Lotus Chocolate Company Limited

LCCL/SEC/26-27 September 03, 2026

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001

Scrip Code: 523475

Sub: Annual Report for the financial year 2025-26 including notice of Thirty-Seventh Annual General Meeting

This is further to the disclosure dated August 31, 2026.

The Annual Report of the Company for the financial year 2025-26, including the Notice convening Thirty-seventh Annual General Meeting ("Notice"), being sent through electronic mode to all the Members whose e-mail address is registered with the Company / Company's Registrar and Share Transfer Agent / Depository Participant(s) / Depositories, is attached.

The Annual Report including Notice is also uploaded on the Company's website at:https://www.lotuschocolate.com/uploads/investor/1788265510_Annual%20Report%20for%20the%20year%202025-2026.pdf

Further, pursuant to Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter providing the web-link of the Annual Report, being sent to those members who have not registered their e-mail address, is also attached and available on the Company's website at: https://www.lotuschocolate.com/uploads/investor/1788410303_Letter_to_shareholder_under_Reg_36_1__b_.pdf

This is for information and records.

Thanking you,

Yours faithfully,
For **Lotus Chocolate Company Limited**

UTSAV SAINI Digitally signed by UTSAV SAINI Date: 2026.09.03 17:38:32 +05'30'

Utsav Saini
Company Secretary and Compliance Officer

Encl.: as above

Copy to:

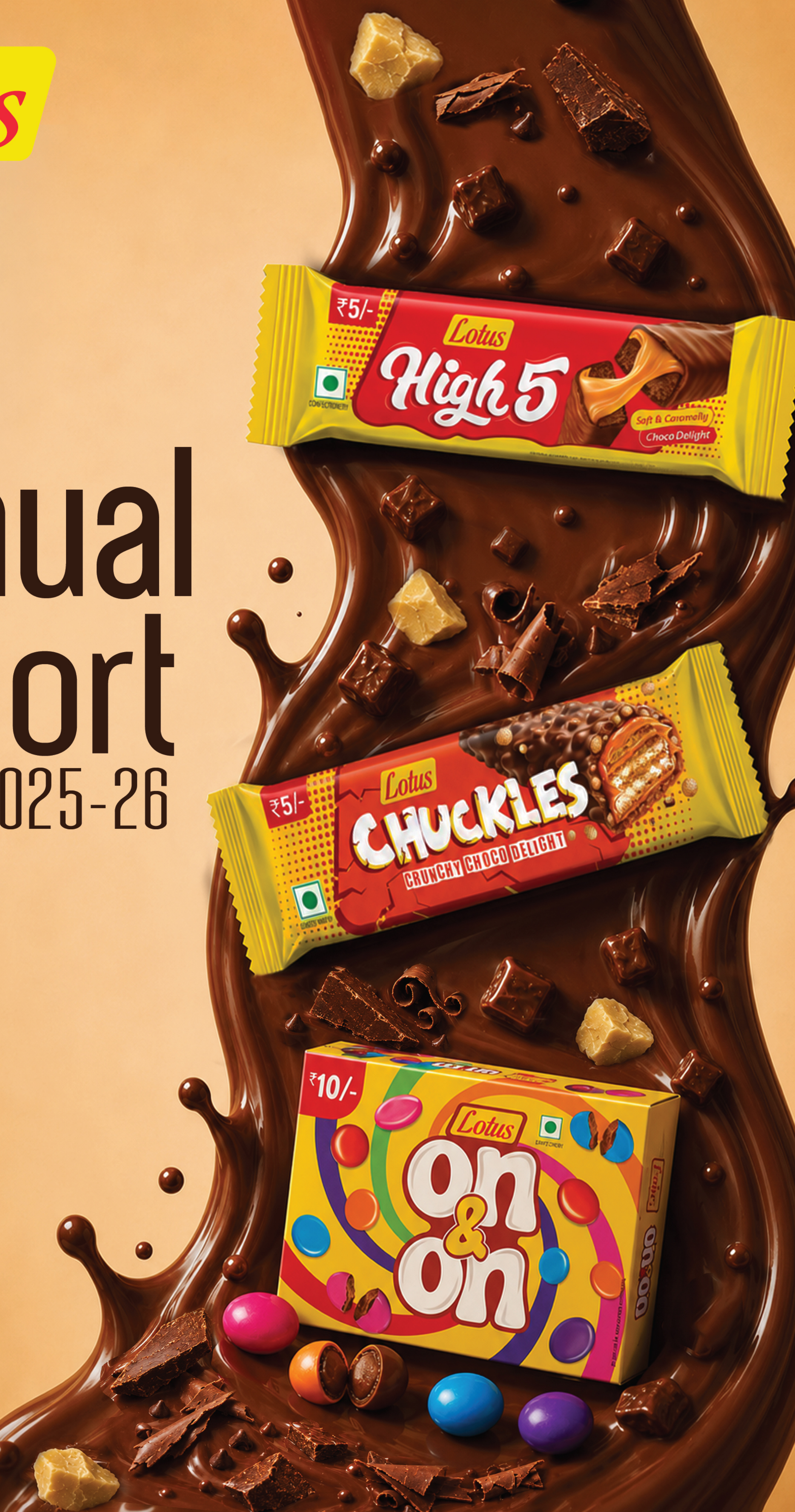
Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg, Lower Parel,
Mumbai -400013, Maharashtra

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

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

Lotus

Annual Report
2025-26



LOTUS CHOCOLATE COMPANY LIMITED

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

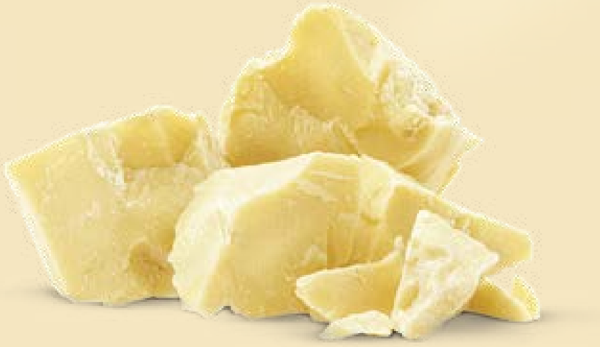
Lotus starts right from the sourcing of fine quality cocoa beans, to processing of cocoa beans, to delivering the finest chocolates. Lotus has a fully-integrated manufacturing facility, and is built with the best technologies and expertise from across the globe.

Cocoa Mass

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

Cocoa Butter

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



Cocoa Powder

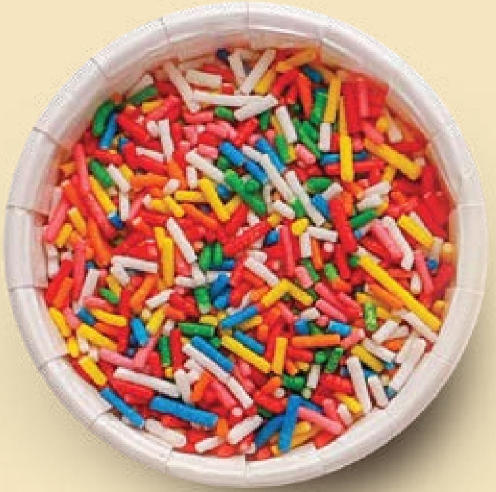
Dark, full-bodied, and versatile, prepare to tantalise your taste buds with a punchy chocolate flavour. Be spoilt for choice between natural or alkalised flavour profiles.

Chocolates & Couvertures

Indulge in pure, velvety temptation. Discover our range of premium chocolates and couvertures, a dance even on the most discerning taste buds.

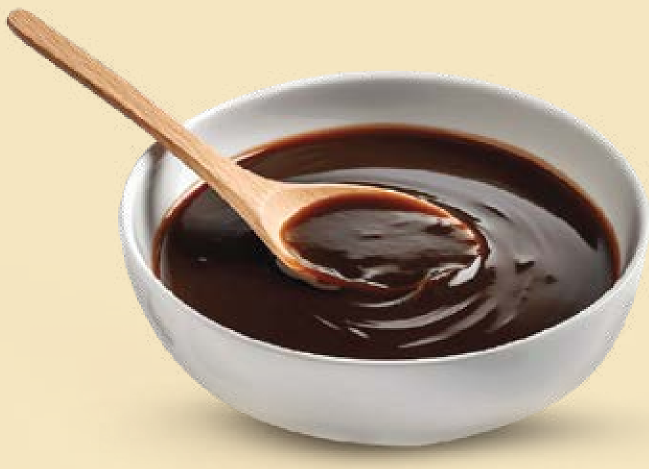
Compound Chips

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



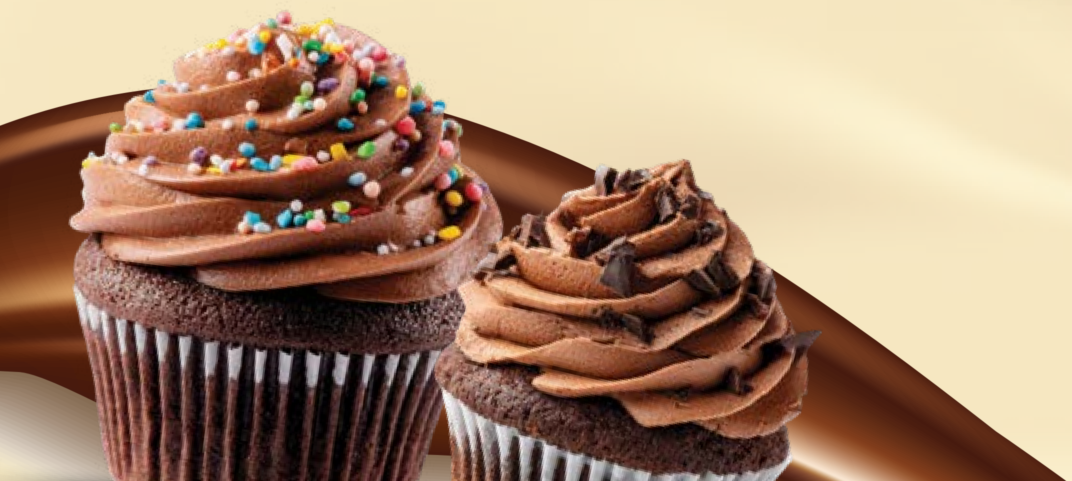
Decoratives

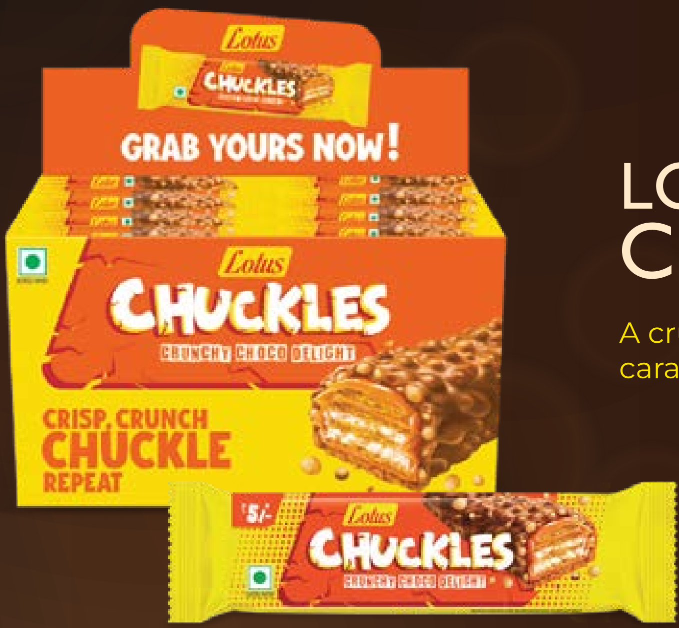
Shine your desserts and chocolate creations into a visual delight with choco chips, choco sprinklers, colour sprinklers, and more.



Paste, Coverings & Spray

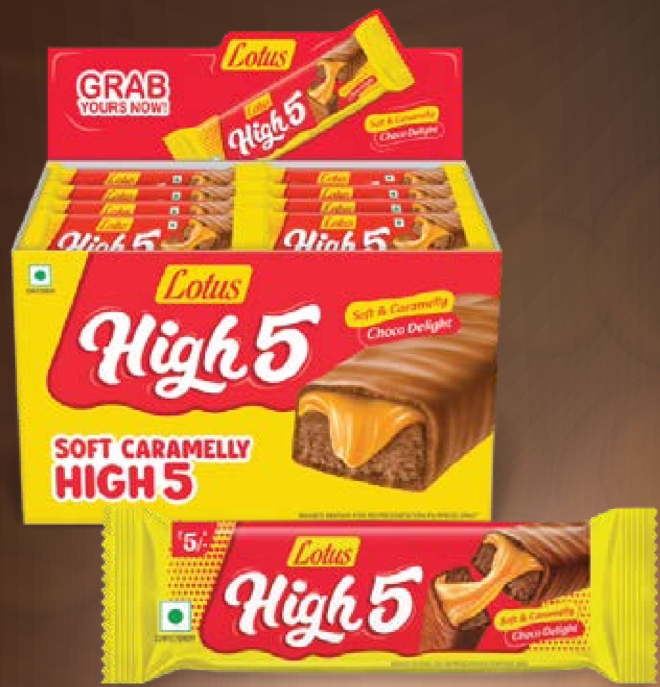
A smooth preparation with a distinct, rich flavour of cocoa. Suitable for use in ice-cream coverings, cone sprays, biscuit fillings, and much more.





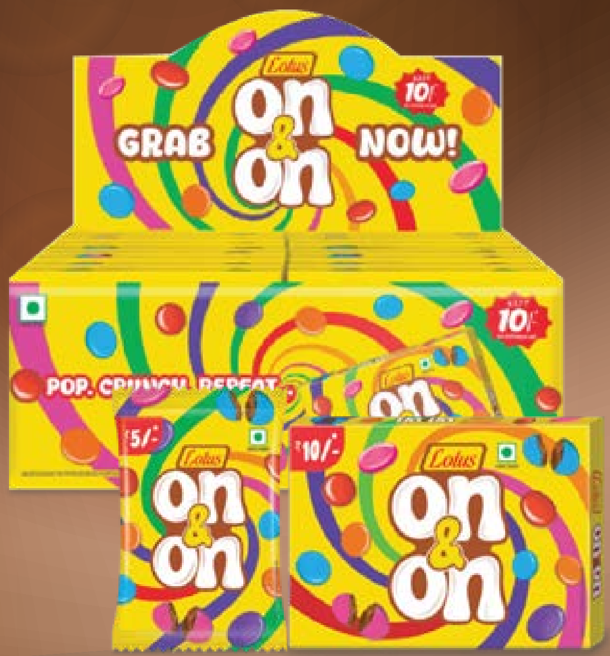
LOTUS CHUCKLES

A crunchy, multi- textured chocolate with wafer, caramel, and rice crisps coated in milk chocolate.



