



**LOTUS CHOCOLATE COMPANY LIMITED**

**33<sup>rd</sup> ANNUAL REPORT  
2021-2022**



**BOARD OF DIRECTORS****NAME**

Shri Subramanya Ram Ganpath  
 Shri Gangasani Sudhakar Reddy  
 Smt Usha Abbagani  
 Shri Gottemukkala Venkatapathi Raju  
 Shri Bharathan Rajagopalan Thatai  
 Shri Admala Surya Prakash Reddy

**DESIGNATION**

Whole Time Director  
 Non-Executive Director  
 Women Director  
 Non-Executive Independent Director  
 Non-Executive Independent Director  
 Non-Executive Additional Director  
 (effect from 05th Aug 2022)

**STATUTORY COMMITTEES****AUDIT COMMITTEE****NAME**

Shri Bharathan Rajagopalan Thatai  
 Shri Gottemukkala Venkatapathi Raju  
 Smt Usha Abbagani

**DESIGNATION**

Chairperson  
 Member  
 Member

**NOMINATION & REMUNERATION COMMITTEE****NAME**

Shri Gottemukkala Venkatapathi Raju  
 Shri Bharathan Rajagopalan Thatai  
 Smt Usha Abbagani

**DESIGNATION**

Chairperson  
 Member  
 Member

**STAKEHOLDER RELATIONSHIP COMMITTEE****NAME**

Smt Usha Abbagani  
 Shri Gottemukkala Venkatapathi Raju  
 Shri Subramanya Ram Ganpath

**DESIGNATION**

Chairperson  
 Member  
 Member

**RISK MANAGEMENT COMMITTEE****NAME**

Shri Gangasani Sudhakar Reddy  
 Smt Usha Abbagani  
 Shri Subramanya Ram Ganpath

**DESIGNATION**

Chairperson  
 Member  
 Member

**CHIEF FINANCIAL OFFICER**

Shri Vivekanand Narayan Prabhu  
 (till 30.06.2022)

**COMPANY SECRETARY**

Shri Subodhakanta Sahoo

**BANKERS**

Canara Bank,  
 Balanagar Branch,  
 Hyderabad-500 042

**AUDITORS****STATUTORY AUDITOR**

M/s. VDNR & Associates  
Chartered Accountants,  
201, Dwarka Avenue, Dwarkapuri Colony,  
Punjagutta, Hyderabad – 500 082.

**SECRETARIAL AUDITOR**

Mrs. Rakhi Agarwal  
6-3-660, Flat 520, Block 4, Amrit Appartment,  
Kapadia Lane, Somajiguda,  
Hyderabad – 500 082.

**INTERNAL AUDITORS**

M/s. Vasanth Pai & Co.,  
Chartered Accountants  
410, Maheshwari Chambers,  
Beside Medinova, Somajiguda,  
Hyderabad- 500 082.

**REGISTRAR & TRANSFER AGENT**

CIL SECURITIES LIMITED  
214, Raghavaratna, Towers,  
Chiragali Lane, Abids Hyderabad, 500 001  
Phone # +91-040-6901 1111  
Email : rta@cilsecurities.com  
Website : www.cilsecurities.com

**FACTORY**

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

**REGISTERED OFFICE:****LOTUS CHOCOLATE COMPANY LIMITED**

CIN NO:L15200TG1988PLC009111  
# 8-2-596, 1<sup>st</sup> Floor, 1B,  
Sumedha Estates, Avenue - 4,  
Puzzalona Towers, St.No.1. Rd. No.10,  
Banjara Hills, Hyderabad-500 034.

Contact No : 97038 99902 / 95533 45552

Email : complaints@lotuschocolate.com  
Website : www.lotuschocolate.com

**NOTICE OF 33<sup>rd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of Lotus Chocolate Company Limited will be held on Friday the 30<sup>th</sup> September, 2022 at 09:00 A.M., through video conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility to transact the following businesses.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2022 and the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2022 along with the Auditors' Report, Board's Report & Corporate Governance Report thereon.
2. To appoint a Director in place of Shri. Gangasani Sudhakar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), M/s. VDNR & Associates, Chartered Accountants (Firm Regn No: 0112515) be and is hereby re-appointed as the Statutory Auditors of the Company to hold the office for the term of five years beginning from the conclusion of the ensuing Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2027-2028 on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company.

**FURTHER RESOLVED THAT** any director of the Company be and is hereby authorized to do all such acts, things and deeds as may be deemed necessary to give effect to the above stated resolutions."

**SPECIAL BUSINESS:**

4. **Regularization of Mr. Admala Surya Prakash Reddy as director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Admala Surya Prakash Reddy (DIN: 07567290), who was appointed as an Additional Director with effect from 05<sup>th</sup> August, 2022, be and is hereby appointed as a Director of the company liable to retire by rotation."

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

Sd/-  
**Gangasani Sudhakar Reddy**  
Director  
DIN: 07261620

Sd/-  
**Ram Subramanya Ganpath**  
Whole Time Director  
DIN: 02395478

Place : Hyderabad  
Date : 06.09.2022

**NOTES:**

1. **In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") /other Audio-Visual Means ("OAVM"), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("ACT"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 33<sup>rd</sup> AGM of the Company is being held through VC/OAVM.**
2. Pursuant to the provisions of the Act, generally a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and

vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.lotuschocolate.com](http://www.lotuschocolate.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CIL Securities Limited, at <https://www.cilsecurities.com>.
4. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA.

In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- PAN;
- Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- Bank Account details including Bank name and branch, Bank account number, IFS code;
- Specimen signature.

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details shall be provided to Company at [rta@cilsecurities.com](mailto:rta@cilsecurities.com) and send the documents at the address of registered office of the company.

The shareholders can download the forms mentioned in SEBI circular from the website of the Company at [www.cilsecurities.com](http://www.cilsecurities.com).

5. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and as per the requirements of SEBI Listing Regulations, the Company is providing the facility to its Members holding shares in physical or dematerialised form as on the cut-off date, i.e. 23 September 2022, to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of AGM.
6. For receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a scan copy of share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card / Passport / Driving Licence / Election Identity Card to [cs@lotuschocolate.com](mailto:cs@lotuschocolate.com) for registering email address.
  - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2022 to 30.09.2022 (both days inclusive) for the purpose of annual closure.
10. The Company has appointed M/s CIL Securities Limited, Registrar and Transfer Agents, to provide Video Conferencing facility for the

- Annual General Meeting and the attendant enablers for conducting of the AGM.
11. Pursuant to the provisions of the circulars of MCA on the VC/OVAM, Members can attend the AGM through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
  12. The members holding shares in identical order of names in more than one folio are requested to write to the Company/RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
  13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Registrar & Share Transfer Agent – CIL Securities Limited.
  14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  15. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
  16. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in dematerialized form and with the Company in case the shares are held by them in physical form.
  17. As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
  18. Voting through electronic means  
CDSL e-Voting System – For Remote e-voting and e-voting during AGM
    - i) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
    - ii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
    - iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
    - iv) The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come

first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- v) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- vi) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- vii) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.lotuschocolate.com](http://www.lotuschocolate.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- viii) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

- (i) The voting period begins on Tuesday, September 27, 2022 at 9.00 a.m. and ends on Thursday, September 29, 2022 at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) of September 23, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "LOTUS CHOCOLATE COMPANY LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Bank Details#	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Lotus Chocolate Company Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  - iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

- i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@lotuschocolate.com](mailto:cs@lotuschocolate.com).
  - ii) For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@lotuschocolate.com](mailto:cs@lotuschocolate.com).
  - iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
- v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@lotuschocolate.com](mailto:cs@lotuschocolate.com).
  - vi) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@lotuschocolate.com](mailto:cs@lotuschocolate.com). These queries will be replied to by the company suitably by email.
  - vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

- i) **Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.**

**Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials.**

**The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.**

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

be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

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

The Statutory Registers and documents in accordance with the Companies Act, 2013 will be available for inspection in electronic mode. The result of the voting shall be displayed on the Notice Board of the Company at its Registered Office and Corporate Office.

The result along with the Scrutiniser's Report shall also be placed on the website of the Company [www.lotuschocolate.com](http://www.lotuschocolate.com) and of CDSL. Members may also write to the Company Secretary in case of grievances connected with voting by electronic means at the mail id: [cs@lotuschocolate.com](mailto:cs@lotuschocolate.com).

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:**

##### **Item No. 3: To re-appoint M/s. VDNR & Associates, Chartered Accountants (Firm Regn No: 011251S) as Statutory Auditors of the Company:**

M/s. VDNR & Associates, Chartered Accountants (Firm Regn No: 011251S) were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting ('AGM') held on 30.09.2022 for a period of 5 years, up to the conclusion of ensuing 38th AGM. Accordingly, M/s. VDNR & Associates, Chartered Accountants will complete their first term of five consecutive years as the statutory auditors of the Company at the conclusion of 33rd AGM of the Company.

Pursuant to Section 139(2) of the Companies Act, 2013, M/s. VDNR & Associates, Chartered Accountants are eligible for re-appointment for a further period of 5

years. M/s. VDNR & Associates, Chartered Accountants have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. VDNR & Associates, Chartered Accountants have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. VDNR & Associates, Chartered Accountants, having registration No. 011251S, as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 33rd AGM till the conclusion of the 38th AGM of the Company.

The Board of Directors has approved a remuneration of Rs. 2,50,000/- per annum for conducting the audit for the financial year 2021-22, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

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

##### **Item No. 4: To appoint Shri Admala Surya Prakash Reddy (DIN: 07567290) as a Director liable to retire by rotation:**

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of

Association of the Company, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 05th August 2022 has appointed Shri Admala Surya Prakash Reddy (DIN: 07567290) as an Additional Director of the Company.

Further, the Nomination and Remuneration Committee recommended the Board to place a proposal before the upcoming Annual General Meeting to appoint him as a Director, liable to retire by rotation, of the company.

Pursuant to Section 161(1) of the Act, Shri Admala Surya Prakash Reddy holds office up to the date of this meeting.

Shri Admala Surya Prakash Reddy is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director.

Details of Shri Admala Surya Prakash Reddy are provided in the "Annexure" to the Notice, pursuant to the provisions of:

- (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Except Shri Admala Surya Prakash Reddy, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. The Board of Directors recommend passing of the resolution set out in Item No. 4 of this Notice.

