puzzolana Towers, Street No. 1, Road No. 10, Banjara Hills,
Hyderabad 500034, Telangana, India

Tel.: 91-40-4020 2124

Website: www.lotuschocolate.com; **E-mail:** investors@lotuschocolate.com

Corporate Identity Number: L15200TG1988PLC009111

Date: September 8, 2025

Folio No. / DP ID Client ID :

Name of the Sole / First Holder:

Second Holder :

Third Holder :

Dear Shareholder(s),

Sub.: Annual Report for the Financial Year 2024-25

We thank you for your continued patronage as a shareowner of Lotus Chocolate Company Limited ("the Company").

We are pleased to inform you that the Thirty-Sixth Annual General Meeting of the Company will be held on Tuesday, September 30, 2025 at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires listed entities to send a letter providing the web-link, including the exact path, where complete details of the Annual Report is available, to those shareholder(s) who have not registered their email address(es) either with the listed entity or with any depository.

In this regard, we would like to inform you that, the Annual Report of the Company for the Financial Year 2024-25 is available on Company's website and can be accessed at https://www.lotuschocolate.com/documents/Annual_Report_2025.pdf

In order to receive communications from the Company promptly, we request you to immediately register your email address -

- in case shares are held in electronic form, with your Depository Participant; and
- in case shares are held in physical form, with KFin Technologies Limited, Registrar and Share Transfer Agent of the Company, at its address given below, by submitting hard copies of duly filled-in, signed and attested form ISR-1 and form ISR-2 (if required).

Please feel free to contact KFin Technologies Limited, at the details mentioned below, in case you have any queries:

KFin Technologies Limited

(Unit: **Lotus Chocolate Company Limited**)

Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500 032, Telangana

Toll Free No.: 1800-309-4001

(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)

Email: lotusinvestor@kfintech.com

Thanking you,

Yours faithfully,

For **Lotus Chocolate Company Limited**

Sd/-

Utsav Saini

Company Secretary and Compliance Officer