LOTUS HIGH 5

A soft and caramelly chocolate with nougat and a smooth milk chocolate coating.



LOTUS ON&ON

A chocolaty, crunchy, sugar-panned chocolate available in vibrant colours.

Dear Shareholders,

It gives me immense pleasure to present the Annual Report of your Company for the financial year 2025-26. This year has been a defining period for Lotus, marked by strategic resilience and a steadfast commitment to our long-term vision.

The year witnessed strong volume growth, reflecting increasing consumer acceptance of our products and the growing relevance of our portfolio across markets. This momentum is a clear validation of our products, brands, and distribution strategy, and provides a strong foundation for the next phase of growth.

However, the significant volatility in global cocoa prices resulted in muted value growth and impacted profitability during the year. This was further influenced by the ongoing re-engineering of our value chain as we transitioned towards a more integrated and scalable business model. These near-term impacts are deliberate investments in building a stronger, more competitive, and sustainable business for the future.

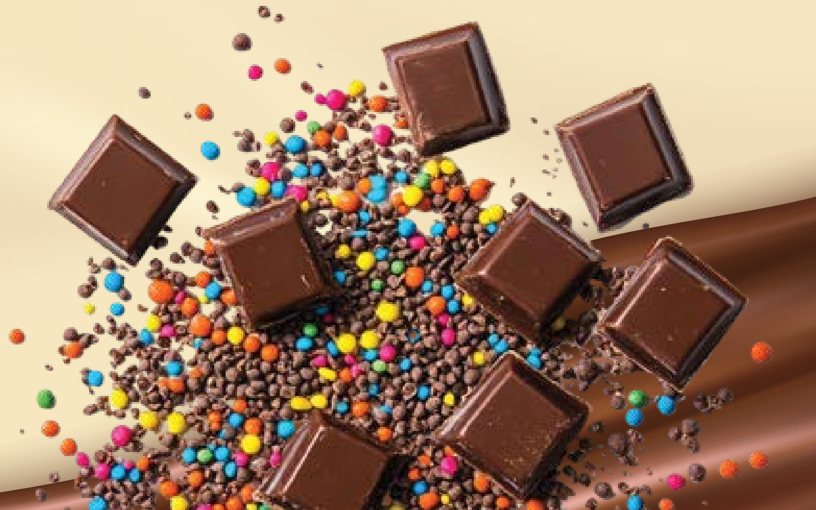
Looking forward, we are operating with a dual focus on capacity and connectivity. On one side, we are significantly expanding our production capacities to support the rapid scaling of our consumer business. Parallelly, we are in the process of building a robust, pan-India distribution network for both our industrial ingredients and our B2C portfolio.

To complement these operational milestones, we are currently invested in a comprehensive creative overhaul of our brand identity. This work in progress is designed to take Lotus to the next level, ensuring we not only challenge the competition but also resonate more deeply with the modern consumer.

Our journey is fuelled by a desire to innovate and a commitment to deliver excellence. On behalf of the Board, I wish to express my deepest gratitude to you, our shareholders, for your unwavering trust and support. We remain humble in our achievements and ambitious in our goals as we build a future of sustainable growth and shared success.

Best wishes and regards,

Natarajan M. Venkataraman
Whole-time Director
Lotus Chocolate Company Limited



Contents of this Report

Company Information

BOARD OF DIRECTORS

Prof. Dipak C. Jain
Chairman, Independent Director

Mr. K. Sudarshan
Independent Director

Mr. Ketan Mody
Non-executive Director

Mr. Asim Parekh
Non-executive Director

Ms. Riddhi Bhimani
Independent Director

Mr. Abhijeet Pai
Non-executive Director

Mr. Aditya Pai
Non-executive Director

Mr. Natarajan M. Venkataraman
Whole-time Director

Mr. Mohammed Rafathullah
Non-executive Director

CHIEF EXECUTIVE OFFICER
Mr. Sandipan Ghosh

CHIEF FINANCIAL OFFICER
Mr. S. Gautham (till 13.05.2026)
Mr. Piyush Goyal (w.e.f. 14.05.2026)

COMPANY SECRETARY AND COMPLIANCE OFFICER
Mr. Utsav Saini

REGISTERED OFFICE (w.e.f. April 21, 2026)
Pranava One, 6th Floor, 6-5-654, Punjagutta Road,
Raj Bhavan Quarters Colony, Somajiguda,
Hyderabad, Nampally, Telangana – 500082
CIN: L15200TG1988PLC009111
Email: investors@lotuschocolate.com
Website: www.lotuschocolate.com
Tel. No.: 1800-425-3949

REGISTRAR & SHARE TRANSFER AGENT
KFin Technologies Limited
Selenium Tower B
Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032, India
E-mail: lotusinvestor@kfintech.com
Website: www.kfintech.com
Toll Free No: 1800 309 4001
[From 9:00 a.m. (IST) to 6:00 p.m. (IST)]

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

NOMINATION AND REMUNERATION COMMITTEE
Mr. K. Sudarshan, *Chairman*
Prof. Dipak C. Jain
Mr. Ketan Mody

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Mr. Ketan Mody, *Chairman*
Prof. Dipak C. Jain
Mr. Natarajan M. Venkataraman

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Prof. Dipak C. Jain, *Chairman*
Mr. K. Sudarshan
Mr. Ketan Mody

RISK MANAGEMENT COMMITTEE
Prof. Dipak C. Jain, *Chairman*
Mr. K. Sudarshan
Mr. Ketan Mody

STATUTORY AUDITORS
Deloitte Haskins & Sells LLP

PLANT LOCATIONS
S. No. 31 and 39, Sangareddy Road, Nastipur Village,
Hathnoora Mandal, Doulatabad, Medak, Telangana, 502296

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

BANKERS
Canara Bank
Axis Bank

NOTICE

NOTICE

NOTICE is hereby given that the Thirty-seventh Annual General Meeting of the members of Lotus Chocolate Company Limited will be held on **Friday**, **September 25, 2026** at **12:30 p.m. (IST)** through Video Conferencing (**"VC"**) / Other Audio-Visual Means **("OAVM")** to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2026 and the reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2026 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.**"**

2. To appoint Mr. Abhijeet Pai (DIN: 02100465), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Abhijeet Pai (DIN: 02100465), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.**"**

3. To appoint Mr. Aditya Pai (DIN: 07538946), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Aditya Pai (DIN: 07538946), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.**"**

SPECIAL BUSINESS

4. To approve Material Related Party Transactions of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act") read with rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Materiality of and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to the Company, to enter into and / or continue the related party transaction(s) / contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1) (zc)(i) of the Listing Regulations) between the Company (or its successor entity) and Reliance Consumer Products Limited (or its successor entity) as more specifically set out in Table A in the explanatory statement to this resolution on the material terms & conditions set out therein.

   RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalising and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

By order of the Board of Directors

Utsav Saini
Company Secretary and Compliance Officer

Wednesday, September 01, 2026

Registered Office:
Pranava One, 6th Floor, 6-5-654,
Punjagutta Road, Raj Bhavan Quarters Colony,
Somajiguda, Hyderabad, Nampally, Telangana – 500082
CIN: L15200TG1988PLC009111
Tel No.: 1800-425-3949;
Email: cs@lotuschocolate.com
Website: www.lotuschocolate.com

NOTES:

1. The Ministry of Corporate Affairs (**"MCA"**) has, vide its general circular dated September 22, 2025 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023, and September 19, 2024 (collectively referred to as "**MCA Circulars**"), permitted convening of the Annual General Meeting (**"AGM" / "Meeting"**) through Video Conferencing (**"VC"**) or Other Audio Visual Means (**"OAVM"**), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (**"the Act"**) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed

3. Generally a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. In terms of the provisions of Section 152 of the Act, Mr. Abhijeet Pai and Mr. Aditya Pai, Non-executive Directors of the Company, retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.

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

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

6. Details of Directors retiring by rotation at this Meeting are provided in the 'Annexure' to this Notice.

Despatch of Annual Report through Electronic Mode:

7. **In compliance with the MCA Circulars and Regulation 36(1)(a) of the Listing Regulations, Notice of the AGM along with the Annual Report for the financial year 2025-26 is being sent only through electronic mode to those members whose e-mail address is registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories. Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Company / Registrar and Share Transfer Agent / Depository Participants / Depositories.**

   Members may note that this Notice and Annual Report for the financial year 2025-26 will also be available on the Company's website at www.lotuschocolate.com, website of BSE Limited at www.bseindia.com and on the website of Company's Registrar and Share Transfer Agent, KFin Technologies Limited ("KFinTech") at https://evoting.kfintech.com/

8. For receiving all communications (including Annual Report) from the Company electronically:

   a) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant. National Securities Depository Limited ("NSDL") has provided a facility for registration / updation of e-mail address through the https://eservices.nsdl.com/kyc-attributes/#/login

   b) Members holding shares in physical mode are requested to follow the process set out in Note No. 18 in this Notice.

Procedure for joining the AGM through VC / OAVM:

9. The Company will provide VC / OAVM facility to its members for participating at the AGM;

   a) **Members will be able to attend the AGM through VC / OAVM through JioEvents by using their**

login credentials provided in the accompanying communication.

Members are requested to follow the procedure given below:

(i) Launch internet browser by typing / clicking on the following link: https://jioevents.jio.com/lotuschocolateagm/ (best viewed with Edge 80+, Firefox 78+, Chrome 83+, Safari 13+)

(ii) Click on **'Shareholders CLICK HERE'** button.

(iii) **Enter the login credentials (i.e. User ID and password provided in the accompanying communication) and click on 'Login'.**

(iv) Upon logging-in, you will enter the Meeting Room.

b) Members who do not have or who have forgotten their User ID and Password, may obtain / generate / retrieve the same, for attending the AGM, by following the procedure given in the instruction at Note No. 13.C.(vii)(III)

c) Members who would like to express their views or ask questions during the AGM may register themselves at https://emeetings.kfintech.com. The Speaker Registration will be open from **Friday, September 11, 2026 to Sunday, September 13, 2026.** Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers at the AGM depending on the availability of time appropriate for smooth conduct of the AGM.

d) All members attending the AGM will have the option to post their comments / queries through a dedicated Chat box that will be available below the Meeting Screen.

e) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

f) Institutional / Corporate members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) to anilglohia@gmail.com (scrutinizer) with a copy marked to evoting.lotus@kfintech.com. Such authorisation should contain necessary authority in favour of its authorised representative(s) to attend the AGM.

g) Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting.

h) Members who need assistance before or during the AGM, can contact KFinTech at emeetings@kfintech.com or call on toll free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days). Kindly quote your name, DP ID Client ID / Folio no. and E-voting Event Number **('EVEN')** in all your communications.

10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

11. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

12. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM.

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

13 **A. E-VOTING FACILITY**

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

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

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

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

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

REMOTE E-VOTING PERIOD	
Commencement of remote e-voting	**09:00 a.m. (IST) on Sunday, September 20, 2026**
End of remote e-voting	**05:00 p.m. (IST) on Thursday, September 24, 2026**

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

Voting rights of a member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his / her / its shareholding in the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday, September 18, 2026 ("Cut-off Date").

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

B. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

(i) **Members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.**

(ii) **Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**

(iii) A member can opt for only single mode of voting, i.e. through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as 'INVALID'.

(iv) **Only a person, whose name is recorded as on the Cut-off date, in the Register of Members / Register of Beneficial Owners maintained by the Depositories shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the Cut-off Date, should treat this Notice for information purpose only.**

(v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in this Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the Cut-off Date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

C. REMOTE E VOTING:

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

As per Securities and Exchange Board of India **("SEBI")** Master Circular bearing reference no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, as amended, **all "individual members holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s). The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:**

Procedure to login through website of Depositories

National Securities Depository Limited ("NSDL")	Central Depository Services (India) Limited ("CDSL")
1. **Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:** i. Type in the browser / Click on the following e-Services link: https://eservices.nsdl.com ii. Click on the button **"Beneficial Owner"** available for login under **'IDeAS'** section. iii. A new page will open. Enter your User ID and Password for accessing IDeAS. iv. On successful authentication, you will enter your IDeAS service login. Click on **"Access to e-Voting"** under **Value Added Services** on the panel available on the left hand side. v. You will be able to see Company Name: **"Lotus Chocolate Company Limited"** on the next screen. **Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider "KFinTech"** and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.	1. **Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:** i. Type in the browser / Click on any of the following links:**https://web.cdslindia.com/myeasitoken/home/login** or **https://www.cdslindia.com** and click on (a) **My Easi New (Token)** under **"Login";** or (b) **Login to - My Easi** under **"Quick Links"** available at the bottom of homepage (best operational in Internet Explorer 10 or above and Mozilla Firefox). ii. A new page will open. Enter your (a) User ID and Password; or (b) PAN, for accessing Easi /Easiest. iii. On successful authentication, you will see Company Name: **"Lotus Chocolate Company Limited"** on the next screen. **Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider "KFinTech"** and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.
2. **Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:** i. To register, type in the browser / Click on the following e-Services link: **https://eservices.nsdl.com** ii. Select option **"Register Online for IDeAS"** available on the left hand side of the page or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.	2. **Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:** i. To register, type in the browser / click on the following link: **https://web.cdslindia.com/myeasitoken/Home/EasiRegistration** or **https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration** ii. Proceed to complete registration using your DP ID Client ID (BO ID), etc. iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
3. **Users may directly access the e-voting module of NSDL as per the following procedure:** i. Type in the browser / Click on the following link: **https://www.evoting.nsdl.com/** ii. Click on the button **"Login"** available under **"Shareholder / Member"** section. iii. On the login page, enter User ID (i.e., (a) 16-character demat account number held with NSDL, starting with IN; (b) alpha-numeric User ID already set by the member), Login Type, i.e., through typing Password (in case you are registered on NSDL's e-voting platform) / through generation of OTP (in case your mobile / e-mail address is registered in your demat account) and Verification Code as shown on the screen.	**3. Users may directly access the e-Voting module of CDSL as per the following procedure:** i. Type in the browser / Click on the following link: **https://evoting.cdslindia.com/Evoting/EvotingLogin** ii. Provide Demat Account Number and PAN. iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. iv. On successful authentication, you will enter the e-Voting module of CDSL. **Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-voting service provider "KFinTech"** and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.