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

Sd/-  
**Gangasani Sudhakar Reddy**  
Director  
DIN: 07261620

Sd/-  
**Ram Subramanya Ganpath**  
Whole Time Director  
DIN: 02395478

Place: Hyderabad  
Date: 06.09.2022

**ANNEXURE TO THE NOTICE DATED 06TH SEPTEMBER 2022****Details of Directors Retiring by Rotation and seeking appointment at the Annual General Meeting:****1.**

Name of Director	Mr. Admala Surya Prakash Reddy
Date of Birth	04.08.1952
Date of Appointment	05.08.2022
Qualification	B.Sc (Ag) degree from the College of Agriculture, Nagpur/ Punjabrao Krishi Vidya Peeth, Akola
Relationship between Directors inter-se	Nil
Expertise in specific functional areas	Industrial experience of more than 30 years in the fields of Agro based Industry
List of Other Companies in which Directorship is held as on 31st March, 2022	Nil
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2022	Nil
No. of shares held in the Company	746

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

Sd/-  
**Gangasani Sudhakar Reddy**  
Director  
DIN: 07261620

Sd/-  
**Ram Subramanya Ganpath**  
Whole Time Director  
DIN: 02395478

Place: Hyderabad  
Date: 06.09.2022

**REGISTERED OFFICE**

#8-2-596, 1ST Floor, 1B, Sumedha Estate,  
Avenue-4, Puzzolana Towers,  
St.No.1, Road No.10, Banjara Hills,  
Hyderabad-500034 (TG)

**BOARD'S REPORT**

Dear Member(s),

Your Directors have pleasure in presenting the 33rd Annual Report of your Company and the Audited Financial statements for the Financial Year ended on 31st March, 2022 together with Auditors' Report thereon.

**FINANCIAL RESULTS:**

The performance of the Company during the year has been as under:

<b>Particulars</b>	<b>Year ended on 31.03.2022 (In Rupees)</b>	<b>Year ended on 31.03.2021 (In Rupees)</b>
Revenue from Operations	86,97,35,646	47,87,07,097
Other Income	20,30,015	10,78,735
<b>Less:</b> Expenses	81,16,47,416	46,29,98,195
<b>Profit/(Loss) before Taxation</b>	<b>6,01,18,244</b>	<b>1,67,87,638</b>
<b>Less:</b> Tax Expense		
Current Tax	36,042	(9,20,754)
Deferred Tax		
<b>Profit/Loss after Tax</b>	<b>6,00,82,202</b>	<b>1,77,08,392</b>
Other comprehensive Income	-	-
Gain/loss on Foreign Exchange	-	-
Balance Profit/(Loss) C/F to the Next Year	<b>6,00,82,202</b>	<b>1,77,08,392</b>

During the year under review your company has achieved the total turnover of Rs.86,97,35,646/- as compared to Turnover of Rs. 47,87,07,097/- during the last financial year i.e. around 82% increase in turnover as against last Financial Year, registering a total profit of Rs.6,00,82,202/- as compared to the profit amounting to Rs. 1,77,08,392/- in previous year.

**TRANSFER TO RESERVES:**

The profit registered in the Financial Year 2021-22, amounting to Rs.6,00,82,202/- has been transferred to General Reserve.

**FIXED DEPOSITS:**

The Company has not accepted or invited any Deposits and consequently no deposit has matured / become due for re-payment as on 31st March 2022.

**DIRECTORS:**

Mr. Admala Surya Prakash Reddy has been appointed as Additional Director of the Company w.e.f. 05.08.2022.

In accordance with the provisions of the Companies Act 2013 Shri Gangasani Sudhakar Reddy (DIN: 07261620) retires by rotation and being eligible offers himself for re-appointment.

**KEY MANAGERIAL PERSONNELS (KMPs):**

Shri Vivekanand Narayan Prabhu ceased to be Chief Financial Officer of the company due to his personal reason with effect from 30.06.2022. The Company is in the process of looking a suitable candidate for the position of Chief Financial Officer.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the KMP's of the Company as on date are:

1. Mr. Ram Subramanya Ganpath, Whole time Director
2. Mr. Subodhakanta Sahoo, Company Secretary

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out performance evaluation taking into consideration of various aspects of the Board's functioning, composition of Board, and its Committees, execution, and performance of specific duties, obligations and governance. The Performance evaluation of Independent Directors was completed. The Performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with evaluation process.

### DIVIDEND:

The Board of Directors of your company have not recommended any dividend for the financial year 2021-22.

### SECRETARIAL STANDARDS:

The Directors and senior management state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

### REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. An extract from the Remuneration Policy is stated in the Corporate Governance Report.

### MEETINGS

During the financial year 6 (Six) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## SHARE CAPITAL

The paid-up Equity Share Capital of the Company stood at Rs.12,84,10,490 Crore consisting of 1,28,41,049 Equity Shares of Rs.10/- each as at March 31, 2022.

On 19th July, 2019 Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench, approved the Petition filed by the company and passed the order to issue and allot fresh 73,96,600-10% Redeemable Cumulative Preference Shares of Rs. 10/- each, for a redemption period of 10 Years in lieu of old 10% Redeemable Cumulative Preference Shares due for redemption on 10.08.2018, on the same term as per earlier issue.

### RELATED PARTY TRANSACTIONS

During the year under review, your Company has entered into transactions with related parties, the details of said transactions are provided in Notes to the Audited Accounts for the year 2021-22 as appended to this report.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no such transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee and also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

The particulars of contracts and arrangements with related parties for the year 2021-22, in Form AOC-2 is annexed as "Annexure-I" to this Report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.



## STATUTORY AUDITORS

M/s. VDNR & Associates, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of Companies Act, 2013. Accordingly the said Auditors are re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting till the conclusion of 38th Annual General Meeting to be held in the year 2027 (subject to ratification of their appointment by the members at every AGM held after this AGM).

## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Rakhi Agarwal, Company Secretary in Whole Time Practice to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report in form MR-3, is annexed to this report as "Annexure-II".

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

## INTERNAL AUDITORS

M/s. Vasanth Pai & Co., Chartered Accountants, Hyderabad performs the duties of internal auditors of the Company and their report is reviewed by the Audit Committee from time to time.

## ISO 9001:22000 CERTIFICATION

Your Company continues to hold ISO 9001:2008 Certification by meeting all the requirements of Certification from time to time.

## FSSC CERTIFICATION

Your company's manufacturing factory located at Nastipur Village, Hathnoora Mandal, Sangareddy District, has been certified to the version of FSSC 22000:2010 (Food Safety Standard Certification by TUV NORD). This Certification indicates our commitment in a sustainable manner, in meeting global quality, environment, health and safety standards. This is a milestone in our quest for quality.

## HALAL CERTIFICATION: HIW22490213

During the year under review your company is certified as Halal Certified Company, after meeting with all the audits and/or Standards as required under

the Halal Certification process and Shariah (Islamic) Board Guidelines, it indicates that the Manufacturing process of the products of our company contains permitted ingredients, therefore is lawful for Muslim consumption as well.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR) Regulations, 2015 with the stock exchanges, is presented in a separate section forming part of the Annual Report.

## CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Regulation 27(2) of the SEBI Listing Regulations, 2015 with the Stock Exchanges.

A separate report on Corporate Governance practices followed by the Company together with a Certificate from the Auditors confirming compliances forms an integral part of this Report.

## EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at [www.lotuschocolate.com](http://www.lotuschocolate.com).

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

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

The Board of your company has laid down internal financial controls to be followed by the company



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

### **RISK MANAGEMENT**

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

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

### **HUMAN RESOURCES**

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as

well as technical/ functional capabilities in order to meet future talent requirement.

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any policy on Corporate Social Responsibility initiatives as the provisions of section 135 of Companies Act, 2013 are not applicable.

### **AUDIT COMMITTEE:**

The Audit Committee consists of Shri Bharathan Rajagopalan Thatai (Independent Director) as Chairman, Shri Venkatapathi Raju Gottemukkala (Independent Director), Shri Usha Abbagani (Non Executive Director), as members. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors and compliance of various Regulations. The Committee also reviews the financial statements before they are placed before the Board.

The recommendations made by the Audit Committee to the Board, from time to time during the year under review, have been accepted by the Board. Other details with respect to the Audit Committee such as its terms of reference, the meetings of the Audit Committee and attendance thereof of the members of the Committee, are separately provided in this Annual Report, as a part of the Report on Corporate Governance.

### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND/ OR THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There was no a qualification, reservations or adverse remarks made by the Auditors in their report.

### **PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following

statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year under review;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2022 on a 'going concern' basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) That devised proper systems to ensure compliance with the provisions of all applicable laws in place and were adequate and operating effectively.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the Financial Year 2021-22, the Company received no complaints on sexual harassment.

#### **CERTIFICATE BY PRACTICING COMPANY SECRETARY**

The Company has received certificate from Mrs. Rakhi Agarwal, Practising Company Secretaries, confirming that none of the Directors of the Company have

been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate of Affairs or any such authority. The said Certificate is annexed to this report.

#### **DECLARATION AS REQUIRED UNDER REGULATION 34(3) AND SCHEDULE V OF THE LISTING REGULATIONS**

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Business Conduct for the financial year ended 31st March, 2022.

#### **COMPLIANCE WITH MANDATORY REQUIREMENTS**

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations, 2015 and the applicable amendments thereof. Your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, 2015.

#### **PARTICULARS OF EMPLOYEES**

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

#### **PARTICULARS OF REMUNERATION**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as follows:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; celling

<b>Name of the Director</b>	<b>Ratio to Median Remuneration</b>
Shri Subramanya Ram Ganpath, (WTD)	2.31

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% increase in remuneration
Shri Subramanya Ram Ganpath, (WTD)	NIL
Shri Subodhakanta Sahoo(CS)	8.84%
Shri Vivekanand Narayan Prabhu(CFO)	NIL

- (iii) The percentage increase in the median remuneration of employees in the financial year is 12%.
- (iv) The number of permanent employees on the rolls of company is 60.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There were no average increase in salaries of employees.

Percentage increase in the managerial remuneration for the year is - Nil

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company - Yes.

#### CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

#### ACKNOWLEDGEMENTS:

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

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

Sd/-  
**Gangasani Sudhakar Reddy**  
Director  
DIN: 07261620

Sd/-  
**Ram Subramanya Ganpath**  
Whole Time Director  
DIN: 02395478

Place: Hyderabad  
Date: 06.09.2022

Annexures to Board's Report	
Annexure No.	Content
I.	Form AOC-2- Particulars of contracts and arrangements with related parties
II.	Form MR-3 – Secretarial Audit report
III.	Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
IV.	Report on Corporate Governance

**ANNEXURE-I****FORM NO. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

No transactions.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any:	Date(s) of approval by the Board, If any:	Amount paid as advances, if any:
1	Soubhagya Confectionery (P) Ltd.	Sales of Goods	Yearly basis	Purchase/sales	29.06.2021	NIL
		Purchase of Goods	Yearly basis			

**For and on behalf of the Board**  
**For LOTUS CHOCOLATE COMPANY LIMITED**

Sd/-  
**Gangasani Sudhakar Reddy**  
Director  
DIN: 07261620

Sd/-  
**Ram Subramanya Ganpath**  
Whole Time Director  
DIN: 02395478

Place : Hyderabad  
Date : 06.09.2022

**ANNEXURE-II**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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

To,  
The Members,  
**LOTUS CHOCOLATE COMPANY LIMITED.**

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

Based on my verification on the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and other authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 ("Audit Period") according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there-under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) The Listing Agreements entered into by the Company with Stock Exchange(s),
- vii) I have also examined compliance with the applicable clauses of the following:
  - (a) The Listing Agreement entered into by the Company with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (b) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company.

I, further report that:

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

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

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of Register of Members;
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
- d. service of documents by the Company on its Members, Debenture holders, Stock Exchanges, Auditors and the Registrar of Companies;
- e. notice of Board and various Committee meetings of Directors;
- f. meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g. notice and convening of Annual General Meeting held on 18.09.2021.
- h. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
- j. constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors and Executive Directors;
- k. payment of remuneration to Directors, Managing Director and Executive Directors;
- l. appointment and remuneration of Statutory Auditors and Cost Auditors;
- m. transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- n. borrowings and registration of charges;
- o. report of the Board of Directors;
- p. generally, all other applicable provisions of the Act and the Rules thereunder.

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

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

- (a) Customs Act, 1962 and the rules made thereunder as applicable;
- (b) Central Excise Act, 1944 and the rules made thereunder as applicable.

- (c) Rule 3(4) A.P. Shops and Establishment Rule, 1990.
- (d) Labour Act, 1970 or Labour Act, 2015 and rule made thereunder applicable
- (e) A.P. Tax on Professional, Trades Calling and Employment, 1987 and the rules made thereunder as applicable.
- (f) Employees Provident Fund Scheme, 1952 and the rules made thereunder as applicable.
- (g) Employee Pension Scheme, 1995 and the rules made thereunder as applicable.
- (h) Employees Deposit Linked Insurance Scheme, 1976 and the rules made thereunder as applicable.
- (i) Industrial Dispute Act, 1947 and the rules made thereunder as applicable.
- (j) Factories Act, 1948 and its other related acts, and the rules made thereunder as applicable.
- (k) Payment of Gratuity Act, 1972 and the rules made thereunder as applicable.
- (l) Food Safety and Standards Act, 2006, rules and regulations thereunder.
- (m) Legal Metrology Act, 2009 rules and regulations thereunder
- (n) Bureau of Indian Standards (BIS) Act, 1986.

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

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



Place: Hyderabad  
Date: 26.04.2022

Sd/-  
RAKHI AGARWAL  
COMPANY SECRETARY  
FCS NO.7047  
CP NO.6270  
UDIN: F007047D000205619

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

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

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

Place: Hyderabad  
Date: 26.04.2022

Sd/-  
RAKHI AGARWAL  
COMPANY SECRETARY  
FCS NO.7047  
CP NO.6270  
UDIN: F007047D000205619



**ANNEXURE-III**

**PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY,  
TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

*(Information Under Section 134(3)(m) of The Companies Act, 2013, Read with  
Rules 8(3) of the Companies (Accounts) Rules, 2014)*

**FORM- A****1. CONSERVATION OF ENERGY:**

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

The total energy consumption & energy consumption per unit of production is as follows-

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A.</b>	<b>Power &amp; fuel consumption in respect of</b>		
1.	Electricity		
	a. Purchased :		
	Units (Kwh)	16,15,400	12,97,480
	Total (₹.)	11508530	10126831
	Rate per unit (₹.)	7.12	7.80
	b. Own Generation :		
	Through Diesel Generator		
	Units (Kwh)	39220	72570
	Units per Liter of Diesel Oil	1.40	4.12
	Cost per Unit (₹.)	68.0	19.19
2.	Furnace Oil/LSHS/LDO/HSD		
	Qty (Lts)		
	Total Amount (₹.)		
	Average (₹./Ltr)		
3.	Wood/Coal		
	Qty (Kgs.)	488540	488540
	Total Amount (₹.)	3419780	3419780
	Average (₹./Kgs.)	7.00	7.00
<b>B.</b>	<b>Consumption per unit of production</b>		
	Cocoa & Chocolate products (tonnes)		
	i. Electricity (KWH/Tonnes)		
	- Cocoa	311	311
	- Chocolate	865	865
	ii. Furnace Oil/LSHS/LDO		
	HSD (KL/Tonne)		
	- Cocoa		NIL
	- Chocolate		NIL
	iii. Wood/coal (KG/MT)		
	- Cocoa	156	156
	- Chocolate	162	162

**2. TECHNOLOGY ABSORPTION:** Efforts made in technology absorption as per Form-B**FORM- B**

(Disclosure of particulars with respect to Technology Absorption)

**A. Research and Development (R & D) :**

Specific areas in which R & D is carried out by the Company	Tailor made recipes
Benefits derived as a result of the above R & D	Retaining the esteemed customers within its fold and increased capacity
Expenditure on R & D	NIL

**B. Technology absorption, adaptation and innovation: NIL****3. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year the total Foreign Exchange is Rs. 11.54 Crores only.

**For and on behalf of the Board****For LOTUS CHOCOLATE COMPANY LIMITED**

Sd/-

**Gangasani Sudhakar Reddy**

Director

DIN: 07261620

Place : Hyderabad

Date : 06.09.2022

Sd/-

**Ram Subramanya Ganpath**

Whole Time Director

DIN: 02395478



**ANNEXURE-IV****REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Lotus Chocolate Company Limited to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

**2. BOARD OF DIRECTORS:****a) Composition and Category of Directors:**

In terms of compliance with the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015, the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As on 31st March, 2022, the Board consist of the following:

- 2 (Two) Non-executive Independent Directors;
- 1 (One) Whole Time Director;
- 1(One) Non-Executive Director;
- 1(One) Women Director.

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2022 has been set out here below:

Sl. No.	Name of the Director	Category	Board Meetings attended	Attendance at last AGM on 18.09.2021
1	Shri Subramanya Ram Ganpath	Whole time director	6	Yes
2	Shri Gottemukkala Venkatapathi Raju	Independent Director	6	Yes
3	Shri Bharathan Rajagopalan Thatai	Independent Director	6	Yes
4	Shri Gangasani Sudhakar Reddy	Director	6	Yes
5	Smt Usha Abbagani	Women Director	6	Yes

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

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Shri Subramanya Ram Ganpath	0	2	0
2	Shri Gottemukkala Venkatapathi Raju	0	3	1
3	Shri Bharathan Rajagopalan Thatai	1	2	1
4	Shri Gangasani Sudhakar Reddy	1	1	1
5	Smt Usha Abbagani	1	4	1

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

In terms of compliance with the requirement of SEBI (LODR) Regulations, 2015, 6 (Six) Board Meetings were held during the financial year ended 31.03.2022. The maximum gap between any two Board Meetings was not more than 120 days at any time.

The dates on which the Board meetings were duly convened and held are 29.06.2021, 06.08.2021, 25.08.2021, 08.11.2021, 21.01.2022 and 23.03.2022.

**e) Disclosure of relationships between Director inter-se:**

None of the Directors are related to each other.

**f) Shares held by Non-Executive Directors:**

The number of equity shares held by Non-Executive Directors, as on 31.03.2022 are as follows:

Sl.No.	Name of the Director	No of Equity Shares
1	Shri Gottemukkala Venkatapathi Raju	120000
2	Shri Bharathan Rajgopalan Thatai	-
3	Shri Gangasani Sudhakar Reddy	1545
4	Smt Usha Abbagani	-

**g) Familiarisation programmes imparted to independent directors:**

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. During the year 2021-22, Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. Independent Directors have been taken through various aspects of Business and operations. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization program is available on the website: [lotuschocolate.com/pdf/corporate governance/policies/Familiarisation-Programme-for-ID.pdf](https://www.lotuschocolate.com/pdf/corporate%20governance/policies/Familiarisation-Programme-for-ID.pdf)

**h) The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:**

- Knowledge - understand the Company's business, policies, and culture (including its mission, vision, Values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
- Behavioural Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders.
- Strategic thinking and decision making
- Financial Skills
- Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the Business.

**i) Confirmation from the Board:**

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

**BOARD COMMITTEES :**

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

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

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

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by Management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
6. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit fees.
8. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
9. The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (3C) of Section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by Management
  - iv. Significant adjustments made in the financial statements arising out of Audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft Audit Report.
10. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
11. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with Internal Auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

15. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.
16. To review the functioning of the Whistle Blower Mechanism.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

**(i) Composition:**

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

Sl.No	Name of Director	Designation
1	Shri Bharathan Rajagopalan Thatai	Chairperson
2	Shri Gottemukkala Venkatapathi Raju	Member
3	Smt Usha Abbagani	Member

The Company continued to derive immense benefit from the deliberation of the Audit

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

**(iii) Meeting and attendance during the year:**

In terms of compliance with the requirement of Regulation 18 of SEBI (LODR) Regulations, 2015 the Audit Committee met Four (4) times during the financial year as follows:

S. No	Date	Committee Strength	No. Of Members Present
1	29.06.2021	3	3
2	06.08.2021	3	3
3	08.11.2021	3	3
4	21.01.2022	3	3

**No. Of Meetings Attended:**

Sl. No	Name of Director	No. of Meetings Attended
1	Shri Bharathan Rajagopalan Thatai	4
2	Shri Gottemukkala Venkatapathi Raju	4
3	Smt Usha Abbagani	4

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

**4. NOMINATION & REMUNERATION COMMITTEE:**

**(i) Brief description:**

The Nomination and Remuneration Committee of the Board identifies persons qualified to become Directors and formulates criteria for evaluation of the Directors and the Board. The Committee's role

also includes recommending to the Board the appointment, remuneration and removal of Directors and managers one level below Director.

**(ii) Composition:**

The Nomination & Remuneration Committee presently comprises of following:

Sl.No	Name of Director	Designation
1.	Shri Gottemukkala Venkatapathi Raju	Chairperson
2.	Shri Bharathan Rajagopalan Thatai	Member
3.	Smt Usha Abbagani	Member

**(iii) Attendance during the year:**

During the financial year ended on 31st March, 2022, 01 meeting of the Nomination & Remuneration Committee were held, as follows:

S. No	Date	Committee Strength	No. Of Members Present
1.	21.01.2022	3	3

**No. Of Meetings Attended:**

Sl. No	Name of Director	No. Of Meetings Attended
1.	Shri Gottemukkala Venkatapathi Raju	1
2.	Shri Bharathan Rajagopalan Thatai	1
3.	Smt Usha Abbagani	1

**REMUNERATION POLICY:**

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

**a) Remuneration to Executive Director and KMP:**

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

**b) Remuneration to Non-Executive Directors:**

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

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

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

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

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

**(iii) Details of Remuneration to Executive Directors:**

<b>Name of Director</b>	<b>Salary</b>	<b>H R A</b>	<b>Commission</b>	<b>Perks</b>	<b>Total</b>
Shri Subramanya Ram Ganpath, WTD	7,45,800	--	--	--	7,45,800
<b>TOTAL</b>	<b>7,45,800</b>	--	--	--	<b>7,45,800</b>

**FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:**

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

**CODE OF CONDUCT:**

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

**INDEPENDENT DIRECTORS' MEETING:**

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board, in accordance with the listing regulation, 2015.