National Securities Depository Limited ("NSDL")	Central Depository Services (India) Limited ("CDSL")
As an alternate OTP based login, click on **https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp**. Enter 8-digit DP ID, 8-digit Client ID, PAN No., Verification code as shown on the screen and click on 'Generate OTP' button. Enter the OTP received on your registered email id / mobile number and click on 'Log-in' button. After successful authentication, you will be redirected to NSDL Depository website, wherein you can see e-Voting page. iv. You will be able to see Company Name: **"Lotus Chocolate Company Limited"** on the next screen. **Click on the e-Voting link available against Lotus Chocolate Company Limited or select e-Voting service provider "KFinTech"** and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.	
4. **Users may also download NSDL's mobile application "NSDL Speede" by scanning the QR code / clicking on the links mentioned below for seamless e-voting experience:** NSDL Mobile App is available on App Store Google Play **Android:** **https://play.google.com/store/apps/details?id=com.msf.NSDL.Android** **iOS:** **https://apps.apple.com/in/app/nsdl-speede-app/id922834763**	4. **Users may also download CDSL's mobile application "CDSL MyEasi" by clicking on the links mentioned below for seamless e-voting experience:** Android: https://play.google.com/store/apps/details?id=com.cdsl.myeasi iOS: https://apps.apple.com/in/app/cdsl-myeasi-app/id6737304195

Procedure to login through demat accounts / Website of Depository Participant

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

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

Contact details in case of any technical issue on NSDL Website	Contact details in case of any technical issue on CDSL Website
Members facing any technical issue during login can contact NSDL helpdesk by sending a request at **evoting@nsdl.com** or contact at **022-4886 7000**	Members facing any technical issue during login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at **1800 210 9911**

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

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

(a) Launch internet browser by typing the URL**: https://evoting.kfintech.com/**.

(b) Enter the login credentials **(User ID and password provided in the e-mail)**. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFinTech for e-voting, you can use the existing password for logging-in. If required, please visit **https://evoting.kfintech.com/** or contact toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days) for assistance on your existing password.

(c) After entering these details appropriately, click on 'LOGIN'.

(d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Lotus Chocolate Company Limited.

(g) On the voting page, enter the number of shares as on the Cut-off Date under either 'FOR' or 'AGAINST' or alternatively, you may partially enter any number under 'FOR' / 'AGAINST', but the total number under 'FOR' / 'AGAINST' taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to 'ABSTAIN' and vote will not be counted under either head.

(h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

(i) Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item, it will be treated as 'ABSTAINED'.

(j) You may then cast your vote by selecting an appropriate option and click on 'SUBMIT'.

(k) A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify.

(l) Once you confirm, you will not be allowed to modify your vote.

(m) Institutional / Corporate members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail id anilglohia@gmail.com with a copy marked to evoting.lotus@kfintech.com. Such authorisation should contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be 'Corporate Name EVEN'.

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

(a) Members holding shares in physical mode, who have not registered / updated their e-mail address with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching form ISR-1 available on the Company's website at www.lotuschocolate.com or e-mail at investors@lotuschocolate.com or to KFinTech at lotusinvestor@kfintech.com.

(b) **Members holding shares in dematerialized mode who have not registered / updated their e-mail address with their Depository Participant(s) are requested to register / update their e-mail address with the Depository Participant(s) with which they maintain their demat accounts.**

(c) After due verification, the Company / KFinTech will forward your login credentials to your registered e-mail address.

(d) Follow the instructions at (vii) (I).A. (a) to (m) above to cast your vote.

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

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

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

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

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

In case the shares are held in physical mode: The member may send SMS: MYEPWD <SPACE> 1402345612345678 Event Number + Folio No. to 9212993399

Example for Physical:
MYEPWD <SPACE> XXXX123456789

(b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate password.

(c) Member may call on KFinTech's toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).

(d) Member may send an e-mail request to evoting.lotus@kfintech.com. After due verification of the request, User ID and password will be sent to the member.

(e) If the member is already registered with KFinTech's e-voting platform, then he / she / it can use his / her / its existing password for logging-in.

(IV) In case of any query on e-voting, Members may refer to the 'Help' and 'FAQs' sections / E-voting user manual available through a dropdown menu in the 'Downloads' section of KFinTech's website for e-voting: https://evoting.kfintech.com or contact KFinTech as per the details given under Note No. 13. E.

D. INSTA POLL:

(viii) **INFORMATION AND INSTRUCTIONS FOR INSTA POLL:**

Facility to vote through Insta Poll will be made available on the Meeting Screen (after you log into the Meeting) and will be activated once the Insta Poll is announced at the Meeting. An icon, 'Vote', will be available at the bottom left on the Meeting Screen. Once the voting at the Meeting is announced by the Chairman, members who have

not cast their vote using remote e-voting will be able to cast their vote by clicking on this icon.

E. CONTACT DETAILS FOR ASSISTANCE ON E-VOTING

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

Shri V. Balakrishnan, Vice President
KFin Technologies Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032,
Telangana, India.
Toll-free No.: 1800 309 4001
(from 9:00 a.m. (IST) to 6:00 p.m.
(IST) on all working days).
E-mail: evoting.lotus@kfintech.com.

F. E-VOTING RESULT:

(x) The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or any person authorised by him. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: https://www.lotuschocolate.com and on the website of KFinTech at: https://evoting.kfintech.com. The result will simultaneously be communicated to the Stock Exchange. The result will also be displayed at the registered office of the Company.

(xi) **Subject to receipt of requisite number of votes, the Resolutions proposed in this Notice shall be deemed to have been passed on the date of the Meeting, i.e. Friday, September 25, 2026.**

PROCEDURE FOR INSPECTION OF DOCUMENTS:

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

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

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

15. Members seeking any information with regard to the accounts or any matter to be considered at the AGM, are requested to write to the Company on or before Friday, September 18, 2026 by sending e-mail on investors@lotuschocolate.com. The same will be replied by the Company suitably.

OTHER INFORMATION

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

17. Members are advised to exercise diligence and obtain statement of holdings periodically from the concerned Depository Participant and verify the holdings from time to time.

18. Members are requested to intimate / update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.

- For shares held in dematerialised mode to their Depository Participant for making necessary changes. NSDL has provided a facility for registration / updation of e-mail address through the link: https://eservices.nsdl.com/kyc-attributes/#/login and opt-in / opt-out of nomination through the link: https://eservices.nsdl.com/instademat-kyc-nomination/#/login.
- For shares held in physical mode by submitting to KFinTech the forms given below along with requisite supporting documents:

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

Any service request shall be entertained by KFinTech only upon registration of the PAN and KYC details.

19. Non-Resident Indian members are requested to inform the Company / KFinTech (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.

20. Members may please note that the Listing Regulations mandate transfer, transmission and transposition of securities of listed companies held in physical form only in demat mode. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim for unclaimed suspense account / renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, members are requested to make service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate etc., by submitting a duly filled and signed Form ISR-4 (Request for issue of Duplicate Certificate and other Service Requests) along with requisite supporting documents to KFinTech as per the requirement of the aforesaid circular.

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

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

21. **Shareholders' Referencer** gives guidance on securities related matters and is uploaded on the Company's website and can be accessed at link: https://www.lotuschocolate.com/uploads/investor/service_1786442369_Lotus_Shareholder_referencer_Final.pdf

ANNEXURE TO THE NOTICE DATED SEPTEMBER 01, 2026

Details of Directors retiring by rotation at the Meeting:

Name	**Mr. Abhijeet Pai**
Age (in years)	42
Qualifications	B.E. Honors in Mechanical Engineering from University of Hertfordshire, United Kingdom.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Abhijeet Pai, a seasoned entrepreneur, is currently serving as President of Puzzolana Group, a leading manufacturer of crushing and screening equipment for infrastructure and mining in Asia and have co-founded 'Gruhas', an investment arm focusing on early stage investments across built world tech, AI, energy transition etc. He has also forayed into the construction equipment sector by establishing Pai Machines. For detailed profile, please refer Company's website.
Terms and conditions of re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Abhijeet Pai is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any) (FY 2025-26)	Nil
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	January 13, 2025
Number of meetings of the Board attended	FY 2025-26: 75% (3 out of 4 meetings held) FY 2026-27 (till the date of this Notice): 100% (3 meetings held)
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2026	Mr. Abhijeet Pai holds 3.52% of equity share capital and 12.50% of preference share capital of the Company.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Directorships of other Boards as on March 31, 2026	• Puzzolana Limited • Gruhas Realty Investment Partners Private Limited • Pai Machines Private Limited (formerly known as Infra Bazaar Tech Private Limited) • Puzzolana Estates Private Limited • Zoiros Projects Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2026	Nil
Listed entities from which the Director has resigned in the past 3 years	Nil

Name	**Mr. Aditya Pai**
Age (in years)	32
Qualifications	B. Com from Osmania University, Hyderabad and Master of Engineering Business Management from University of Warwick, United Kingdom.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Aditya Pai is an emerging entrepreneur and his competencies lie in business development, business processes and strategic systems development. For detailed profile, please refer Company's website.
Terms and conditions of re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Aditya Pai is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any) (FY 2025-26)	Nil
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	January 13, 2025
Number of meetings of the Board attended	FY 2025-26: 100% (4 out of 4 meetings held) FY 2026-27 (till the date of this Notice): 100% (3 meetings held)
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2026	Mr. Aditya Pai holds 3.17% of equity share capital of the Company.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Directorships of other Boards as on March 31, 2026	P.M.F. Estates Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2026	Nil
Listed entities from which the Director has resigned in the past 3 years	Nil

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

The following Statement sets out all material facts relating to the special business proposed in this Notice:

Item No. 4

The Company is engaged in manufacturing of cocoa derivatives including Cocoa Mass, Cocoa Butter and Cocoa Powder and also offers a range of choco chips and choco slabs which are supplied to leading Food Manufacturers, Ice-cream manufacturers and Bakeries across the country. The Company has also expanded its range of consumer products with the introduction of products in confectionery and chocolate categories and is also building up an omni channel distribution pathway in general retail, standalone chains and modern trade outlets. The annual turnover of the Company as on March 31, 2026 is Rs. 579.55 crore (excluding duties and taxes).

In furtherance of its business activities, the Company has entered into / will enter into transactions / contract(s) / agreement(s) / arrangement(s) in terms of Regulation 2(1)(zc)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The related party transactions of the Company are at arm's length and in the ordinary course of business.

The Company has a well-defined governance process for the related party transactions undertaken by them. These transactions are independently reviewed by Independent accounting firms for arm's length consideration and compared with the benchmarks available for similar type of transactions and this analysis is presented to the Audit Committee.

Further, all related party transactions of the Company are undertaken after obtaining prior approval of the Audit Committee.

All related party transactions as set out in this Notice have been unanimously approved by the Audit Committee (only independent directors) after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into during the previous quarter, pursuant to its approvals.

The related party transactions between the Company and Reliance Consumer Products Limited (RCPL) as set out in this Notice are also approved by the audit committee of RCPL, the related party. RCPL is the holding company and promoter of the Company.

In accordance with Regulation 23 of the Listing Regulations, approval of the members is sought for related party transactions which in a financial year, exceed 10% of annual turnover of the Company as per the last audited financial statement of the Company. The approval of the members pursuant to resolution no. 4 is being sought for the related party transactions / contracts / agreements / arrangements set out in Table A below.

In addition to the transactions set out in the Table A below, approval of the members is also sought for any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee. The values of such additional transactions are included in the values set out in the Table A below.

In the event of any restructuring of the Company or related party referred in Table A below, resulting in transfer of the business carried on by the entity to successor entity, the approval of the members pursuant to the ordinary resolution no. 4 proposed in this Notice shall be deemed to be approval for these transactions with or between such successor entity.

The values of related party transactions specified in the Table A below exclude duties and taxes.

The approval of the members for the transactions set out in Table A below shall be deemed to include the approval to any modification not resulting in material modification as currently defined by the Audit Committee as a part of the Company's Policy on Materiality of and on Dealing with Related Party Transactions. Any subsequent material modification in the transactions, as currently defined by the Audit Committee as a part of the Company's Policy on Materiality of and on Dealing with Related Party Transactions, shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

The value of transactions (for which the approval is being sought) for the period commencing from April 1, 2026 till the date of this Notice has not exceeded the materiality threshold and is not likely to exceed the materiality threshold till the approval of these transactions by the members.