**PERFORMANCE EVALUATION:**

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

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

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

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

**(ii) Composition:**

<b>Sl.No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Smt Usha Abbagani	Chairman
2.	Shri Gottemukkala Venkatapathi Raju	Member
3.	Shri Subramanya Ram Ganpath	Member



**(iii) Name and Designation of the Compliance Officer**

Mr. Subodhakanta Sahoo - Company Secretary

**(iv) Status of Investor Complaints for the Financial Year**

Nature of Complaint	Received	Resolved
Non-receipt of Share Certificates sent for transfer	Nil	Nil
Non-receipt of Dividend Warrants	Nil	Nil
Any other complaints (Change of address)	Nil	Nil
<b>There are no outstanding complaints as on 31.03.2022</b>		

**6. RISK MANAGEMENT COMMITTEE:**

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

**Composition:**

The Risk Management Committee presently comprises of following:

Sl.No.	Name of Director	Designation
1.	Shri. Gangasani Sudhakar Reddy	Chairperson
2.	Smt Usha Abbagani	Member
3.	Shri Subramanya Ram Ganpath	Member

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

Year	Locations	Date	Time
2020-2021	through video conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility	18th September, 2021	09.00 A.M.
2019-2020	through video conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility	30th November, 2020	09.00 A.M.
2018-2019	Lions Bhavan, Near Paradise Circle, Secunderabad.	30th September, 2019	10.00 A.M.

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

**2020-21:** In the AGM held on 18th September, 2021 the company has passed no Special resolutions.

**2019-20:** In the AGM held on 30th November, 2020 the company has passed no Special resolutions.

**2018-19:** In the AGM held on 30th September, 2019 the company has passed 01 Special resolutions.

**ii) Postal Ballot passed in last year i.e., 2021-22:**

During the year 2021-22 no resolutions has passed through Postal Ballot as per the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

**9. DISCLOSURES:**

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

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

- (ii) **Details of non-compliance by the company, penalties, and structures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None.**

- (iii) **Whistle Blower policy:**

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

- (iv) **Non Mandatory Requirements:**

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

**10. CEO/ CFO CERTIFICATION:-**

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

**11. MEANS OF COMMUNICATION:**

- i. **Financial / Quarterly Results:**

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

- ii. **Newspapers Publication**

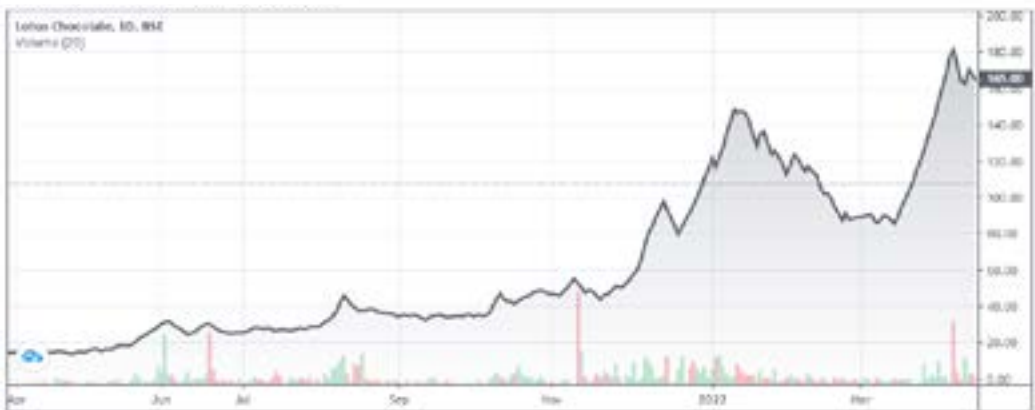
The official news releases are published in Financial Express (English) and Nav Telangana (Telugu). Detailed presentations made to institutional investors, financial analyst, etc. are displayed on the Company's website [www.lotuschocolate.com](http://www.lotuschocolate.com).

- iii. **Website:**

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

**12. MARKET PERFORMANCE COMPARISON:**

The graph of price fluctuation during the Financial Year 2021-22 is outlined below:

**Annexures to the Corporate Governance Report**

Annexure No.	Content
I.	Declaration for Compliance of Code of Conduct by Board.
II.	CEO/ CFO Certification

**ANNEXURE-I****DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT BY BOARD**

To,  
**The Board of Directors**  
**Lotus Chocolate Company Limited**  
**Hyderabad-500 034**

Dear Sir,

**Sub: Affirmation of compliance with the Code of Conduct for Board and Senior Management.**

I, Subramanya Ram Ganpath, Whole time Director of Lotus Chocolate Company Limited, do hereby confirm that the company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct in accordance with Regulation 17(5)(a) & (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the Financial Year 2021-22.

Place: Hyderabad  
 Date: 06.09.2022

Sd/-  
 Subramanya Ram Ganpath  
 Whole time Director  
 DIN: 02395478

**ANNEXURE- II****CEO/ CFO CERTIFICATION**

**To,**  
**The Board of Directors**  
**Lotus Chocolate Company Limited**  
Hyderabad-500 034

**Dear Members of the Board,**

I, Ram Subramanya Ganpath, Wholtime Director of Lotus Chocolate Company limited, to the best of my knowledge and belief, certify that::

1. I have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have :
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. I have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board:
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year have been disclosed in the notes to the financial statements.

- d. Any instances of significant fraud of which I am aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. I affirm that we have not denied any personnel access to the audit committee of the Company.
8. I further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Place:- Hyderabad

Date:- 06.09.2022

Sd/-

Ram Subramanya Ganpath

Wholetime Director

DIN: 02395478

**Certificate under Schedule-V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015**

To

The Members,

Lotus Chocolate Company Limited,

Hyderabad.

I, Rakhi Agarwal, Practicing Company Secretary, have examined the Company and Registrar of Companies records, books and papers of Lotus Chocolate Company Limited (CIN: L15200TG1988PLC009111) having its Registered Office at 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4 IVRCL Towers, Street No.1, Rd.10, Banjara Hills, Hyderabad- 500034 IN (TG) (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2022.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company and its officers, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2022:

Sl. No.	Name of Director	Designation	DIN No
1	Shri. Ram Subramanya Ganpath	Whole Time Director	02395478
2	Smt. Usha Abbagani	Women Director	09056155
3	Shri. Venkatapathi Raju Gottemukkala	Non-Executive Independent Director	02435073
4	Shri. Bharathan Rajagopalan Thatai	Non-Executive Independent Director	02464132
5	Shri. Gangasani Sudhakar Reddy	Non-Executive Non Independent Director	07261620

**For RAKHI AGARWAL**  
COMPANY SECRETARY

Place: Hyderabad

Date: 24.08.2022

Sd/-

**RAKHI AGARWAL**  
**PROPRIETOR**

FCS NO.:- 7047

UDIN: F007047D000838251

**CERTIFICATE ON COMPLIANCE WITH THE PROVISIONS  
OF CORPORATE GOVERNANCE**

I have examined the compliance of conditions of corporate governance, by LOTUS CHOCOLATE COMPANY LIMITED, for the year ended 31.03.2022 as stipulated in Regulation 27(2) of (Listing Obligations & Disclosure Requirements) of the said Company with stock exchange.

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

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

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

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

**For RAKHI AGARWAL**  
COMPANY SECRETARY

Place: Hyderabad  
Date: 24.08.2022



Sd/-  
**RAKHI AGARWAL**  
**PROPRIETOR**  
FCS NO.:- 7047  
CP NO.:- 6270  
UDIN: F007047D000838295

**13. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	Date	: 30th September, 2022
	Time	: 09:00 A.M.
	Through video conferencing ("VC")/ Other Audio Visual Means ("OAVM")	
<b>Financial Calendar</b>	1st April 2021 to 31st March 2022	
<b>Date of Book Closure</b>	24th September, 2022 - 30th September, 2022	
<b>Cut-off date for remote e-voting</b>	The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Friday, 23rd September, 2022.	
<b>Listing on Stock Exchanges</b>	BSE Ltd	
<b>Stock Code</b>	523475	
<b>ISIN Number for NSDL &amp; CDSL</b>	INE027D01011	

**i. Registrar and Transfer Agents**

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

**CIL SECURITIES LIMITED**

214, Raghava Ratna Tower, Chirag Ali Lane,  
Hyderabad, Telangana 500001  
Phone # +91-040-6901 1111  
rta@cilsecurities.com  
www.cilsecurities.com

**ii. Share Transfer System**

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

However as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

**iii. Reconciliation of share Capital Audit:**

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

**iv. Shareholding Pattern as on 31st March, 2022**

Category	No. of Shares	% of Shareholding
Promoters	92,54,020	72.07

Public	35,87,029	27.93
Total	1,28,41,049	100.00

## v. The Distribution of Shareholding as on 31st March, 2022:

Category (No. of Shares) From - To	No. of Share-holders	%	No. of Shares	%
0-500	10403	94.14	1184598	9.23
501-1000	343	3.10	285569	2.22
1001-2000	130	1.18	197764	1.54
2001-3000	64	0.58	160973	1.25
3001-4000	22	0.20	78509	0.61
4001-5000	17	0.15	81653	0.64
5001-10000	38	0.34	269784	2.10
10001-12841049	33	0.30	10582199	82.41
<b>Total</b>	<b>11050</b>	<b>100.00</b>	<b>12841049</b>	<b>100.00</b>

## vi. Dematerialisation of Shares &amp; Liquidity

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

## vii. Plant Locations:

Doulatabad, Hathnoora Mandal, Sangareddy District- 502296 (TG)

## viii. Address for correspondence

Sl.No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation/Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<b>CIL SECURITIES LIMITED</b> 214, Raghava Ratna Tower, Chirag Ali Lane, Hyderabad, Telangana 500001 Phone # +91-040-6901 1111 Email ID: rta@cilsecurities.com Website: www.cilsecurities.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend, Warrants, Sub-Division, etc.	<b>Mr. Subodhakanta Sahoo</b> <b>Company Secretary and Compliance Officer</b> 8-2-596, 1 <sup>st</sup> Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No. 1, Road No. 10, Banjara hills, Hyderabad Telangana – 500034 E-mail: cs@lotuschocolate.com Website: www.lotuschocolate.com Contact No. : 95533 45552

## 14. Depository Services:

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



<b>National Securities Depository Ltd</b>	<b>Central Depository Services (India) Ltd</b>
Trade World, 4 <sup>th</sup> Floor,	A-Wing, 25 <sup>th</sup> floor, Marathon Futurex, Mafatlal Mill Compounds,
Kamala Mills Compound,	NM Joshi Marg, Lower Parel,
Lower Parel, Mumbai – 400 013	Mumbai- 400 013 (MH)
Tel : 091-022-24972964-70	Tel : 022-23023333
Fax : 091-022-24972993 / 24976351	Fax: 022-23002043
Email :info@nsdl.co.in.	Email : investors@cdslindia.com

## 15. OTHER DISCLOSURES

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

During the financial year ended 31st March, 2022, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to financial statements.

**(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; None.**

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

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

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

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

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

The policy on dealing with related party transactions is available on the website of the Company: <http://www.lotuschocolate.com/investor-relations.php>.

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

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

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

The Company has received a certificate from Mrs. Rakhi Agarwal, Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or

disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

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

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

**(j) Fees to the Statutory Auditors of the Company:**

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

Particulars	Amount (Rs)
Fees paid for Statutory Audit for the FY 2021-22	2,50,000/-
Fee for other services including reimbursement of expenses	1,50,000/-

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

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

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of 46 2021-22 Lotus Chocolate Company Limited 33<sup>rd</sup> Annual Report. The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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

During the year, no complaint was received by the Company

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

**17. Details of compliance with mandatory requirements and adoption of Discretionary Requirements:**

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of Discretionary Requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

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

Regulation	Particulars of Regulation	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	NA
25	Obligation with respect to Independent Director	Yes

Regulation	Particulars of Regulation	Compliance status (Yes/No)
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46(2) (b) to (i)	Website	Yes

## 19. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

## 20. CEO and CFO Certification.

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ram Subramanya Ganpath, Wholetime Director have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

## 21. Disclosure with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are no outstanding shares in the demat suspense account.

## 22. Unclaimed Dividend:

Not Applicable

23. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.lotuschocolate.com/investor-relations.php>

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

## 25. Transfer of Shares to Investor Education and Protection Fund

Not Applicable

## 26. Company's Policy on prevention of insider trading:

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and developments, segment wise or product-wise performance, outlook, risks and opportunities of the Company and discussion on financial performance with respect to the operational performance, has been covered in the Board's Report more specifically under the sections on Financial Results.

As the economy was trying to look ahead post the initial pandemic period, the subsequent waves where destabilizing not allowing normalcy to get restore. The pandemic as added to the hues uncertainty. Your company meandered through the difficult times and has produced very encouraging results for the year 2021-22.

The company with its efforts and commitment has for the first time in a long period brought out a clean balance sheet and has arises all liabilities accrued.

If the situation would have been better the results could have been far more flourishing. India's growth story continuing is a big positive and we can look forward to sustain growth in the coming years.

The turmoil in the commodity prices, climate change distress and also rural and urban consumption have put spoke in the traction.

As we move along we expect the situation only to improve and owning our internal robust economy, consumption lower dependents on exports the future for your company looks absolutely bright. Competition is going to be extreme and domestic players will fight for market share while the leaders will ferociously protect their own brand from any on slot.

We indent to protect our own facility or infra effectively strategically for long term survival and perpetuation. Lotus is a very good position to do so given its long standing in the market and lotus brand per se.

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.

The Company recognizes the immense value addition made by its employees to the growth and development. In turn, the Company is committed to train and develop its people and motivates them to enhance their potential and industrial relations have been cordial and mutually beneficial. Manpower figure of the Company as on 31st December 2022 was 60.

Key financial parameters as on 31st March 2022 on the basis of Standalone Financials for the year ending 31st March 2022 & 31st March 2021 respectively are as follows;

Particulars	FY 2021-22	FY 2020-21
Debtors Turnover	39.68	61.77
Inventory Turnover	7.95	5.25
Interest Coverage Ratio	NA	NA
Current Ratio	1.84	2.28
Debt Equity Ratio	0.67	0.80
Operating Profit Margin	7%	4%
Net Profit Margin	7%	4%

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Lotus Chocolate Company Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of Lotus Chocolate Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, Total Comprehensive Income, changes in equity and its cash flows 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 (SA's). Our responsibilities under those SA's are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

##### Key Audit Matters

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

The Key Audit matters	Auditor's Response
<b>Revenue Recognition</b>  The principal products of the Company comprise chocolates, cocoa products and cocoa derivatives that are mainly sold through distributors and direct sale channels amongst others. Revenue is recognised when the customer obtains control of the goods and the amount of revenue can be measured reliably and recovery of the consideration is probable.  We identified revenue recognition as a key audit matter because the Company focus on revenue as a key performance indicator. This could result the revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter the following audit procedures we applied in this area, among others to obtain sufficient appropriate audit evidence: <ol style="list-style-type: none"> <li>1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>2. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.</li> </ol>

	<p>3. We tested, on a sample basis, revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</p> <p>4. We tested manual journal entries posted to revenue to identify unusual items.</p>
<b>Trade Receivables</b>	Our audit procedures in this area included the following:
The Company's operations comprise wide range of characteristics of individual customers across locations, some customers having a higher days sales outstanding than the average days sales outstanding. Consequently, there is an inherent exposure to credit risk for these customers.	<ul style="list-style-type: none"> <li>- Obtaining an understanding of and testing key controls over receivables collection process and credit control process over aged receivables and customer credit approvals.</li> <li>- Assessing the classification of the balances in the receivables ageing by performing an independent re-computation of the aged receivables.</li> </ul>
	<ul style="list-style-type: none"> <li>- For a sample of customer balances, verified the subsequent receipts against the outstanding year end balances.</li> </ul>

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussions and Analysis, Boards Report including annexures to Boards Report, Report on Corporate Governance and Business Responsibility 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.

#### Management's Responsibility for the Financial Statements

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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



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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with relevant the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting 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 over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long term contracts including derivate contracts for which there were any material foreseeable losses.
    - iii. The Company has no amount required to be transferred to the Investor Education and Protection Fund during the year.
    - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements, 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 it's knowledge and belief, as disclosed in the notes to financial statements, 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.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **VDNR & Associates**  
**Chartered Accountants**  
FRN - 011251S

Place: Hyderabad  
Date: 18-May-2022



Sd/-  
**Venkateswara Reddy D**  
Partner  
M No. 028488  
UDIN: 22028488AJEQLE5258

**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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of LOTUS CHOCOLATE COMPANY LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **VDNR & Associates**  
**Chartered Accountants**  
FRN - 011251S



Place: Hyderabad  
Date: 18-May-2022

Sd/-  
**Venkateswara Reddy D**  
Partner  
M No. 028488  
UDIN: 22028488AJEQLE5258

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT – 31 MARCH 2022**

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

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

- i. In respect of the Company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.
  - (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner. In our opinion, the manner and periodicity is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in-progress are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its property, plant and equipment during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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 has been sanctioned working capital limits in excess of Rs. 8 crores (Fund based and Non-Fund based), in aggregate, at points of time during the year, 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 comprising stock statements, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms and Limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a) (b) (c) (d) (e) and (f) of the said Order are not applicable to the Company.
- iv. The company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. Hence provisions of Section 186 of the Act in respect of loans, making investments and providing guarantees and securities, are not applicable.
- v. The Company has not accepted deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Hence reporting under clause (v) of the Order is not applicable.

- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the activities/products manufactured by the Company. Accordingly, clause (vi) of the order is not applicable.
- vii. (a) Undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues applicable to the Company have been generally and regularly deposited during the year by the company with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.

(b) There are no dues of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute.

- 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) To the best of our knowledge and belief, in our opinion, The Company during the year has not availed any term loans or borrowings from financial institutions, banks and government nor has not issued any debentures.  
(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 does not have any subsidiaries or associate, hence reporting under sub clause (e) of clause (ix) of the order is not applicable.  
(f) The Company does not have any subsidiaries or associate, hence reporting under sub clause (f) of clause (ix) of the order is not applicable.
- x. (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (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 (x)(b) of the order is not applicable to the Company.
- xi. (a) To the best our knowledge, no material fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.  
(b) To the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.  
(c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company as prescribed under section 406 of the Act. Reporting under clause (xii) of the Order is not applicable to the Company
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, 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 during the year and covering the period upto March 2022.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.  
(d) The Company does not have any core investment company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company does not fall under the provisions of Sec.135 of the Act, hence reporting under (a) & (b) of clause (xx) of the order is not applicable.

for **VDNR & Associates**  
**Chartered Accountants**  
FRN - 011251S

Sd/-  
**Venkateswara Reddy D**  
Partner

Place: Hyderabad  
Date: 18-May-2022

M No. 028488  
UDIN: 22028488AJEQLE5258

**Balance Sheet as at 31<sup>st</sup> March, 2022**

(Amount in ₹)

	Note	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,60,46,010	1,48,60,345
Capital work-in-progress	4(a)	-	1,38,537
Intangible assets			
Financial assets			
Investments	5A	-	-
Loans	5B	35,25,701	44,59,869
Trade Receivables	6	1,26,52,902	1,19,31,977
Other non current assets	5C	-	-
Deferred tax assets, net		-	-
Others		-	-
		<b>3,22,24,613</b>	<b>3,13,90,728</b>
<b>Current assets</b>			
Inventories	7	12,66,45,343	9,21,45,000
Financial assets			
Investments	5A	-	-
Trade receivables	8	8,18,49,333	8,26,68,573
Cash and cash equivalents	9	35,75,913	94,10,830
Other bank balances			
Loans	5B	1,22,939	4,23,591
Others	5C	3,01,97,480	69,62,422
Current tax assets			
Other current assets			
		<b>24,23,91,008</b>	<b>19,16,10,416</b>
<b>Total assets</b>		<b>27,46,15,621</b>	<b>22,30,01,144</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	10	20,23,46,490	20,23,46,490
Other equity	11	(12,42,19,793)	(18,43,01,995)
<b>Total equity</b>		<b>7,81,26,697</b>	<b>1,80,44,495</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	12	5,96,00,000	11,63,00,000
Trade payables			
Other financial liabilities			
Provisions	13	51,81,475	44,99,264
Deferred Tax Liabilities(net)		45,399	9,357
Other non-current liabilities			
		<b>6,48,26,874</b>	<b>12,08,08,621</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	14	7,64,03,851	4,56,85,315
Trade payables	15	5,40,55,698	3,54,62,665
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises			
Other financial liabilities	16	-	-
Other current liabilities	17	12,02,501	30,00,049
Provisions	18	-	-
Current tax liabilities		-	-
		<b>13,16,62,050</b>	<b>8,41,48,029</b>
<b>Total liabilities</b>		<b>19,64,88,924</b>	<b>20,49,56,650</b>
<b>Total equity and liabilities</b>		<b>27,46,15,621</b>	<b>22,30,01,144</b>
<b>Notes forming part of standalone financial statements</b>			