The details of transactions as required under Regulation 23(4) of the Listing Regulations read with Section III-B of the SEBI Master Circular bearing reference no. SEBI/HO/49/14/14(7)2025-CFDPOD2/I/3762/2026 dated January 30, 2026, as amended ("SEBI Master Circular") along with details as required under the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards") are set forth below:

Table A - Transactions between the Company and Reliance Consumer Products Limited

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Name of the related party, its relationship with the listed entity, including nature of its concern or interest (financial or otherwise), shareholding of the listed entity whether direct or indirect, in the related party and shareholding of the related party, whether direct or indirect, in the listed entity</td><td>Name of the Related Party Reliance Consumer Products Limited (RCPL).
Relationship and shareholding RCPL is the holding company and promoter of the Company.
RCPL holds 51% of total paid-up equity share capital and 50% of total paid-up redeemable preference share capital of the Company.
The Company does not hold, directly or indirectly, any shareholding in RCPL.</td></tr>
<tr><td>2.</td><td>Name of Director(s) or Key Managerial Personnel who is related, if any</td><td>Not applicable</td></tr>
<tr><td>3.</td><td>Nature of Business of the related party</td><td>Consumer products</td></tr>
<tr><td>4.</td><td>Country of Incorporation of the related party</td><td>India</td></tr>
<tr><td>5.</td><td>Financial Performance of related party during FY 2025-26</td><td><table><tr><th>Particulars</th><th>Amount (Rs. in crore)</th></tr><tr><td>Turnover</td><td>7,037</td></tr><tr><td>Net worth</td><td>3,801</td></tr><tr><td>Net Profit (Profit after tax)</td><td>(125)</td></tr></table></td></tr>
<tr><td>6.</td><td>Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.
a. Name of the director / KMP
b. Shareholding of the director / KMP, whether direct or indirect, in the related party</td><td>Proposed transactions are with RCPL, the holding company and promoter of the Company.
Mr. Ketan Mody, Mr. Asim Parekh and Mr. K Sudarshan, Directors of the Company, who are also directors on the board of RCPL, may be deemed to be concerned or interested, in the transactions.
Nil</td></tr>
<tr><td>7.</td><td>Type, tenure, basis of determination of price, bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services and other material terms and particulars</td><td>(i) The Company will purchase finished products and / or raw materials from RCPL.
(ii) The Company sells chocolates and various confectionery products to RCPL.
(iii) The Company avails business support services from RCPL.
(iv) The Company has provided its vacant land on lease to RCPL for business purpose. The Company also provides sales support and other business support services to RCPL.
The above transactions at 7(i) to (iv) will be at market price or cost-plus margin, as applicable.
(v) The Company proposes to use the brands, owned / held by RCPL, for its confectionery products in accordance with terms of licensing arrangement. In consideration, the Company will pay RCPL a brand licensing fee of 1% of net sales of these products.
(vi) The Company will avail funds by way of loans / advances from RCPL for business purposes.</td></tr>
</table>

Sr. No.	Particulars	Details
		Interest on the funds availed from RCPL, will be based on SBI MCLR or similar benchmark plus spread as mutually agreed on an arm's length basis. The proposed borrowing from RCPL will be within the limits under Section 180(1)(c) of the Companies Act, 2013. The above arrangements are / proposed to be continuing business transactions. Approval of the members is being sought for the transactions during the period from FY 2026-27 to FY 2028-29.
8.	Value of the transaction	(a) The Company estimates that the monetary value for transactions at 7(i) above and allied transactions i) for FY 2026-27 to be upto Rs. 105 crore; and ii) in each of the subsequent financial years i.e., FY 2027-28 and FY 2028-29 to be upto Rs. 100 crore. (b) The Company estimates that the monetary value for transactions at 7(ii) above and allied transactions in each of the financial years from FY 2026-27 to FY 2028-29 to be upto Rs. 35 crore. (c) The Company estimates that the monetary value for transactions at 7(iii) above and allied transactions i) for FY 2026-27 to be upto Rs. 25 crore; and ii) in each of the subsequent financial years i.e., FY 2027-28 and FY 2028-29 to be upto Rs. 60 crore. (d) The Company estimates that the monetary value for transactions at 7(iv) above and allied transactions i) for FY 2026-27 to be upto Rs. 90 crore; and ii) in each of the subsequent financial years i.e., FY 2027-28 and FY 2028-29 to be upto Rs. 75 crore. (e) The Company estimates that the monetary value for transactions at 7(v) above and allied transactions i) for FY 2026-27 to be upto Rs. 6 crore; and ii) in each of the subsequent financial years i.e., FY 2027-28 and FY 2028-29 to be upto Rs 11 crore. (f) The Company estimates that the monetary value for funds to be availed by the Company from RCPL and outstanding at any point of time from FY 2026-27 to FY 2028-29 to be upto Rs. 50 crore.
9.	Value of the transaction as a percentage of- (i) listed entity's annual consolidated turnover for the immediately preceding financial year (ii) the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available	i. The estimated transaction value at 8(a) above for FY 2026-27 represents: a. 18.1 % of annual turnover of the Company for FY 2025-26; and b. 1.5 % of annual standalone turnover of RCPL for FY 2025-26. ii. The estimated transaction value at 8(b) above for FY 2026-27 represents: a. 6 % of annual turnover of the Company for FY 2025-26; and b. 0.5 % of annual standalone turnover of RCPL for FY 2025-26. iii. The estimated transaction value at 8(c) above for FY 2026-27 represents: a. 4.3% of annual turnover of the Company for FY 2025-26; and b. 0.4% of annual standalone turnover of RCPL for FY 2025-26. iv. The estimated transaction value at 8(d) above for FY 2026-27 represents: a. 15.5% of annual turnover of the Company for FY 2025-26; and b. 1.3% of annual standalone turnover of RCPL for FY 2025-26.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td></td><td>v. The estimated transaction value at 8(e) above for FY 2026-27 represents:
a. 1% of annual turnover of the Company for FY 2025-26; and
b. 0.1% of annual standalone turnover of RCPL for FY 2025-26.
vi. The estimated transaction value at 8(f) above for FY 2026-27 represents:
a. 8.6% of annual turnover of the Company for FY 2025-26; and
b. 0.7% of annual standalone turnover of RCPL for FY 2025-26.</td></tr>
<tr><td>10.</td><td>Total amount of all the transactions undertaken by the listed entity with the related party during the last financial year and in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought</td><td>
<table>
<tr><td colspan="3">(Amount in Crore)</td></tr>
<tr><th>Nature of transactions</th><th>FY 2025-26</th><th>FY 2026-27
(Upto quarter ended June 30, 2026)</th></tr>
<tr><td>transactions at 7(i)</td><td>2.8</td><td>1.1</td></tr>
<tr><td>transactions at 7(ii)</td><td>31.2</td><td>14.5</td></tr>
<tr><td>transactions at 7(iii)</td><td>3.8</td><td>0.97</td></tr>
<tr><td>transactions at 7(iv)</td><td>18.3</td><td>19.62</td></tr>
<tr><td>transactions at 7(v)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>transactions at 7(vi)</td><td>Nil</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>11.</td><td>Details of transactions relating to borrowings by the listed entity:</td><td></td></tr>
<tr><td></td><td>i) applicable material terms, including covenants, maturity / due date, interest rate and repayment schedule & terms, cost of borrowing, whether secured or unsecured; if secured, the nature of security & security coverage ratio</td><td>• Maturity / due date – upto 5 years
• Interest rate / cost of borrowing - Interest rate on the borrowing will be based on SBI MCLR or similar benchmark plus spread as may be mutually agreed on an arm’s length.
• Nature – Unsecured
• Repayment schedule- repayable on demand or on maturity</td></tr>
<tr><td></td><td>ii) The purpose for which the funds will be utilized by the listed entity</td><td>For general corporate purpose</td></tr>
<tr><td></td><td>iii) Debt to Equity Ratio of the Company based on last audited financial statements:</td><td></td></tr>
<tr><td></td><td>a. Before transaction</td><td>a. 1.64</td></tr>
<tr><td></td><td>b. After transaction</td><td>b. 2.48 (assuming borrowing of full amount of Rs. 50 crore from RCPL)</td></tr>
<tr><td></td><td>iv) Debt Service Coverage Ratio of the Company based on last audited financial statements:</td><td></td></tr>
<tr><td></td><td>a. Before transaction</td><td>a. 0.27</td></tr>
<tr><td></td><td>b. After transaction</td><td>b. 0.16 (assuming borrowing of full amount of Rs. 50 crore from RCPL)</td></tr>
</table>

Sr. No.	Particulars	Details
12.	Details of transactions relating to payment of royalty:	
	i) Purpose for which royalty is proposed to be paid to the related party in the current financial year	100% of the royalty proposed to be paid to RCPL is for use of brand name / trademark.
	ii) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction.	Currently, RCPL does not have licensing arrangement for usage of brand name with other group companies.
	iii) Sunset Clause for Royalty payment, if any.	The Company will pay brand license fee to RCPL during the tenure of the agreement i.e. 3 years. The agreement can be renewed thereafter, subject to requisite approval(s).
13.	Justification as to why the RPT is in the interest of the listed entity	The Company is looking to expand by introducing new products in confectionery and chocolate categories through an omni channel distribution pathway in general retail, standalone chains and modern trade outlets. The Company endeavours to ensure availability of raw material at competitive rates, explore market avenues by offering good quality products and also expand its operations on a sustainable manner. The Company is a subsidiary of Reliance Consumer Products Limited (RCPL), which has a robust sourcing ecosystem with ability to deliver products across the country. The arrangements with RCPL would benefit the Company in its endeavour to build and expand its operations in a sustainable manner with a vision of bean to bar. The licensing arrangement with RCPL will provide the Company leverage to use the brand name of RCPL for its business activities. The Company will borrow funds from RCPL, being the holding company of the Company, for meeting its ongoing business requirements and general corporate purpose.
14.	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Not applicable
15.	Other details as per the RPT Industry Standards	1. There was no default in any obligation undertaken by RCPL under a transaction or arrangement entered into with the Company during the FY 2025-26. 2. No bidding or other process was applied for choosing the related party for the above transactions. 3. No trade advance is proposed to be extended to RCPL in relation to the proposed transactions. 4. The Company had not paid any amount of royalty to RCPL during last three financial years. 5. No peer comparison is available for licensing of brands for use in confectionery products. 6. None of the above transactions are omnibus in nature.
16.	Any other information that may be relevant	All relevant / important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

The Audit Committee has reviewed the certificate provided by the Chief Financial Officer and Whole-time Director of the Company as required under the RPT Industry Standards.

Director(s) of the Company who are also director(s) on the board of related party as disclosed in the Table A above and relatives of the said Director(s), to the extent of their shareholding, if any, may be deemed to be concerned or interested, in the transactions.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the transactions.

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve the Ordinary Resolution set out at Item No. 4 whether the entity is a related party to the particular transaction or not.

The Board commends the Ordinary Resolution set out at Item No. 4 of this Notice for approval by the members.

By Order of the Board of Directors

Utsav Saini
Company Secretary and
Compliance Officer

Hyderabad, September 01, 2026

Registered Office:
Pranava One, 6th Floor, 6-5-654,
Punjagutta Road, Raj Bhavan Quarters Colony,
Somajiguda, Hyderabad, Nampally, Telangana – 500082
CIN: L15200TG1988PLC009111
Tel No.: 1800-425-3949;
Email: cs@lotuschocolate.com
Website: www.lotuschocolate.com

Board's Report

Dear Members,

The Board of Directors present the Company's Thirty-Seventh Annual Report and the Company's audited financial statement for the financial year ended on March 31, 2026.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2026 is summarized below:

(₹ in crore)

Particulars	2025-26	2024-25
Revenue from Operations (net)*	579.55	573.75
Other Income	36.06	0.81
Profit/(Loss) before Depreciation, Amortization, Interest and Taxes	**21.39**	**31.98**
Less: Interest	16.30	7.11
Less: Depreciation and Amortization Expense	3.92	1.81
Profit/(Loss) Before Tax	**1.17**	**23.06**
Less: Tax Expense (includes current tax, deferred tax, short /excess provision of tax relating to earlier year/s)	1.07	5.83
Profit/(Loss) for the Year	**0.10**	**17.23**
Add: Other comprehensive Income	0.04	(0.15)
Total Comprehensive Income for the Year	**0.14**	**17.08**

(excludes Goods and Service Tax)*

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, the revenue from operations (excluding the goods and service tax) increased to ₹ 579.55 crore (previous year ₹ 573.75 crore). The profit before depreciation, amortization, interest and tax is ₹ 21.39 crore (previous year ₹ 31.98 crore). The Company's profit after tax is ₹ 0.10 crore as compared to a profit of ₹ 17.23 crore in the previous year.

The Company's architecture is built to drive growth by balancing volume and profit, ensuring that it scales tonnage through derivatives while disproportionately increasing our earnings through ingredients. This balanced approach is Company's roadmap to sustainable, high-value success.

To achieve this, the Company is focusing on certain key areas i.e. leveraging smart forecasting and strategic sourcing to secure the highest quality cocoa beans exactly when the crop is ready which allows extraction of maximum value from mass, butter, and powder mix; expansion of customer reach across both natural and alkalized product lines, while aggressively pursuing high-margin export opportunities; transition from a traditional supplier into an ingredient solution provider, developing custom applications for the biscuit, ice cream, chocolate and beverage industries. Further, the Company is doubling down on R&D to drive color and flavor innovation and recipe optimization, which will enable to deliver best quality at optimum cost.

In nutshell, the Company is transforming its business model to become a comprehensive, one-stop solution for its customers, taking them on a journey from bean to bar.

DIVIDEND

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

TRANSFER TO RESERVES

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

MATERIAL EVENTS DURING THE YEAR UNDER REVIEW AND UPDATES THEREON

Pursuant to the composite scheme of arrangement among Reliance Retail Limited, Reliance Retail Ventures Limited (RRVL), Reliance Consumer Products Limited (Old RCPL) and Reliance Consumer Products Limited (formerly known as Tira Beauty Limited) (New RCPL) and their respective shareholders and creditors under section 230-232 of the Companies Act, 2013 (Scheme), sanctioned by Hon'ble National Company Law Tribunal, Mumbai Bench, vide order dated November 06, 2025, the entire 65,49,065 equity shares, representing 51% of the total paid-up equity share capital of the Company, held by Old RCPL, stood transferred to / vested in New RCPL effective December 1, 2025 and consequently, New RCPL became the promoter and holding company of the Company. Further, in terms of the Scheme, Old RCPL stood dissolved and amalgamated with RRVL upon effectiveness of the Scheme i.e. December 01, 2025.

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

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

SHARE CAPITAL

During the year under review, there has been no change in authorized and paid-up share capital of the Company. The total paid-up share capital of the Company as on March 31, 2026 is Rs.63,63,42,490/- comprising of:

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

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The Board has approved shifting of registered office of the Company from 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No. 1, Road No. 10, Banjara Hills, Hyderabad 500034, Telangana to Pranava One, 6th Floor, 6-5-654, Punjagutta Road, Raj Bhavan Quarters Colony, Somajiguda, Hyderabad, Nampally, Telangana – 500082 with effect from April 21, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

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

SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 ("the Act") have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best governance practices. The Corporate Governance Report as stipulated under the Listing Regulations forms part of this Annual Report. Certificate from the Secretarial Auditors confirming compliance with the conditions of Corporate Governance is attached to the Corporate Governance Report.

Disclosure pursuant to para (IV) of third proviso to Section II, Part II of Schedule V to the Act relating to remuneration of Mr. Natarajan M. Venkataraman is covered in the Corporate Governance Report. For details, please refer to the Corporate Governance Report forming part of this Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis and do not have potential conflict with interest of the Company at large.

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

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

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

Members may refer to Note No. 33 to the Financial Statement which sets out related party disclosures pursuant to Indian Accounting Standards.

CORPORATE SOCIAL RESPONSIBILITY

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

During the year under review, the Company has spent ₹ 0.128 Crore (i.e., 2% of the average net profits of the immediately preceding three financial years) towards identified and approved CSR initiatives covered under Schedule VII to the Act, through the implementing agency.

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

RISK MANAGEMENT

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

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

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

INTERNAL FINANCIAL CONTROLS

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Abhijeet Pai (DIN: 02100465) and Mr. Aditya Pai (DIN: 07538946), Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee ("NRC"), have recommended their re-appointment.

Ms. Renuka Shastry (DIN: 02578917) and Mr. Krishnakumar Thirumalai (DIN: 00079047) resigned from the Board on July 10, 2025 and February 27, 2026, respectively.