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

As per our report of even date attached

**for VDNR & Associates**

Chartered Accountants

FRN: 011251S

Sd/-  
**D VENKATESWARA REDDY**

Partner

Membership No.: 028488

UDIN: 22028488AJEQL5258

Place : HYDERABAD

Date : May 18, 2022

for and on behalf of the Board of Directors of

**Lotus Chocolate Company Limited**

CIN: L15200TG1988PLC009111

Sd/-  
**GANGASANI SUDHAKAR REDDY**

DIRECTOR

DIN: 07261620

Sd/-  
**SUBODHAKANTA SAHOO**

COMPANY SECRETARY

GZXP50300B

Sd/-  
**RAM SUBRAMANYA GANPATH**

WHOLE TIME DIRECTOR

DIN: 02395478

Sd/-  
**VIVEKANAND NARAYAN PRABHU**

CHIEF FINANCIAL OFFICER

AAFPP5715N

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022**

(Amount in ₹)

		Note	For the year ended 31 March 2022	For the year ended 31 March 2021
I	Revenue from operations	19	86,97,35,646	47,87,07,097
II	Other income	20	20,30,015	10,78,735
III	<b>Total Income</b>		<b>87,17,65,661</b>	<b>47,97,85,832</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	21	71,85,27,365	38,80,13,839
	Purchases of stock in trade		-	-
	Changes in inventories of finished goods, stock in trade and work in progress	22	(89,98,343)	41,86,000
	Employee benefits expenses	23	2,74,32,677	1,98,90,017
	Other operating expenses	24	3,83,82,301	2,64,29,601
	Finance costs	25	30,55,390	19,68,249
	Depreciation and amortisation expense	26	21,75,000	62,40,000
	Other expenses	27	3,10,73,027	1,62,70,488
	<b>Total expenses</b>		<b>81,16,47,416</b>	<b>46,29,98,194</b>
V	<b>Profit / (Loss) before exceptional and extraordinary items and tax (III – IV)</b>		<b>6,01,18,244</b>	<b>1,67,87,638</b>
VI	<b>Exceptional Items</b>			
	Prior Period Expenditure		-	-
	Write back of liabilities no longer required		-	-
VII	<b>Profit / (Loss) before tax (V- VI)</b>		<b>6,01,18,244</b>	<b>1,67,87,638</b>
VIII	<b>Tax expense</b>			
	Current tax			
	Deferred tax		36,042	(9,20,754)
	<b>Total tax expense (VIII)</b>		<b>36,042</b>	<b>(9,20,754)</b>
IX	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>6,00,82,202</b>	<b>1,77,08,392</b>
X	<b>Profit/(loss) from discontinued operations</b>		-	-
XI	<b>Tax expense for discontinued operation</b>		-	-
XII	Profit/(Loss) from discontinuing operations (after tax) (X-XI)		-	-
XIII	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>6,00,82,202</b>	<b>1,77,08,392</b>
XIV	<b>Other comprehensive income</b>			
	Items that will not be reclassified subsequently to profit or loss:			
	Income tax relating to items that will not be reclassified to profit or loss			
	Items that will be reclassified reclassified to profit or loss:			
	Income tax relating to items that will be reclassified to profit or loss			
	<b>Other comprehensive income for the year, net of tax</b>			



	Total comprehensive income for the year, net of tax (XIII + XIV)		<b>6,00,82,202</b>	<b>1,77,08,392</b>
XV	Profit/(Loss) and other comprehensive income for the period)		6,00,82,202	1,77,08,392
XVI	Earnings per equity share (for continuing operation)			
	Basic	28	4.68	1.38
	Diluted		4.68	1.38
	Notes forming part of standalone financial statements			

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

As per our report of even date attached

**for VDNR & Associates**

*Chartered Accountants*

FRN: 011251S

Sd/-

**D VENKATESWARA REDDY**

*Partner*

Membership No.: 028488

UDIN: 22028488AJEQLE5258

Place : HYDERABAD

Date : 18th May, 2022

for and on behalf of the Board of Directors of

**Lotus Chocolate Company Limited**

CIN: L15200TG1988PLC009111

Sd/-

**GANGASANI SUDHAKAR REDDY**

DIRECTOR

DIN: 07261620

Sd/-

**SUBODHAKANTA SAHOO**

COMPANY SECRETARY

GZXPS0300B

Sd/-

**RAM SUBRAMANYA GANPATH**

WHOLE TIME DIRECTOR

DIN: 02395478

Sd/-

**VIVEKANAND NARAYAN PRABHU**

CHIEF FINANCIAL OFFICER

AAFPP5715N



**Cash Flow Statement for the year ended March 31, 2022**

(Amount in ₹)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>6,01,18,244</b>	<b>1,67,87,638</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	21,75,000	62,40,000
Amoritsation of intangible assets	-	-
Finance income (including fair value change in financial instruments)	-	-
Dividend income from mutual funds	-	-
Finance costs (including fair value change in financial instruments)	30,55,390	19,68,249
Re-measurement losses on defined benefit plans	-	78,870
<b>Operating profit before working capital changes</b>	<b>6,53,48,634</b>	<b>2,50,74,757</b>
<i>Changes in working capital:</i>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables - Non current	(7,20,925)	(78,81,977)
Trade receivables - current	8,19,240	(1,92,99,779)
Inventories	(3,45,00,343)	(20,62,000)
Loans - Non current	9,34,168	-
Loans - current	3,00,652	6,93,025
Other financial assets - current		
Other assets - current	(2,32,35,058)	40,50,727
Other assets - non current		
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	4,93,11,570	81,74,379
Other financial liabilities - current	(17,97,548)	(14,18,206)
Other current liabilities		
Provisions		
<b>Cash generated from operations</b>	<b>5,64,60,390</b>	<b>73,30,926</b>
Interest Paid	-	-
Income taxes paid / Deferred taxes	(36,042)	9,20,754
<b>Net cash generated from/(used in) operating activities</b>	<b>5,64,24,348</b>	<b>82,51,680</b>
<b>II. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles (including capital work in progress) (Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(32,22,128)	-
Interest received (finance income)	-	-
<b>Net cash used in investing activities</b>	<b>(32,22,128)</b>	<b>-</b>
<b>III. Cash flows from financing activities</b>		
Share issue proceeds		
Proceeds from/(repayment of) long-term borrowings, net	(5,59,81,747)	(1,20,11,419)
Proceeds from/(repayment of) short-term borrowings, net	-	-
Interest paid	(30,55,390)	(19,68,249)
<b>Net cash provided by financing activities</b>	<b>(5,90,37,137)</b>	<b>(1,39,79,668)</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(58,34,917)</b>	<b>(57,27,988)</b>
Cash and cash equivalents at the beginning of the year	94,10,830	1,51,38,818
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>35,75,913</b>	<b>94,10,830</b>

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	64,469	53,957
Balances with banks:		
- in current accounts & Deposits	35,11,444	93,56,873
	<b>35,75,913</b>	<b>94,10,830</b>
<b>Notes forming part of standalone financial statements</b>		

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

As per our report of even date attached

**for VDNR & Associates**

*Chartered Accountants*

FRN: 011251S

for and on behalf of the Board of Directors of

**Lotus Chocolate Company Limited**

CIN: L15200TG1988PLC009111

Sd/-

**D VENKATESWARA REDDY**

*Partner*

Membership No.: 028488

UDIN: 22028488AJEQL5258

Place : HYDERABAD

Date : 18th May, 2022

Sd/-

**GANGASANI SUDHAKAR REDDY**

DIRECTOR

DIN: 07261620

Sd/-

**SUBODHAKANTA SAHOO**

COMPANY SECRETARY

GZXP50300B

Sd/-

**RAM SUBRAMANYA GANPATH**

WHOLE TIME DIRECTOR

DIN: 02395478

Sd/-

**VIVEKANAND NARAYAN PRABHU**

CHIEF FINANCIAL OFFICER

AAFPP5715N



## Notes forming part of the standalone financial statements

### 1 Corporate Information

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

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated May 18, 2022.

### 2 Significant accounting policies

#### 2.1 Basis of preparation of financial statements

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

#### 2.2 Significant accounting policies

##### (a) Current versus non-current classification

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

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

All other assets are classified as non-current."

"A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

**:2.3 Functional currency**

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

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

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

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

**2.4 Critical accounting judgements and key sources of estimation uncertainty**

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

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

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

**Provision and contingent liability**

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

**Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

**2.5 Fair Value Measurement**

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

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

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

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred."

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

### 3 Significant accounting policies

#### 3.1 Revenue recognition

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

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

future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition..

### **3.2 Leases**

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

### **3.3 Foreign currencies**

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

### **3.4 Borrowing costs**

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

### **3.5 Taxation**

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

#### *Current tax*

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

#### *Deferred tax*

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

levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

### **3.6 Earnings per share**

"The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share."

### **3.7 Property, plant and equipment**

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

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

### **3.8 Expenditure during construction period**

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

### **3.9 Depreciation**

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

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

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.



Particulars	Useful Life
Buildings	-30 Years
Plant and Machinery	-8 to15 years
Electrical Equipment	-10 Years
Office Equipment	-5 Years
Computers	-3 Years
Furniture and Fixtures	-10 Years
Vehicles	-8 Years

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

### 3.10 Intangible assets and amortisation

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

#### Amortization

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

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

### 3.11 Inventories

#### Inventories are valued as follows:

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

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

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

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

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

### 3.12 Cash and cash equivalents

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

### 3.13 Cash flow statement

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

### 3.14 Government grants

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

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

### 3.15 Impairment of non financial assets

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

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses 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. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

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

### 3.16 Employee benefits

#### Short-term employee benefits

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

#### Defined contribution plans

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

**Defined benefit plans**

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

**Termination benefits**

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

**Other long-term employee benefits**

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

**3.17 Provisions**

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

**3.18 Contingent liabilities & contingent assets**

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

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

**3.19 Financial instruments****a. Recognition and Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized

at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**b. Classification and Subsequent measurement**

**Financial assets:**

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

- amortised cost;
- FVTPL

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

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

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

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

**Financial assets: Business model assessment**

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

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

#### **Financial assets: Subsequent measurement and gains and losses**

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

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

#### **Financial liabilities: Classification, Subsequent measurement and gains and losses**

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

**c. Derecognition****Financial assets**

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

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

**Financial liabilities**

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

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

**d. Offsetting**

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

**e. Impairment**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

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

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

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

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

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

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

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

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

#### Measurement of expected credit losses

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

#### Presentation of allowance for expected credit losses in the balance sheet

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

#### Write-off

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

**NOTE: 4**  
**Tangible Assets**

Particulars	Land	Buildings	Furnitures & Fixtures	Plant & Machinery	Office Equipment	Electric Installations	Computers	Vehicles	Total
<b>Gross carrying value</b>									
<b>As at March 31, 2020</b>	230,863	22,119,408	2,566,002	191,944,631	1,281,256	5,192,142	2,877,590	1,488,054	<b>227,699,946</b>
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	230,863	22,119,408	2,566,002	191,944,631	1,281,256	5,192,142	2,877,590	1,488,054	<b>227,699,946</b>
Additions	-	138,537	-	3,155,926	-	-	-	103,552	<b>3,398,015</b>
Disposals	-	-	-	-	37,350	-	-	-	<b>37,350</b>
<b>As at March 31, 2022</b>	230,863	22,257,945	2,566,002	195,100,557	1,243,906	5,192,142	2,877,590	1,591,606	<b>231,060,611</b>
<b>Depreciation</b>									
<b>As at March 31, 2020</b>	-	16,683,743	2,471,232	177,134,866	1,193,536	4,934,942	2,767,629	1,413,652	<b>206,599,601</b>
Charge for the year	-	514,804	34,435	5,636,031	3,806	44,296	6,627	-	<b>6,240,000</b>
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	17,198,548	2,505,667	182,770,897	1,197,342	4,979,238	2,774,257	1,413,652	<b>212,839,601</b>
Charge for the year	-	514,804	34,435	1,581,333	3,806	39,867	-	755	<b>2,175,000</b>
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	17,713,352	2,540,102	184,352,230	1,201,148	5,019,105	2,774,257	1,414,407	<b>215,014,601</b>
<b>Net carrying value</b>									
<b>As at March 31, 2020</b>	230,863	5,435,665	94,770	14,809,765	87,720	257,200	109,961	74,402	<b>21,100,345</b>
<b>As at March 31, 2021</b>	230,863	4,920,860	60,335	9,173,734	83,914	212,904	103,333	74,402	<b>14,860,345</b>
<b>As at March 31, 2022</b>	230,863	4,544,593	25,900	10,748,327	42,758	173,037	103,333	177,199	<b>16,046,010</b>



**NOTE 4(a):****Capital work-in-progress (CWIP) ageing schedule:****For the year ended March 31, 2022**

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

**For the year ended March 31, 2021**

Particulars	Less than 1 year	2-3 years	More than 3 years	Total
Projects in Progress	138,537	-	-	138,537
Projects temporarily suspended	-	-	-	-

**NOTE: 5****A. INVESTMENTS**

Particulars	As at 31-03-2022	As at 31-03-2021
Non-current :		
Investments	-	-
Others	-	-
Total	-	-
Current :		
Investments	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**B. LOANS**

Particulars	As at 31-03-2022	As at 31-03-2021
<b><u>Non-current :</u></b>		
Deposits with Govt. Authorities	3,525,701	4,459,869
Loans to Related Parties	-	-
<b>Total</b>	<b>3,525,701</b>	<b>4,459,869</b>
<b><u>Current :</u></b>		
Unsecured, Considered Goods:		
Advance to employees	122,939	423,591
Loans to Related Parties	-	-
<b>Total</b>	<b>122,939</b>	<b>423,591</b>

**C. OTHER FINANCIAL ASSETS**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Non-current</b> (unsecured, considered good unless stated otherwise)		
Security Deposits	-	-
<b>Current</b> (unsecured, considered good unless stated otherwise)		
Advances to Suppliers	24,544,848	-
Others	1,948,194	3,050,781
Tax Deducted at source	565,099	515,574
Tax Collected at source	814,522	55,224
Balance with Government Bodies	2,225,235	3,112,476
Prepaid Expenses	99,581	228,367
<b>Total</b>	<b>30,197,480</b>	<b>6,962,422</b>

The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment

**NOTE: 6****TRADE RECEIVABLES - NON CURRENT**

Particulars	As at 31-03-2022	As at 31-03-2021
Unsecured, considered good	12,652,902	11,931,977
Unsecured, considered doubtful	-	-
Less: Allowance for doubtful receivables	-	-
<b>Total</b>	<b>12,652,902</b>	<b>11,931,977</b>

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

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

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	-	720,925	7,881,977	-	4,050,000	12,652,902
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	-	<b>720,925</b>	<b>7,881,977</b>	-	<b>4,050,000</b>	<b>12,652,902</b>

**Trade Receivables ageing schedule for the year ended March 31, 2021:**

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	-	7,881,977	-	-	4,050,000	11,931,977
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	-	<b>7,881,977</b>	-	-	<b>4,050,000</b>	<b>11,931,977</b>

**NOTE: 7  
INVENTORIES**

Particulars	As at March 31,2022	As at March 31,2021
Raw materials	5,56,67,000	3,23,79,000
Work in progress	3,79,25,481	2,08,51,000
Finished Goods	1,99,36,862	2,80,13,000
Stores and Spares and Fuel	55,81,000	29,17,000
Stock of Packing Material	75,35,000	79,85,000
<b>TOTAL</b>	<b>12,66,45,343</b>	<b>9,21,45,000</b>

The Company has physically verified the inventories at reasonable intervals and there are no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.

**NOTE: 8****TRADE RECEIVABLES - CURRENT**

Particulars	As at 31-03-2022	As at 31-03-2021
Others		
Unsecured, considered good	8,18,49,333	8,26,68,573
Unsecured, considered doubtful	-	-
<b>Total</b>	<b>8,18,49,333</b>	<b>8,26,68,573</b>

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

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months -1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	8,18,49,333	-	-	-	-	8,18,49,333
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>8,18,49,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,18,49,333</b>

**Trade Receivables ageing schedule for the year ended March 31, 2021:**

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	8,26,68,573	-	-	-	-	8,26,68,573
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>8,26,68,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,26,68,573</b>

**NOTE:9: CASH AND CASH EQUIVALENTS**

Particulars	As at March 31,2022	As at March 31,2021
Balances with banks:		
- On current accounts & Deposits	35,11,444	93,56,873
Cash on hand	64,469	53,957
<b>Total</b>	<b>35,75,913</b>	<b>94,10,830</b>

**10. Share Capital**

	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital 2,20,00,000 shares of Rs.10/- each (1,40,00,000 Equity Shares of 10/- each & 80,00,000 Preference Shares of 10/- each)	22,00,00,000	22,00,00,000
Issued, subscribed and fully paid-up		
Equity Shares - par Value Rs. 10/- each	12,84,10,490	12,84,10,490
Less: Calls Unpaid from members other than directors	30,000	30,000
	12,83,80,490	12,83,80,490
Preference Share Capital 7396600 - 10% Redeemable Cumulative	7,39,66,000	7,39,66,000
<b>Total</b>	<b>20,23,46,490</b>	<b>20,23,46,490</b>

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Mr. Prakash Paraje Pai	36,59,272	28.50%	
Mr. Ananth Peraje Pai	36,60,272	28.50%	
<b>TOTAL</b>	<b>73,19,544</b>	<b>57.00%</b>	<b>0.0%</b>

**(a) Statement of Changes in Equity;**

Particulars	Number of Shares	Value
<b>Equity shares of Rs.10/- each fully paid</b>		
Balance at April 01, 2020	1,28,41,049	12,84,10,490
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance at March 31, 2021</b>	<b>1,28,41,049</b>	<b>12,84,10,490</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance at April 01, 2021</b>	<b>1,28,41,049</b>	<b>12,84,10,490</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	-
<b>Balance at March 31, 2022</b>	<b>1,28,41,049</b>	<b>12,84,10,490</b>
<b>Preferential shares of Rs.10/- each fully paid</b>		
Balance at April 01, 2020	73,96,600	7,39,66,000
Issued during the year	-	-
<b>Balance at March 31, 2021</b>	<b>73,96,600</b>	<b>7,39,66,000</b>
Issued during the year	-	-
Balance at April 01, 2021	73,96,600	7,39,66,000
Issued during the year	-	-
<b>Balance at March 31, 2022</b>	<b>73,96,600</b>	<b>7,39,66,000</b>
<b>TOTAL</b>	<b>2,02,37,649</b>	<b>20,23,76,490</b>

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

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

**(ii) Preference Shares:**

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

**11. Other Equity**

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Capital reserve	Securities premium	State Investment Subsidy	Retained Earnings	Effective portion of cash flow hedge	Re-measurement gains or losses on employee defined benefit plans	
<b>As at March 31, 2020</b>	<b>2,74,14,157</b>	<b>3,79,68,442</b>	<b>15,00,000</b>	<b>(27,81,73,196)</b>	-	-	<b>(21,12,90,597)</b>
Profit for the year	-	-	-	92,80,210	-	-	92,80,210
Adjustments for opening Balances	-	-	-	1,77,08,392	-	-	1,77,08,392
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	-
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>2,74,14,157</b>	<b>3,79,68,442</b>	<b>15,00,000</b>	<b>(25,11,84,594)</b>	-	-	<b>(18,43,01,995)</b>
Profit for the year	-	-	-	6,00,82,202	-	-	6,00,82,202
Adjustments for opening Balances	-	-	-	-	-	-	-
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-	-	-
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2,74,14,157</b>	<b>3,79,68,442</b>	<b>15,00,000</b>	<b>(19,11,02,392)</b>	-	-	<b>(12,42,19,793)</b>

**NOTE 12: LONG-TERM BORROWINGS**

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Rs.	Rs.
<b>(A) Secured</b>		
(a) Bonds/debentures	-	-
(b) Term loans:		
(A) from banks.		
(B) from other parties.	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties		
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances	-	-
Secured Loans	-	-
<b>(B) Unsecured</b>		
(a) Bonds/debentures	-	-
(b) Term loans:		
(A) from banks.	-	-
(B) from other parties.		
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties	5,96,00,000.00	11,63,00,000.00
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances	-	-
Unsecured Loans	5,96,00,000.00	11,63,00,000.00
<b>Total</b>	<b>5,96,00,000.00</b>	<b>11,63,00,000.00</b>

**Loans Guaranteed by Directors**

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Rs.	Rs.
(a) Bonds/debentures	-	-
(b) Term loans:		
(A) from banks.	-	-
(B) from other parties.	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and advances from related parties	-	-
(f) Long term maturities of finance lease obligations	-	-
(g) Other loans and advances (specify nature).	-	-



**Period and amount of continuing default as on the Balance Sheet date in repayment of loans and interest - Not Applicable**

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Rs.	Rs.
Loan	-	-
Principal	-	-
Interest	-	-

**Details of Bonds and Debentures with Interest and Conversion Date - Not Applicable**

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31 March, 2022	As at 31 March, 2021
	Date	Rs.	Date	Rs.