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

The Board of Directors, based on the recommendation of the NRC, approved the appointment of Mr. Natarajan M. Venkataraman (DIN: 05324934) as an Additional Director and Whole-time Director for a term of 5 (five) years w.e.f. July 16, 2025. Further, the shareholders had approved the said appointment through Special Resolution passed at the Annual General Meeting of the Company held on September 30, 2025.

The Board of Directors, based on the recommendation of the NRC, approved the appointment of Mr. Mohammed Rafathullah (DIN: 06744446) as Additional Director, designated as Non-Executive Director of the Company w.e.f. February 27, 2026, subject to approval of members.

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

a) they meet the criteria of independence prescribed under the Act and the Listing Regulations;

b) they have registered their names in the Independent Directors' Databank; and

c) they have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Act.

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

a) Policy for selection of Directors and determining Directors' independence; and

b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

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

The Remuneration Policy for Directors, Key Managerial Personnel and other employees sets out the guiding principles for the NRC for recommending to the Board, the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The remuneration policy is in consonance with existing industry practice. The Policy is available on the Company's website and can be accessed at https://www.lotuschocolate.com/documents/files/Remuneration-Policy-for-Directors.pdf.

PERFORMANCE EVALUATION

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

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

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

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

Secretarial Auditors

KSR & Co., Company Secretaries LLP (Firm Registration No. P2008TN006400), were appointed as the Secretarial Auditors of the Company for a term of 5 consecutive years, at the 36^{th} Annual General Meeting held on September 30, 2025. They have confirmed their eligibility and qualification required under the Act and the Listing Regulations for holding office, as the Secretarial Auditors of the Company.

The Secretarial Audit Report for the financial year ended March 31, 2026 is annexed and marked as **Annexure- II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

DISCLOSURES

Meetings of the Board

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

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

Committees of Board

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

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

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

Details of complaints received, if any, during the year under the POSH Act, are provided in the Corporate Governance Report, which forms part of this Annual Report.

THE CODE ON SOCIAL SECURITY, 2020- MATERNITY BENEFIT

The Company is in compliance with the applicable provisions relating to maternity benefits as prescribed under the Maternity Benefit Act, 1961 / the Code on Social Security, 2020.

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

The Company has not given any loan, or provided guarantee, or made any investments or offered any security in connection with loans to any other body corporate or individual during the year under review.

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

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

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2026 is available on the Company's website and can be accessed at https://lotuschocolate.com/uploads/investor/1788165172_MGT_-_7_With_all_annexures.pdf

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn and the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Report.

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

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

POLICIES

The Company has reviewed / amended following policies during the year under review:

1. Corporate Social Responsibility Policy
2. Vigil Mechanism and Whistle Blower Policy
3. Policy for determining Material Subsidiaries
4. Policy on Materiality of and on dealing with Related Party Transactions
5. Code to Regulate, Monitor and Report Trading in Securities of the Company
6. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

7. Code of Conduct
8. Policy on determination and disclosure of materiality of events and information and web archival policy
9. Remuneration Policy for Directors, Key Managerial Personnel and Other Employees
10. Policy for selection of Directors and determining directors' independence.

GENERAL

During the year under review:

a) the Company has not accepted deposits covered under Chapter V of the Act;

b) the Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

c) the Company has not issued shares (including sweat equity shares and ESOS) to employees of the Company under any scheme;

d) the Company has not issued any debentures, bonds, warrants or any other convertible securities;

e) the Company did not have any scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;

f) no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

g) no fraud has been reported by the Auditors to the Audit Committee or the Board of Directors of the Company;

h) as the Company did not have any subsidiary or joint venture or associate company during the year, the reporting requirements under Rule 8(1) and Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 are also not applicable to the Company. Further, details in terms of Section 197(14) of the Act is not applicable to the Company;

i) there has been no change in capital structure of the Company;

j) there has been no instance of transferring the funds to the Investor Education and Protection Fund;

k) there has been no change in the nature of business of the Company;

l) the Company is not required to maintain cost records as prescribed by the Central Government under Section 148(1) of the Act;

m) the Company has not bought back its shares, pursuant to the provisions of Section 68 of the Act and Rules made thereunder;

n) statement of deviation or variation in connection with preferential issue was not applicable to the Company;

o) the Company has not failed to implement any corporate action;

p) there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016; and

q) there was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Prof. Dipak C. Jain
Chairman

Date: April 15, 2026

ANNEXURE- I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

1. **Brief outline on CSR Policy of the Company:**

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

2. **Composition of CSR Committee:**

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

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

   The web links are as under:

Composition of CSR Committee	https://www.lotuschocolate.com/committees_of_board_of_directors
CSR Policy	https://www.lotuschocolate.com/documents/files/CSR-Policy.pdf
CSR projects approved by the Board	https://www.lotuschocolate.com/uploads/investor/1776157124_CSR_Project_Website.pdf

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

   Not Applicable

5. (a) **Average net profit of the Company as per sub- section (5) of Section 135:** ₹ 6,42,15,960

   (b) **Two percent of average net profit of the Company as per sub- section (5) of Section 135:** ₹ 12,84,320

   (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 12,84,320

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 12,85,000 (Other than ongoing project)

   (b) **Amount spent in Administrative Overheads:** Nil

   (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 12,85,000 *

   **The CSR obligation was ₹ 12,84,320 and the Company spent ₹ 12,85,000. The excess amount spent by the Company was not proposed to be set-off in the upcoming year.*

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per sub section(6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12,85,000	Not Applicable		Not Applicable		

(f) Excess amount for set off, if any: Not Applicable

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Amount remaining to be spent in succeeding financial years (in ₹)
					Amount (In ₹)	Date of transfer		
1	FY-2024-25	Nil						
2	FY-2023-24							
3	FY-2022-23							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority /beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:** Not Applicable

For and on behalf of the Board of Directors

Dipak C. Jain
Chairman, CSR Committee

Sandipan Ghosh
Chief Executive Officer

Date: April 15, 2026

ANNEXURE- II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lotus Chocolate Company Limited** (**CIN - L15200TG1988PLC009111**) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2026 in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the Rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.

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

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

d. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, to the extent applicable.

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

a) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment~~, Overseas Direct Investment and External Commercial Borrowings~~.

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

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

(i) Listing Agreement entered into by the Company with Stock Exchange.

(ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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

(a) Food Safety and Standards Act, 2006, rules and regulations thereunder;

(b) Legal Metrology Act, 2009, rules and regulations thereunder;

(c) Bureau of Indian Standards (BIS) Act, 2016.

We further report that

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

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

All decisions made at the Board meeting and Committee meetings have unanimous consent of directors (excluding the directors who were concerned or interested in specific item) as recorded in minutes of meetings of Board of Directors and committees of the Board, as the case may be. No dissenting views were found in the minutes.

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

We further report that during the period covered under the Audit, we are of the opinion that, the Company has not performed specific actions apart from ones mentioned hereinbelow having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines:

(i) The Promoter and holding company of the Company has changed from Reliance Consumer Products Limited ("Old RCPL") to Reliance Consumer Products Limited (formerly known as Tira Beauty limited) ("New RCPL") w.e.f. December 01, 2025. New RCPL is now holding 65,49,065 equity shares amounting to 51% of the total paid-up equity share capital and it is also holding 2,53,96,600, 0.01% Non-cumulative, Non-Convertible, Non-Participating and Redeemable preference shares of ₹10 each which was earlier held by Old RCPL.

For KSR & Co, Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
FCS No.: 5367 | CP No.: 4408
UDIN: F005367H000119899
PR No.: 2635/2022

Place: Coimbatore
Date: April 16, 2026

KSR/CBE/L-60/142/2026-2027

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

Our Secretarial Audit Report of even date of Lotus Chocolate Company Limited (“the Company”) is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the Company. The management has confirmed that the records provided to us for audit through electronic mode are final, true, and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the financial year ended on 31st March, 2026.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co, Company Secretaries LLP

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

Place: Coimbatore
Date: April 16, 2026

ANNEXURE-III

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

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

(A) Conservation of Energy

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

The steps taken or impact on conservation of energy:

- Installation of Energy Management System for monitoring and improving power saving
- Main Low-Tension panel changed for power factor improvement
- Variable Frequency Drives (“VFD”) for High power equipment VFD for energy savings have been implemented
- Energy saving devices viz. LED Lights have been installed

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

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

The capital investment on energy conservation equipment:

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

(B) Technology Absorption:

Efforts made in technology absorption and benefits derived:

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

Benefits derived like product improvement, cost reduction, product development or import substitution:

Not Applicable.

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

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

Expenditure incurred on research and development:

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

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of Actual Inflows –	AUD 45000
Foreign Exchange outgo in terms of Actual Outflows –	USD 34,85,626 Euros 11,053

For and on behalf of the Board of Directors

Prof. Dipak C. Jain
Chairman

Date: April 15, 2026

Management Discussion and Analysis

(a) Industry Overview

The Indian cocoa and chocolate ecosystem continue to demonstrate strong structural growth, supported by rising consumption, premiumization trends and increasing urbanization. The domestic cocoa beans industry in India is currently estimated at approximately **14 million tonnes**, with cocoa derivatives accounting for nearly **11 million tonnes per annum**. The derivatives segment is expected to grow at a **compounded annual growth rate (CAGR) of ~15%**, driven by rising demand from chocolate manufacturers, bakery segments, and evolving consumer preferences. By **2030**, the total cocoa and derivatives market is projected to reach approximately **INR 15,000 crore**, indicating significant headroom for value-added product expansion.

On the demand side, the broader **chocolate and confectionery market** in India is estimated at around **INR 38,000 crore in consumer spends**, with the **chocolate category contributing ~58%** of the total market share. The overall industry is expected to grow steadily and reach approximately **INR 50,000 crore over the next five years**, reflecting consistent demand across both urban and semi-urban markets.

(b) Segment Analysis

- **Chocolate Segment**

  The chocolate category in India is relatively consolidated and dominated by multinational corporations such as **Mondelez (Cadbury)**, **Nestlé** and **Mars**. These players benefit from strong brand equity, extensive distribution networks and sustained marketing investments.

  However, the segment is witnessing increasing participation from domestic companies such as **Amul** and **Schmitten Chocolates**, which are gaining traction through competitive pricing, localized product offerings, and expanding retail presence.

  Growth in the chocolate segment is being driven by:

  - Increasing disposable incomes
  - Growing preference for indulgent and premium products
  - Expansion of modern retail and e-commerce channels
  - Rising demand in tier 2 and tier 3 cities

- Confectionery Segment

  In contrast, the confectionery segment remains **highly fragmented**, characterized by numerous regional and unorganized players. The absence of strong pan-India brands presents both a challenge and an opportunity.

  Key characteristics of the confectionery market include:

  - Price-sensitive consumer base
  - High volume, low-margin dynamics
  - Strong regional brand loyalties
  - Limited product differentiation in the mass segment

  This fragmentation creates an opportunity for organized players like our Company to build scalable brands through innovation, distribution expansion, and quality differentiation.

(c) Market Trends and Growth Drivers

The industry is being shaped by several key trends:

- **Premiumization**: Increasing consumer shift towards dark chocolates, artisanal offerings, and higher cocoa content products.
- **Health Consciousness**: Demand for low-sugar, organic and functional chocolates.

- **Occasion-based Consumption**: Growth in gifting, festive packaging and personalized offerings.
- **Distribution Expansion**: Rapid growth of e-commerce, quick commerce and modern retail formats.
- **Localization**: Rising demand for flavors tailored to Indian tastes.

(d) Competitive Landscape

The competitive landscape is marked by a mix of global and domestic players:

- **Global Leaders**: Continue to dominate due to scale, brand strength and innovation capabilities.
- **Indian Entrants**: Gaining market share through affordability, regional insights, and supply chain agility
- **Artisanal Brands**: Emerging in premium niches with differentiated offerings

While chocolates remain relatively consolidated, the confectionery segment offers scope for consolidation and brand building.

(e) Opportunities

The Company is well-positioned to capitalize on the following opportunities:

- Expanding demand for premium and differentiated chocolate products
- Untapped potential in tier 2 and tier 3 markets
- Ability to build a strong brand in the fragmented confectionery space
- Increasing consumption driven by younger demographics
- Export opportunities in niche and specialty chocolate segments

(f) Risks and Challenges

Despite strong growth prospects, the industry faces certain risks:

- Volatility in cocoa prices and supply constraints
- Intense competition from established multinational players
- Price sensitivity in mass segments impacting margins
- Supply chain disruptions and inflationary pressures

(g) Segment and Product wise Performance:

		Volume (T)	**Value (Rs. Cr)**	**Realization (Rs. /kg)**
	Product		**FY 25-26**	
B2B Business	Cocoa Mass	1,714	163.9	956
	Cocoa Butter	1,202	156.7	1,303
	Cocoa Powder	972	50.1	515
	Choco Chips	1,992	35.7	179
	Slabs	1,075	22.4	208
	Milk Covering	119	4.0	336
	Cocoa Beans	2,516	101.6	404

Management Discussion and Analysis

	Product	Volume (T)	Value (Rs. Cr)	Realization (Rs. /kg)
			FY 25-26	
B2B Business	Sugar	5,902	25.2	43
	Others	93	2.5	239
	B2B Total	15,586	562.0	
B2C Products	Toffeman	319	4.4	139
	High 5	130	2.5	188
	Ravalgaon	179	2.3	131
	Tango	81	1.6	204
	Chuckles	96	1.6	170
	Eclairs	115	1.6	135
	Symphony	97	1.1	118
	On & On	45	1.0	234
	Kajoos	19	0.6	306
	Others	17	0.5	305
	Zellers	4	0.1	369
	B2C Total	1,102	17.5	
	Grand Total	**16,688**	**579.5**	

(h) Outlook

The business outlook for FY26-27 is positive with both value and volume expected to grow.

The focus remains on strengthening the B2B business while parallelly building strong in roads in the B2C segment through omni channel distribution and portfolio expansion across key segments. With increasing formalization of the market and growing acceptance of premium products, the sector offers significant opportunities for both scale and value creation. In spite of volatility of the bean prices in the short term, there is likely to be impact on volumes; however over the year with necessary build up in distribution and innovation for both B2B and B2C portfolios, your company will witness a strong growth trajectory and preference among consumers.

(i) RISK MANAGEMENT

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

- **Financing Risks**

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

- **Supply Chain Risk**

  Supply Chain Risk is a critical enabler of our business success. The Company's ability to drive growth, innovation and operational excellence is heavily reliant on its ability to attract, retain and imbibe a culture of Food Safety and world class infrastructure to develop Quality products for its customers and consumers.