**NOTE:13 PROVISIONS - NON CURRENT**

Particulars	As at March 31,2022	As at March 31,2021
Provision for employee benefits		
- Gratuity	51,81,475	42,49,264
- Others	-	2,50,000
<b>Total</b>	<b>51,81,475</b>	<b>44,99,264</b>

**NOTE:14: FINANCIAL LIABILITIES - BORROWINGS**

Particulars	As at March 31,2022	As at March 31,2021
(A) Secured		
Borrowings from Banks		
Canara Bank CC A/C	7,64,03,851	4,56,85,315
<b>Total</b>	<b>7,64,03,851</b>	<b>4,56,85,315</b>

Nature of Security and Terms of Repayment

**Borrowings from Banks - Working Capital**

**Secured by :** Primary - Stocks & Receivables

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

**NOTE 15 - TRADE PAYABLES**

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Rs.	Rs.
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Creditors for Supplies	5,34,26,180	3,51,84,859
Creditors for Services	6,29,518	2,77,806
<b>Total</b>	<b>5,40,55,698</b>	<b>3,54,62,665</b>

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

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Rs.	Rs.
(A)(i) Principal amount remaining unpaid	-	-
(A)(ii) Interest amount remaining unpaid	-	-
(B) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(C) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding 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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

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

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

**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021**

Particulars	As at 31st March, 2021					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-	-
(ii) Undisputed dues - Others		3,54,62,665	-	-	-	3,54,62,665
(iii) Disputed dues - MSME						-
(iv) Disputed dues - Others						-
<b>Total</b>	-	<b>3,54,62,665</b>	-	-	-	<b>3,54,62,665</b>

Particulars	As at 31st March, 2021					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Unbilled Dues						-
<b>Total</b>	-	-	-	-	-	-

**NOTE:16 FINANCIAL LIABILITIES - OTHERS**

Particulars	As at March 31,2022	As at March 31,2021
Current maturities of long term borrowings		
Interest accrued but not due on borrowings		
Salaries and Staff Benefits Payable	-	-
Salary Recoveries Payable	-	-
<b>Total</b>	-	-

**NOTE:17 OTHER CURRENT LIABILITIES**

Particulars	As at March 31,2022	As at March 31,2021
Advance received from customers	-	-
Statutory liabilities	1,74,339	2,01,281
Outstanding Liabilities for Expenses	10,28,162	27,98,768
<b>Total</b>	<b>12,02,501</b>	<b>30,00,049</b>

**NOTE:18 Provisions**

Particulars	As at March 31,2022	As at March 31,2021
Current		
Provision for employee benefits	-	-
- Bonus and Ex Gratia		
- Gratuity		
- Provision for Leave Salary		
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE - 19 Revenue from operations**

Particulars	Year ended March 31,2022	Year ended March 31,2021
Revenue from Sale of Cocoa Products	86,97,35,646	47,87,07,097
Revenue from operations	86,97,35,646	47,87,07,097

**NOTE: 20: Other income**

Particulars	Year ended March 31,2022	Year ended March 31,2021
Interest income	8,59,046	5,84,358
Other Income ( Forex Gains & Others)	11,70,969	4,94,377
<b>Total</b>	<b>20,30,015</b>	<b>10,78,735</b>
<b>Total income</b>	<b>87,17,65,661</b>	<b>47,97,85,832</b>

**NOTE - 21**

Particulars	Year ended March 31,2022	Year ended March 31,2021
<b>Cost of Raw materials consumed</b>		
Opening Stock of raw materials and consumables	3,23,79,000	2,66,00,000
Add : Purchases during the year	72,66,18,575	38,62,95,967
Opening Stock Plus Purchases	75,89,97,575	41,28,95,967
Less : Closing Stock of raw materials and consumables	5,56,67,000	3,23,79,000
Total Cost of Raw Material consumed - A	70,33,30,575	38,05,16,967
<b>Packing materials consumed</b>		
Opening Stock of Packing materials	79,85,000	71,83,000
Add : Purchases during the year	1,47,46,790	82,98,872
Opening Stock Plus Purchases	2,27,31,790	1,54,81,872
Less : Closing Stock of Packing Materials	75,35,000	79,85,000
Total cost of Packing material Consumed - B	1,51,96,790	74,96,872
<b>TOTAL COST OF RAW MATERIAL CONSUMPTION (A+B)</b>	<b>71,85,27,365</b>	<b>38,80,13,839</b>

**NOTE - 22**

<b>Changes in inventories of Finished Goods, Work in progress and Stock in Trade</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
A. Finished Goods		
Inventories at the beginning of the year	2,80,13,000	1,60,20,000
Less : Inventories at the end of the year	1,99,36,862	2,80,13,000
(Increase) / Decrease in Inventories	80,76,138	(1,19,93,000)
B. Work in progress		
Inventories at the beginning of the year	2,08,51,000	3,70,30,000
Less : Inventories at the end of the year	3,79,25,481	2,08,51,000
(Increase) / Decrease in Inventories	(1,70,74,481)	1,61,79,000
(Increase) / Decrease in Inventories (A+B)	(89,98,343)	41,86,000

**NOTE - 23**

<b>Employee benefits expense</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Salaries, wages and bonus & Ex-Gratia	2,32,88,462	1,63,22,904
Contribution to provident and other funds	11,57,701	9,41,308
Other Employee Benefits	22,40,714	18,80,005
Directors' Remuneration	7,45,800	7,45,800
<b>Total</b>	<b>2,74,32,677</b>	<b>1,98,90,017</b>

**NOTE - 24**

<b>Other Operating Expenses</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Consumption of stores and spares	80,59,007	69,60,403
Power and fuel	2,46,17,078	1,56,99,649
Repairs to Other Assets	16,79,449	3,55,559
Other Manufacturing Expenses	40,26,767	34,13,990
<b>Total</b>	<b>3,83,82,301</b>	<b>2,64,29,601</b>

**NOTE - 25**

<b>Finance costs</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Interest Expense on Working Capital	17,87,443	7,05,342
Bank charges	12,67,947	12,62,907
<b>Total</b>	<b>30,55,390</b>	<b>19,68,249</b>

**NOTE - 26**

<b>Depreciation and amortisation expense</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Depreciation of tangible assets	21,75,000	62,40,000
<b>Total</b>	<b>21,75,000</b>	<b>62,40,000</b>

**NOTE - 27**

<b>Other expenses</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
<b>A Selling Expenses</b>		
Freight, Hamali and Carriage Outwards & Sales incentives, Bonus and Allowances	2,18,00,166	1,09,56,059
<b>Total - A</b>	<b>2,18,00,166</b>	<b>1,09,56,059</b>
<b>B Administration Expenses</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Travelling and Conveyance	10,17,732	8,81,832
Professional Charges	8,58,744	6,13,500
Rates and taxes other than taxes on income	42,63,277	20,85,167
Insurance charges	5,41,406	4,67,567
Postage, Telephone & Courier charges	3,00,933	2,51,922
Payment to Auditors - As Statutory Audit Fees	2,50,000	1,55,000
-As Tax Audit Fees	1,20,000	40,000
-As Certification Fees	30,000	20,000
CSR Expenditure	-	-
Other General Expenses	18,90,769	7,99,441
<b>Total - B</b>	<b>92,72,861</b>	<b>53,14,429</b>
<b>Total Other expenses (A+B)</b>	<b>3,10,73,027</b>	<b>1,62,70,488</b>

**Note 28 - Earnings per share**

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

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

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

<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Profit for the year attributable to equity share holders	6,00,82,202	1,77,08,392
Shares		
Weighted average number of equity shares outstanding during the year – basic	1,28,38,049	1,28,38,049
Weighted average number of equity shares outstanding during the year – diluted	1,28,38,049	1,28,38,049
Earnings per share		
Earnings per share of par value 10 – basic	4.68	1.38
Earnings per share of par value 10 – diluted	4.68	1.38

**Ratios**

Particulars	Numerator	Denominator	For the year ended 31 March, 2022	For the year ended 31 March, 2021	Variance	Reasons for Variance
			Rs.	Rs.	Rs.	Rs.
Key ratios						
(a) Current Ratio	Current Assets	Current Liabilities	1.84	2.28	-19%	
(b) Debt-Equity Ratio	Total Debt (1)	Shareholders Equity	0.67	0.80	-16%	
(c) Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt Service (3)	NA	NA	NA	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	29.69%	8.75%	239%	Increase was due to rise in revenue from operations and operating Margins
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	7.95	5.25	51%	Increase due to rise of Inventory levels and revenue from operations
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	39.68	61.77	-36%	Decrease was due to collections of average Receivables
(g) Trade payables turnover ratio,	Purchases	Average Trade Payables	22.04	44.11	-50%	Decrease was due to payments of average payables
(h) Net capital turnover ratio,	Revenue from Operations	Working Capital (4)	785%	445%	76%	Increase was due to rise in revenue from operations and usage of working capital loans
(i) Net profit ratio,	Net Profit	Revenue from Operations	7%	4%	87%	Increase was due to rise in revenue from operations and operating Margins
(j) Return on Capital employed,	Earnings Before Interest and Taxes	Capital employed (5)	31%	9%	237%	Increase was due to rise in revenue from operations and operating Margins

(k) Return on investment. (6)	Income generated from investments	Investment	NA	NA	NA	
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- (1) Long-Term borrowings + Short-Term borrowings + Inter corporate loans + interest accrued
- (2) Net profit after tax + Non-operating cash exp like depreciation + Interest + Term loan
- (3) Term loan Interest + Lease payments + Principal repayments
- (4) Current assets - current liabilities
- (5) Tangible networth (Equity) + total debt including interest accrued +deferred tax liability-deferred tax assets
- (6) The Company is not having any market linked investments

## 29. Contingent liabilities and commitments

Particulars		As at 31-Mar-22	As at 31-Mar-21
i)	Contingent liabilities:		
	- Corporate guarantees given on behalf of others (refer note 'a' & 'b' below)	-	-
	- Letter of credit outstanding	-	-
	- Statutory Authorities	-	-
	- Accrued and unpaid Preference dividend	13,04,89,400	13,04,89,400
ii)	Commitments:		
	- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	-	-

## 30. Related party disclosures

### a) Names of related parties and description of relationship

Entities having significant influence over the Company	
Key Management Personnel ("KMP")	P. Prakash Pai, Director P. Anantha Pai, Director *Vivekanand Narayan Prabhu, CFO G. S. Ram, CEO, Whole Time Director Subodhakanta Sahoo, CS
Enterprise / Entities under common Key Management Personnel ("KMP")	Soubhagya Confectionery Private Limited

\*Mr. Vivekanand Narayan Prabhu, Chief Financial Officer has been resigned from 30.06.2022.

31. Segment information - Since the company is operating in one reportable segment, hence Segment reporting is not applicable
32. Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.



**Other statutory information**

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

NOTES



NOTES



## PRINTED MATTER

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