  To mitigate this risk, the Company has invested in building an agile and performance-oriented supply chain structure, supported by Quality First Mindset and create a strong employee and labor immersive culture to imbibe Quality First approach. Our focus on internal enhancement and efficiency building through structured renovation and capacity build up programs is designed to create a future-ready supply chain pipeline.

(j) Internal control systems and their adequacy

The Company has an adequate system of internal controls to ensure that transactions are properly authorized, 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. The self-assessments by process / control / SOP owner are also used as the basis of CEO and CFO certification as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has a favorable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

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

The Company's financial performance for the year ended March 31, 2026 is summarized below:

Particulars	**2025-26**	**2024-25**
Revenue from Operations (net)*	579.55	573.75
Other Income	36.06	0.81
Profit/(Loss) before Depreciation, Amortization, Interest and Taxes	**21.39**	**31.98**
Less: Interest	16.30	7.11
Less: Depreciation and Amortization Expense	3.92	1.81
Profit/(Loss) Before Tax	**1.17**	**23.06**
Less: Tax Expense (includes current tax, deferred tax, short /excess provision of tax relating to earlier year/s)	1.07	5.83
Profit/(Loss) for the Year	**0.10**	**17.23**
Add: Other comprehensive Income	0.04	(0.15)
Total Comprehensive Income for the Year	**0.14**	**17.08**

(*excludes Goods and Service Tax)

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

Your company continues to recognize human capital as a primary catalyst for growth, operational excellence and long-term sustainability. During the year under review, the Human Resources function remained focused on architecting a high-performance, future-ready organization while maintaining a stable and progressive employee relations environment. On the workforce front, the Company witnessed calibrated, business-aligned growth; the core headcount (excluding B2C Sales) transitioned from **140 in March 2025 to 150 in March 2026**, reflecting an optimized organizational structure. Simultaneously, to fuel our strategic expansion, the B2C Sales workforce was aggressively scaled from **41 to 245 employees**, significantly enhancing our market penetration and frontline execution capabilities.

Furthermore, the company has voluntarily, in alignment with global ESG (Environmental, Social, and Governance) frameworks, deepened our commitment to Diversity, Equity and Inclusion (DEI) and holistic employee wellbeing, ensuring the Company remains a preferred employer in a competitive talent landscape.

Central to our manufacturing philosophy is an uncompromising focus on Environment, Health, and Safety (EHS). Our factories operate under the highest safety standards, mirroring international benchmarks to ensure a “Zero Harm” workplace. By embedding a culture of safety ownership at the shop-floor level and utilizing predictive safety audits, we have maintained an exemplary safety record across all clusters. This synergy between human capital development, digital HR empowerment, and rigorous EHS protocols ensures that as we scale our footprint, we do so with a workforce that is protected by a world-class safety ecosystem. Through these people-centric practices and strong governance, the Company is well-positioned to sustain long-term value creation for all stakeholders.

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

Particulars	**FY 2025-26**	**FY 2024-25**	**Difference**	**Reasons**
Debtors Turnover (in times)	3.86	7.17	-46%	Volatile markets has led to increase in cash realization cycle thereby increasing the average Trade receivables
Inventory Turnover (in times)	8.17	12.54	-35%	The inventory being maintained at optimum level to service the sales
Interest Coverage Ratio (in times)	1.07	4.01	-75%	Increase in interest expenses coupled with decline in operating profits has lead to lower coverage
Current Ratio (in times)	1.16	1.18	-2%	-
Debt Equity Ratio (in times)	1.64	2.63	-38%	This decrease is attributed to repayment of working capital demand loan.
Operating Profit Margin (in %)	3.01%	5.12%	-43%	The volatile market conditions has led to stressed gross margins resulting in lower profits
Net Profit Margin (in %)	0.02%	3.00%	-99%	
Return on Net worth (in %)	0.17%	28.94%	-99%	

Corporate Governance Report

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

STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

CORPORATE GOVERNANCE STRUCTURE, POLICIES AND PRACTICES

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

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

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

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

ETHICS / GOVERNANCE POLICIES

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

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

CODE OF CONDUCT

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

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

VIGIL MECHANISM AND WHISTLE-BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy ('Policy'), to provide a formal mechanism to its employees under which employees are encouraged to report fraudulent practices, corruption and breaches of Code of Conduct for communicating instances of breach of any statute, actual or suspected fraud etc. without fear of any retaliation.

The Policy provides for a mechanism to report such concerns to the Chairman of the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. In terms of the Policy of the Company, none of the personnel of the Company have been denied access to the Audit Committee. During the year under review, no protected disclosure concerning any reportable matter in accordance with the Policy of the Company was received by the Company.

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

AUDITS, INTERNAL CHECKS AND BALANCES

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

CORPORATE GOVERNANCE PRACTICES

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

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

BOARD OF DIRECTORS

Composition and Category of Directors

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

Board and Committees. As on March 31, 2026, the Board of the Company comprised of 9 (Nine) Directors out of which 3 (Three) were Independent Directors including 1 (One) Independent Woman Director, 1 (One) was Executive Director (Whole-time Director) and 5 (Five) were Non-Executive Non-Independent Directors.

The composition of the Board, category of Directors and number of other Board of Directors or committees in which a director is a member or a chairperson as on March 31, 2026 are given below:

Name of Director & DIN	Designation	Category	No. of other Directorship(s)$	Names of other listed entities along with category of Directorship	No. of committee memberships in other company(ies) ¥	No. of Chairmanship in committees of other company(ies) ¥
Prof. Dipak C. Jain (DIN: 00228513)	Chairman	Independent Director	3	Just Dial Limited -Independent Director	5	1
Mr. K. Sudarshan (DIN: 01029826)	Director	Independent Director	9	• Just Dial Limited -Independent Director • EMA Partners India Limited -Managing Director	8	Nil
Mr. Ketan Mody (DIN: 07723933)	Director	Non-Executive Director	3	Nil	Nil	Nil
Mr. Asim Parekh (DIN: 00056125)	Director	Non-Executive Director	1	Nil	Nil	Nil
Ms. Riddhi Bhimani (DIN: 10072936)	Director	Independent Director	9	• Reliance Industrial Infrastructure Limited -Independent Director • Infomedia Press Limited -Independent Director	9	1
Mr. Abhijeet Pai (DIN: 02100465)	Director	Non-Executive Director	5	Nil	Nil	Nil
Mr. Aditya Pai (DIN: 07538946)	Director	Non-Executive Director	1	Nil	Nil	Nil
Mr. Natarajan M. Venkataraman* (DIN: 05324934)	Whole-time Director	Executive Director	Nil	NA	NA	NA
Mr. Mohammed Rafathullah& (DIN: 06744446)	Director	Additional Director (Non-Executive)	2	Nil	Nil	Nil

$ *excludes Directorships in private companies, foreign companies and Section 8 companies*

¥ *In accordance with Regulation 26 of the Listing Regulations.*

* *Appointed as a Whole-time Director w.e.f. July 16, 2025.*

& *Appointed as Additional Director (Non-Executive) w.e.f. February 27, 2026.*

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

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

Disclosure of relationships between Directors *inter-se*

None of the Directors of the Company are related to any other Director on the Board as on March 31, 2026.

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

Mr. Abhijeet Pai and Mr. Aditya Pai, Non-Executive Directors, holds 4,52,139 and 4,07,139 equity shares in the Company, respectively as on March 31, 2026. Further, Mr. Abhijeet Pai also holds 63,49,150 0.01% Non-cumulative, Non-convertible, Non-participating and Redeemable preference shares of the Company as on March 31, 2026.

None of the other Non-executive Directors hold any shares in the Company as on March 31, 2026.

The Company does not have any convertible instruments.

Number of Board meetings and Attendance of Directors

During the year under review, 4 (Four) Board meetings were held on April 21, 2025, July 16, 2025, October 13, 2025 and January 12, 2026. The maximum gap between any two Board Meetings was not more than 120 days at any time.

Sr. No.	Name of the Director	Number of Board Meetings[!]		Attendance at previous AGM held on September 30, 2025
		Held	**Attended**	
1	Prof. Dipak C. Jain	4	4	Yes
2	Mr. K. Sudarshan	4	4	Yes
3	Mr. Krishnakumar Thirumalai**	4	3	Yes
4	Mr. Ketan Mody	4	4	Yes
5	Ms. Renuka Shastry*	1	1	NA
6	Mr. Asim Parekh	4	4	Yes
7	Ms. Riddhi Bhimani	4	4	Yes
8	Mr. Abhijeet Pai	4	3	Yes
9	Mr. Aditya Pai	4	4	Yes
10	Mr. Natarajan M. Venkataraman[&]	3	3	Yes
11	Mr. Mohammed Rafathullah[#]	0	0	NA

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

[&] *Appointed as Whole-time Director w.e.f. July 16, 2025*

[#] *Appointed as Additional Director (Non-Executive) w.e.f. February 27, 2026.*

** Ceased to be director on July 10,2025.*

*** Ceased to be director on February 27, 2026*

Core skills / expertise / competencies of Directors as on March 31, 2026

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

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

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

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

Sr. No.	Name of the Director	Area of skills / expertise / competencies*
1.	Prof. Dipak C. Jain	• Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience

Sr. No.	Name of the Director	Area of skills / expertise / competencies*
2.	Mr. K. Sudarshan	• Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; and • Wide Management and Leadership experience
3.	Mr. Ketan Mody	• Experience and knowledge of FMCG sector; • Expertise / knowledge in Accounting, Finance, Taxation and Risk Management; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
4.	Mr. Asim Parekh	• Experience and knowledge of FMCG sector; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
5.	Ms. Riddhi Bhimani	• Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
6.	Mr. Abhijeet Pai	• Knowledge of Corporate Strategy and Planning; and • Wide Management and Leadership experience
7.	Mr. Aditya Pai	• Expertise / knowledge in Accounting, Finance, Taxation and Risk Management
8.	Mr. Natarajan M. Venkataraman	• Experience and knowledge of FMCG sector; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience
9.	Mr. Mohammed Rafathullah	• Experience and knowledge of FMCG sector; • Knowledge of Sales, Marketing, Corporate Strategy and Planning; and • Wide Management and Leadership experience

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

Board Independence

As on March 31, 2026, the Board of the Company comprised of total 9 (Nine) Directors of which 3 (Three) were Independent Directors, 1 (One) was Executive Director (Whole-time Director) and other 5 (Five) Directors were Non-Executive.

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

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

Meeting of Independent Directors

The Company's Independent Directors met twice in FY 2025-26. The meetings were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

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

Familiarisation programmes for Board Members

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

The details of familiarisation programmes imparted to Independent Directors are available on the website of the Company at: https://www.lotuschocolate.com/uploads/investor/1775440360_Familiarisation_Programme_2025-26.pdf

BOARD COMPENSATION

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other Employees ('Remuneration Policy') is available on the website of the Company at https://www.lotuschocolate.com/uploads/investor/1760030916_1.pdf. The Company's Remuneration Policy is directed towards rewarding performance based on review of achievements.

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

Criteria of making Payment to Non-Executive Directors

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

Remuneration of Directors

Remuneration of the Whole-time Director

The aggregate remuneration paid to Mr. Natarajan M. Venkataraman for the year ended March 31, 2026 was ₹ 1.11 Crore (comprising of salary, allowances and perquisites of ₹ 1.06 Crore and retiral benefits of ₹ 5 lakh).

The tenure of office of the Whole-time Director is for 5 (Five) years from the date of appointment and can be terminated by the Company or by the Whole-time Director, by giving to the other, 3 (Three) months' prior notice in writing, or as may be mutually agreed between the Board of Directors and the Whole-time Director. There is no separate provision for payment of severance fees.

Independent Directors

Independent Directors of the Company receive sitting fees for attending Board Meetings, Committee Meetings and other meetings of the Company. The sitting fees paid to Independent Directors is within the limits prescribed under the Companies Act, 2013.

Remuneration (sitting fee) paid to Non-Executive Directors for FY 2025-26 is as follows:

(₹ In Crore)

Name of Director	Sitting Fees
Prof. Dipak C. Jain, Independent Director	0.098
Mr. K. Sudarshan, Independent Director	0.108
Ms. Riddhi Bhimani, Independent Director	0.051
Total	**0.257**

During the year, there were no other pecuniary relationships or transactions with the Non-Executive Directors.

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

Performance evaluation criteria for Directors

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

BOARD COMMITTEES

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

PROCEDURE AT COMMITTEE MEETINGS

The Company's guidelines relating to the Board meetings are applicable to Committee meetings. The composition and terms of reference of all the Committees are in compliance with the Companies Act, 2013 and the Listing Regulations, as applicable.

Minutes of the proceedings of Committee meetings are circulated to the respective Committee Members and are also placed before the Board for its noting.

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

AUDIT COMMITTEE

Brief terms of reference

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

- Recommend appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by them.
- Review with the management, the quarterly financial results and financial Statement before submission to the Board for approval.
- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions with related parties of the Company.
- Review the functioning of the Whistle Blower mechanism/ oversee the vigil mechanism.

The detailed terms of reference of the Committee is available on the website of the Company which can be accessed at

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

Composition:

The composition of Audit Committee of the Board of Directors of the Company as on March 31, 2026, is as follows:

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

All the members of the Audit Committee possess requisite qualifications.

Meeting and attendance:

During the year under review, 5 (Five) meetings of the Committee were held on April 21, 2025, July 16, 2025, October 13, 2025, January 12, 2026 and March 26, 2026. The details of the meetings and attendance therein are given below:

Sr. No.	Name of the Members	No. of Committee Meetings	
		Held	Attended
1.	Prof. Dipak C. Jain	5	5
2.	Mr. K. Sudarshan	5	5
3.	Mr. Ketan Mody	5	5

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

NOMINATION AND REMUNERATION COMMITTEE

Brief terms of reference:

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

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

The detailed terms of reference of the NRC is available on the website of the Company which can be accessed at

https://www.lotuschocolate.com/uploads/committees/68d7ae0b16722_2.pdf.

Composition:

The composition of NRC as on March 31, 2026, is as follows:

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

Meeting and attendance:

During the year under review, 2 (Two) meetings of the NRC were held on April 21, 2025 and July 16, 2025. The details of the meetings and attendance therein are given below:

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Brief terms of reference:

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

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

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

Composition:

The composition of SRC as on March 31, 2026, is as follows:

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

* appointed as member w.e.f. July 16, 2025.

Note: Ms. Renuka Shastry ceased as member on July 10, 2025.

Meeting and attendance:

During the year under review, 1 (One) meeting of the Committee was held on October 13, 2025. The details of the meeting and attendance therein are given below:

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

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

Compliance Officer

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

Status of Investor Complaints for the Financial Year

No. of investor complaints pending at the beginning of the year	2
No. of complaints received during the year	22
No. of complaints resolved to the satisfaction of investors during the year	21
No. of pending complaints at the end of the year	3

RISK MANAGEMENT COMMITTEE

Brief terms of reference:

The terms of reference stipulated by the Board to the Risk Management Committee (‘RMC’), *inter alia*, include the following:

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

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

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

Composition:

The composition of RMC, constituted on voluntary basis, as on March 31, 2026, is as follows:

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

Meeting and attendance:

During the year under review, 1 (One) meeting of the Committee was held on March 26, 2026. The details of the meeting and attendance therein are given below:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Brief terms of reference:

The terms of reference stipulated by the Board to the CSR Committee, *inter alia*, include the following:

- Formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the implementation of the CSR Policy of the Company from time to time.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

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

Composition:

The composition of CSR Committee as on March 31, 2026, is as follows:

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

Meeting and attendance:

During the year under review, 2 (two) meetings of the Committee were held on July 16, 2025 and January 12, 2026. The details of the meetings and attendance therein are given below:

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

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

Succession Planning

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

SENIOR MANAGEMENT AS ON MARCH 31, 2026

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

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

GENERAL BODY MEETINGS

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

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

Year	Type of Meeting	Date and Time	Special Resolution(s) passed	Venue
2024-25	AGM	September 30, 2025 11:00 a.m. (IST)	Appointment of Mr. Natarajan M. Venkataraman (DIN: 05324934) as Whole-time Director and approve remuneration payable to him.	Held through video conferencing (Deemed venue was the registered office of the Company- 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue-4, Puzzolana Towers, Street No.1, Road No. 10, Banjara Hills, Hyderabad, Telangana-500034)
2023-24	AGM	September 30, 2024 11:30 a.m. (IST)	1. Increase in borrowing Limits of the Company pursuant to section 180(1)(c) of the Companies Act, 2013. 2. Creation of mortgage, charge, etc. on the assets, properties of the Company under section 180(1)(a) of the Companies Act, 2013.	
2022-23	AGM	August 10, 2023 11:30 a.m. (IST)	1. Appointment of Prof. Dipak C. Jain as an Independent Director. 2. Appointment of Mr. Krishnan Sudarshan as an Independent Director. 3. Adoption of the restated Articles of Association of the Company.	
2022-23	EGM	February 16, 2023 11:30 a.m. (IST)	1. Approved the limit under Section 186 of the Companies Act, 2013. 2. Issue and allotment of Redeemable Preference Shares by way of preferential allotment on a private placement basis.	

(ii) Resolution(s) passed through Postal Ballot

No postal ballot was conducted during the financial year 2025-26.

(iii) Proposal for Postal Ballot

The Company proposes to pass resolution for approving appointment of Mr. Mohammed Rafathullah as Non-Executive Non-Independent Director of the Company, through postal ballot. The same shall be passed in compliance with the provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

MEANS OF COMMUNICATION

Financial Results

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

News releases

Official news releases, if any, are generally sent to Stock Exchange and are also available on the website of the Company.

Newspapers Publication

The Company has, through newspaper advertisements, informed the investors who had purchased physical shares of the Company prior to April 1, 2019, to avail the Special Window open up to February 4, 2027, for re-lodgement of transfer deed / transfer & dematerialisation of Physical shares of the Company.

Website

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

Annual Report

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

Letters / e-mails / SMS to Investors

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

Presentations made to institutional investors or to the analysts

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

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

BSE Limited (BSE) Listing Centre is a web-based application designed for corporates. All periodical compliance filings like financial results, shareholding patterns, Integrated Governance report, among others, are also filed electronically on the Listing Centre.

Investor Grievance & Investor Contacts

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

Investors can raise complaints via:

A. Listed Company / RTA grievance email

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

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

B. SCORES 2.0 (SEBI portal)

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

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

C. SMARTODR platform (conciliation arbitration-based resolution)

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Friday, September 25, 2026 at 12:30 p.m. (IST) through Video Conferencing/Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting (AGM).Deemed venue of the AGM will be the registered office of the Company - Pranava One, 6th Floor, 6-5-654, Punjagutta Road, Raj Bhavan Quarters Colony, Somajiguda, Hyderabad, Nampally, Telangana – 500082
Financial Year	April 01 to March 31
Financial Calendar	(Tentative) Results for the quarter ending: June 30, 2026 - Second week of July, 2026 September 30, 2026 - Second week of October, 2026 December 31, 2026 - Second week of January, 2027 March 31, 2027 - Second week of April, 2027 Annual General Meeting - August / September 2027
Dividend Payment Date	Not Applicable
Listing of equity shares on Stock Exchanges	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001
ISIN	INE026D01011 (Equity Shares) INE026D04023 (Preference Shares)
Payment of Listing Fees	Annual listing fees for the financial year 2026-27 has been paid by the Company within due date to BSE Limited
Payment of Depository Fees	Annual Custody / Issuer fee for the financial year 2026-27 has been paid by the Company within the due date based on invoices received from the Depositories.
Preference shares	The preference shares issued by the Company are not listed on any stock exchange.

Fees to the Statutory Auditors

The Company does not have any subsidiary. The total fees payable by the Company to Statutory Auditors during the financial year 2025-26 is ₹ 0.26 Crore. As confirmed by Statutory Auditors of the Company, they are not part of any network firm / network entity.

Credit Rating

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

Shareholding Pattern as on March 31, 2026

Sr. No	Category of equity shareholders	Number of equity shareholders	Total number of equity shares (Fully Paid-up)	% of total number of equity shares
(A)	**Shareholding of Promoter and Promoter Group**			
(1)	Indian	9	92,54,150	72.07
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	**9**	**92,54,150**	**72.07**
(B)	**Public Shareholding**			
(1)	Institutions	6	7,300	0.06
(2)	Non-institutions	22,388	35,79,599	27.88
	Total Public Shareholding	**22,394**	**35,86,899**	**27.93**
(C)	**Non-Promoter Non-Public**			
(1)	Shares held by Custodian(s) against which Depository Receipts have been issued	-	-	-
	Total shares held by Non-Promoter Non-Public	**-**	**-**	**-**
	Total (A) + (B) + (C)	**22,403***	**1,28,41,049**	**100.00**

***on PAN consolidation basis**

Distribution of Equity Shareholding by size as on March 31, 2026

Category (Shares)	No. of Shareholders	No. of Shares	% of total Shares
1-500	21,743	13,57,127	10.57
501-1000	342	2,63,335	2.05
1001-2000	154	2,25,696	1.76
2001-3000	58	1,48,170	1.15
3001-4000	28	99,817	0.78
4001-5000	17	76,954	0.60
5001-10000	23	1,66,171	1.29
Above 10000	38	1,05,03,779	81.80
Total	**22,403**	**1,28,41,049**	**100.00**

Dematerialisation of Equity Shares & Liquidity

Mode of Holding	% of total shares
National Securities Depository Limited	60.14
Central Depository Services (India) Limited	34.16
Physical	5.70
Total	**100.00**

The equity shares are freely tradable on BSE and admitted into both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2026, 1,21,09,204 equity shares were held in demat form.

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

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

Employee Stock Options

The Company does not have any employee stock option scheme.

Commodity Price Risks / Foreign Exchange Risk and Hedging Activities

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

Plant Locations

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

ADDRESS FOR CORRESPONDENCE

For Shares held in Physical Form
KFin Technologies Limited
Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032
Toll Free No.: 1800 309 4001
(From 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)
e-mail: lotusinvestor@kfintech.com
Website: www.kfintech.com

For Shares held in Demat Form

Depository Participant(s) of the investor concerned and / or KFin Technologies Limited

Any query on the Annual Report
Mr. Utsav Saini
Company Secretary and Compliance Officer
8-2-596, 1st Floor, 1B, Sumedha Estates,
Avenue-4, Puzzolana Towers, Street No. 1,
Road No. 10, Banjara Hills,
Hyderabad, Telangana – 500034

W.e.f. April 21, 2026:
Pranava One, 6th Floor, 6-5-654, Punjagutta Road, Raj Bhavan Quarters Colony,
Somajiguda, Hyderabad, Nampally, Telangana – 500082
E-mail: investors@lotuschocolate.com
Website: www.lotuschocolate.com

Registrar and Share Transfer Agent (RTA)

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

Share Transfer System

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

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

(i) issue of duplicate securities certificate;

(ii) claim from unclaimed suspense account;

(iii) renewal/exchange of securities certificate;

(iv) endorsement;

(v) sub-division/ splitting of securities certificate;

(vi) consolidation of securities certificates/folios; and

(vii) transmission and transposition.

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

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

OTHER DISCLOSURES

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

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

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

All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the FY 2025-26, contracts / arrangements / transactions entered into with related parties were in accordance with the Policy on Materiality of and on dealing with Related Party Transactions. The Company has disclosed transactions with the related parties as set out in Note 33 of Financial Statement, forming part of the Annual Report.

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

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

Framework for monitoring subsidiary companies

The Company does not have any subsidiary.

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

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

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

number of complaints of sexual harassment received in the year	0
number of complaints disposed off during the year	0
number of cases pending for more than ninety days	0
number of complaints pending as on end of the financial year	0

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

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

Agreements relating to the Company

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

Adoption of Mandatory and Discretionary Requirements

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

(a) One Woman Independent Director

The Company has one Woman Independent Director on its Board.

(b) Audit Qualification

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

(c) Separate posts of Chairperson and Chief Executive Officer

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

(d) Reporting of Internal Auditors

The Internal Auditors directly reports to the Audit Committee.

(e) Meetings of Independent Directors

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

(f) Risk Management Committee

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

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

Not Applicable

Disclosure with respect to Demat suspense account / unclaimed suspense account

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

Unclaimed Dividend

Not Applicable

Transfer of Shares to Investor Education and Protection Fund

Not Applicable

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

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

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

The Company does not have any subsidiary.

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

Weblinks for the Policies and Codes

The Company has adopted various policies and codes in compliance of applicable provisions of the Companies Act, 2013 and Listing Regulations and the same are available on the Company's website under "policies" at https://www.lotuschocolate.com/downloads.

CODE OF CONDUCT DECLARATION

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

CEO AND CFO CERTIFICATION

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board of Directors in terms of Regulation 17(8) of the Listing Regulations, a copy of which is attached to this Report. The CEO and CFO also give quarterly certification on financial results while placing the same before the Board of Directors in terms of Regulation 33(2) of the Listing Regulations. The CEO and CFO certification is annexed herewith and marked as **Annexure - II** to this Report.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

ANNEXURE I

CODE OF CONDUCT DECLARATION

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors in respect of the Financial Year 2025-26.

Sandipan Ghosh
Chief Executive Officer

Date: April 15, 2026

ANNEXURE II

CEO AND CFO CERTIFICATION

To,
The Board of Directors of
Lotus Chocolate Company Limited

1. We have reviewed the financial statement and cash flow statement of Lotus Chocolate Company Limited ("the Company") for the year ended March 31, 2026 and to the best of our knowledge and belief;
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
   i. that there are no significant changes in internal control over financial reporting during the year;
   ii. that there are no significant changes in accounting policies during the year; and
   iii. that there are no instances of significant fraud of which we have become aware.

Sandipan Ghosh
Chief Executive Officer

S. Gautham
Chief Financial Officer

Date: April 15, 2026

ANNEXURE III

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority:

Sr. No.	Name of Directors	DIN	Date of Appointment
1.	Prof. Dipak Chand Jain$	00228513	24.05.2023
2.	Mr. K. Sudarshan$	01029826	24.05.2023
3.	Ms. Riddhi Bhimani$	10072936	26.11.2024
4.	Mr. Ketan Mody	07723933	24.05.2023
5.	Mr. Natarajan M. Venkataraman#	05324934	16.07.2025
6.	Mr. Asim Parekh	00056125	03.01.2024
7.	Mr. Abhijeet Pai	02100465	13.01.2025
8.	Mr. Aditya Pai	07538946	13.01.2025
9.	Mr. Mohammed Rafathullah &	06744446	27.02.2026
10.	Ms. Renuka Shastry*	02578917	24.05.2023
11.	Mr. Krishnakumar Thirumalai^	00079047	24.05.2023

** Resigned as director of the Company on July 10, 2025*

^Resigned as Director of the Company on February 27, 2026

&Appointed as an Additional Director as on February 27, 2026

$Independent Director

#Appointed as Whole-time Director (Additional Director) by the Board on July 16, 2025 and approved by the shareholders at their Annual General Meeting held on September 30, 2025

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this, based on our verification.

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

For KSR & Co, Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
FCS: 5367; CP: 4408
UDIN: F005367H000119921
Peer Review No.: 2635/2022

Place: Coimbatore
Date: April 16, 2026

ANNEXURE IV

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

We have examined all the relevant records for certifying the compliance of conditions of Corporate Governance by **Lotus Chocolate Company Limited** (the Company) (**CIN - L15200TG1988PLC009111**) for the year ended March 31, 2026, as stipulated in Schedule V read with Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Management's Responsibility

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

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

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

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

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

For KSR & Co, Company Secretaries LLP

Dr. C. V. Madhusudhanan
Partner
FCS: 5367; CP: 4408
UDIN: F005367H000119965
FRN: P2008TN006400 PR No.: 2635/2022

Place: Coimbatore
Date: April 16, 2026

Independent Auditor's Report

To
The Members of
Lotus Chocolate Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lotus Chocolate Company Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue is recognised when control of the goods is transferred to the customers. Control is transferred upon shipment of goods to the customers provided that the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. For revenue transactions close to balance sheet date, it is essential to verify whether the transfer of control of the goods by the Company to the customer has occurred before the balance sheet date or otherwise. We have considered revenue recognition as a key audit matter as there is a risk of revenue not being recorded in the correct accounting period on account of the ability to establish with certainty the point of time when control has been transferred. Refer note 2.2 (2) for the accounting policy on revenue recognition.	Our audit procedures included the following: • Obtained understanding of the process followed by the management for recording revenue. • Assessed the appropriateness of the relevant accounting policy. • Evaluated the design and implementation of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. • On a test-check basis, tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. • On a test-check basis, performed test of details of sales recorded close to the balance sheet date, which included the following: ➢ Analysed the terms and conditions of the underlying contract with the customer. ➢ Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents. • Assessed the relevant disclosures made in the Ind AS financial statements.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31st March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN:26103999SNLSNM7112

Place: Panaji, Goa
Date: 15th April 2026

Annexure "A" To the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financial statements of Lotus Chocolate Company Limited (the "Company") as at 31st March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN:26103999SNLSNM7112

Place: Panaji, Goa
Date: 15th April 2026

Annexure "B" To the Independent Auditor's Report

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment's were physically verified during the year by the Management which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company had a sanctioned working capital facility in excess of Rs.5 crores from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

We have been informed that the provisions of Sales tax, Service tax, duty of excise and Value added tax, are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2026 on account of disputes are given below:

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

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 177 and section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company for the year ended 31st March 2026.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

As represented by the management, the Group has more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Reserve Bank of India (Core Investment Companies) Directions, 2025. There are two CICs forming part of the Group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN:26103999SNLSNM7112

Place: Panaji, Goa
Date: 15th April 2026

Balance Sheet as at 31st March, 2026

(Amount Rs. in Lakhs)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	3,112.58	2,486.99
Capital Work-in-Progress	3	289.97	281.73
Goodwill		18.59	18.59
Deferred Tax Assets (net)	4	70.74	44.27
Financial Assets			
Other Financial Assets	9 (a)	16.98	-
Other Non-Current Assets	5(a)	731.63	435.70
Total Non-Current Assets		**4,240.49**	**3,267.28**
Current Assets			
Inventories	6	4,480.04	8,061.50
Financial Assets			
Trade Receivables	7	16,705.28	13,308.49
Cash and Cash Equivalents	8	1,191.30	-
Other Financial Assets	9 (b)	518.56	221.06
Other Current Assets	5(b)	460.58	2,176.12
Total Current Assets		**23,355.76**	**23,767.17**
Total Assets		**27,596.25**	**27,034.45**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	1,284.10	1,284.10
Other Equity	11	4,683.16	4,669.17
Total Equity		**5,967.26**	**5,953.27**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	16(b)	316.55	-
Other Financial Liabilities	13	894.39	808.30
Provisions	14(a)	231.82	154.47
Total Non-Current Liabilities		**1,442.76**	**962.77**
Current Liabilities			
Financial Liabilities			
Borrowings	12	8,900.00	14,837.71
Lease Liabilities	16(a)	37.05	-
Trade Payables Due to:			
(i) Micro and Small Enterprises	15	2,354.41	3,218.47
(i) Other than Micro and Small Enterprises	15	6,378.00	1,871.48
Other Current Liabilities	17	2,481.95	148.82
Provisions	14(b)	34.82	41.93
Total Current Liabilities		**20,186.23**	**20,118.41**
Total Equity and Liabilities		**27,596.25**	**27,034.45**
Material Accounting Policies	1 - 2		
See accompanying Notes to the Financial Statements	3 - 37		

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

Varsha A. Fadte
Partner
Membership No. 103999

Date: 15th April, 2026

For and on behalf of the Board
Lotus Chocolate Company Limited

Prof. Dipak C. Jain
Chairman
(DIN: 00228513)

Natarajan Mayuram Venkataraman
Whole-time director
(DIN: 5324934)

Ketan Pravin Mody
Director
(DIN: 07723933)

K. Sudarshan
Director
(DIN: 01029826)

Riddhi Bhimani
Director
(DIN: 10072936)

Asim Bhupatrai Parekh
Director
(DIN: 00056125)

Abhijeet Pai
Director
(DIN: 02100465)

Aditya Pai
Director
(DIN: 07538946)

Rafathullah Mohammed
Director
(DIN: 06744446)

Sandipan Ghosh
Chief Executive Officer

S Gautham
Chief Financial Officer

Utsav Saini
Company Secretary & Compliance Officer

Statement of Profit and Loss for the year ended 31st March, 2026

(Amount Rs. in Lakhs)

Particulars	**Note No.**	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Income			
Value of Sales		63,562.51	64,331.86
Less: GST Recovered		5,607.15	6,956.83
Revenue from Operations	19	57,955.36	57,375.03
Other Income	20	3,605.92	80.94
Total Income		**61,561.28**	**57,455.97**
Expenses			
Cost of Materials Consumed	21	30,444.46	53,973.83
Purchases of Stock-in-Trade		15,516.62	1,069.69
Changes in inventories of Finished goods, Stock-in-Trade and Work-in-Progress	22	5,292.84	(6,244.32)
Employee Benefits Expense	23	3,399.97	1,797.91
Finance Costs	24	1,630.54	711.08
Depreciation and Amortisation expense	3	391.72	181.16
Other Expenses	26	4,768.34	3,661.00
Total Expenses		**61,444.49**	**55,150.35**
Profit before Tax		**116.79**	**2,305.62**
Tax Expenses			
Current Tax (including prior year)	18	134.60	346.83
Deferred Tax	18	(27.81)	236.07
Total Tax Expenses		**106.79**	**582.90**
Profit for the year		**10.00**	**1,722.72**
Other comprehensive income			
Items that will not be reclassified to Profit and Loss:			
Actuarial Gain/(Loss) on Remeasurement of Defined Benefit Obligations		5.33	(19.78)
Income Tax relating to Defined Benefit Obligations		(1.34)	4.98
Total Other Comprehensive Income / (Loss) for the Year (Net of Tax)		**3.99**	**(14.80)**
Total Comprehensive Income for the year		**13.99**	**1,707.92**
Earnings Per Equity Share (EPS)			
Basic (Rs.)	27	0.08	13.42
Diluted (Rs.)	27	0.08	13.42

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

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

Varsha A. Fadte
Partner
Membership No. 103999

Date: 15th April, 2026

For and on behalf of the Board
Lotus Chocolate Company Limited

Prof. Dipak C. Jain
Chairman
(DIN: 00228513)

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Whole-time director
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Director
(DIN: 02100465)

Aditya Pai
Director
(DIN: 07538946)

Rafathullah Mohammed
Director
(DIN: 06744446)

Sandipan Ghosh
Chief Executive Officer

S Gautham
Chief Financial Officer

Utsav Saini
Company Secretary & Compliance Officer

Statement of Changes in Equity for the year ended 31st March, 2026

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

Balance as at 1st April, 2024	Changes during the year 24-25	Balance as at 31st March, 2025	Changes during the year 25-26	Balance as at 31st March, 2026
1,284.10	-	1,284.10	-	1,284.10

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

Particulars	Balance as at 1st April, 2025	Total Comprehensive Income	Balance as at 31st March, 2026
As at 31st March, 2026			
Equity Component of Compound Financial Instrument (Preference shares)	4,410.15	-	4,410.15
Reserves and Surplus			
Capital Reserve	274.14	-	274.14
Securities Premium	379.68	-	379.68
State Investment Subsidy	15.00	-	15.00
Retained Earnings	(378.44)	10.00	(368.44)
Other Comprehensive Income	(31.36)	3.99	(27.37)
Total	**4,669.17**	**13.99**	**4,683.16**

Particulars	Balance as at 1st April, 2024	Total Comprehensive Income	Balance as at3 1st March, 2025
As at 31st March, 2025			
Equity Component of Compound Financial Instrument (Preference shares)	4,410.15	-	4,410.15
Reserves and Surplus			
Capital Reserve	274.14	-	274.14
Securities Premium	379.68	-	379.68
State Investment Subsidy	15.00	-	15.00
Retained Earnings	(2,101.16)	1,722.72	(378.44)
Other Comprehensive Income	(16.56)	(14.80)	(31.36)
Total	**2,961.25**	**1,707.92**	**4,669.17**

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

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

Varsha A. Fadte
Partner
Membership No. 103999

Date: 15th April, 2026

For and on behalf of the Board
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Utsav Saini
Company Secretary & Compliance Officer

Statement of Cash Flows for the year ended 31st March, 2026

(Amount Rs. in Lakhs)

	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A.	**Cash Flows from Operating Activities**		
	Net Profit / (Loss) Before Tax	**116.79**	**2,305.62**
	Adjustments for:		
	Depreciation and Amortisation Expense	391.72	181.16
	Finance Cost	1,630.54	711.08
	Write Back of Liabilities no longer required	-	8.38
	Profit on sale of Property, Plant and Equipment (Net)	-	(3.70)
	Interest Income	(4.07)	(20.13)
	Operating Profit before Working Capital Changes	**2,134.98**	**3,182.41**
	Adjustments for :		
	Trade and Other Receivables	(1,991.78)	(12,542.08)
	Inventories	3,581.46	(6,969.57)
	Trade and Other Payables	6,077.32	3,575.69
	Cash used in Operations	**9,801.98**	**(12,753.55)**
	Income Tax Paid (Net)	(479.33)	(206.12)
	Net Cash generated from / (used in) Operating Activities (A)	**9,322.65**	**(12,959.67)**
B.	**Cash Flows from Investing Activities**		
	Expenditure on Property, Plant and Equipment (Including Capital advance)	(645.40)	(1,472.80)
	Proceeds from disposal of Property, Plant and Equipment	-	163.03
	Interest Income	3.78	24.36
	Net Cash Used in Investing Activities (B)	**(641.62)**	**(1,285.41)**
C.	**Cash Flows from Financing Activities**		
	Payment of lease liabilities	(14.95)	-
	Borrowings - Current (Net)	(5,937.71)	14,308.91
	Interest Paid	(1,537.07)	(633.16)
	Net Cash (used in) / generated from Financing Activities (C)	**(7,489.73)**	**13,675.75**
	Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**1,191.30**	**(569.33)**
	Opening Balance of Cash and Cash Equivalents	-	569.33
	Closing Balance of Cash and Cash Equivalents	**1,191.30**	-

Change in Liability arising from financing activities

	1st April 2025	Cash Flow	31st March 2026
Borrowings - Current (Net)	14,837.71	(5,937.71)	8,900.00
	14,837.71	**(5,937.71)**	**8,900.00**

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

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

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

Varsha A. Fadte
Partner
Membership No. 103999

Date: 15th April, 2026

For and on behalf of the Board
Lotus Chocolate Company Limited

Prof. Dipak C. Jain
Chairman
(DIN: 00228513)

Natarajan Mayuram Venkataraman
Whole-time director
(DIN: 5324934)

Ketan Pravin Mody
Director
(DIN: 07723933)

K. Sudarshan
Director
(DIN: 01029826)

Riddhi Bhimani
Director
(DIN: 10072936)

Asim Bhupatrai Parekh
Director
(DIN: 00056125)

Abhijeet Pai
Director
(DIN: 02100465)

Aditya Pai
Director
(DIN: 07538946)

Rafathullah Mohammed
Director
(DIN: 06744446)

Sandipan Ghosh
Chief Executive Officer

S Gautham
Chief Financial Officer

Utsav Saini
Company Secretary & Compliance Officer

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 1:
Corporate Information

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

NOTE 2:
Material Accounting Policies

I Basis of preparation of financial statements

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

II Summary of Material Accounting Policies

1. Current and Non-Current Classification

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

2. Revenue recognition

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

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Dividend income is accounted for when the right to receive the income is established.
- 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. 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

Notes to Financial Statements for the Year ended 31st March, 2026

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.

4. **Borrowing costs**

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

5. **Taxation**

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

Current tax

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

Deferred tax

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

6. **Property, plant and equipment (PPE)**

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

Notes to Financial Statements for the Year ended 31st March, 2026

7. Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. Initially the right-of-use assets are measured at cost which comprises initial cost of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. Subsequently these are measured at cost less any accumulated depreciation/ amortisation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated/ amortised using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

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

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

8. 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.

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

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

9. 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.

Notes to Financial Statements for the Year ended 31st March, 2026

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.

10. Impairment of non financial assets

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

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

11. Employee Benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

12. Provisions

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

13. Contingent liabilities

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

Notes to Financial Statements for the Year ended 31st March, 2026

14. Financial instruments

a. Financial Assets

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

Expected credit losses are measured through a loss allowance at an amount equal to:

– The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

– Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For Trade Receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

b. Financial liabilities

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

III Critical accounting judgements and key sources of estimation uncertainty

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

Provision and contingent 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 which are contingent are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting period. As at 31st March, 2026 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 3: (Amount Rs. in Lakhs)

PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS

Depreciation	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 01-04-2025	Additions/ Adjustments	Disposals/ Adjustments	As at 31-03-2026	As at 01-04-2025	For the Year	Disposals/ Adjustments	As at 31-03-2026	As at 31-03-2026	As at 31-03-2025
Property, Plant and Equipment										
Own Assets:										
Land	823.31	-	-	823.31	-	-	-	-	823.31	823.31
Buildings	928.45	294.49	-	1,222.94	225.40	151.02	-	376.42	846.52	703.05
Furniture and Fixtures	68.00	20.75	-	88.75	15.84	5.33	-	21.17	67.58	52.16
Plant and Machinery	1,747.33	155.20	-	1,902.53	1,021.04	169.20	-	1,190.24	712.29	726.29
Office Equipment	83.66	40.27	-	123.93	8.34	17.53	-	25.87	98.06	75.32
Electric Installations	97.49	49.70	-	147.19	60.94	5.66	-	66.60	80.59	36.55
Computers	86.76	83.34	-	170.10	16.48	31.78	-	48.26	121.84	70.28
Vehicles	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub Total	**3,835.03**	**643.75**	**-**	**4,478.78**	**1,348.04**	**380.52**	**-**	**1,728.56**	**2,750.22**	**2,486.99**
Right-of-Use Assets:										
Buildings	-	373.56	-	373.56	-	11.20	-	11.20	362.36	-
Sub Total	**-**	**373.56**	**-**	**373.56**	**-**	**11.20**	**-**	**11.20**	**362.36**	**-**
Total	**3,835.03**	**1,017.31**	**-**	**4,852.34**	**1,348.04**	**391.72**	**-**	**1,739.76**	**3,112.58**	**2,486.99**
Capital Work-in-Progress									289.97	281.73

3.1 Capital Work-in-Progress

Ageing as on 31st Mar, 2026

Particulars	**Amount in capital work-in-progress for a period of**				**Total**
	< 1 year	**1 - 2 years**	**2 - 3 years**	**> 3 years**	
Capital Work-in-Progress	289.97	-	-	-	**289.97**
Total	**289.97**	**-**	**-**	**-**	**289.97**

Ageing as on 31st March, 2025

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

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 4:
DEFERRED TAX ASSETS / (LIABILITY)

(Amount Rs. in Lakhs)

Deferred Tax Assets (Net)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
The movement on the Deferred Tax account is as follows:		
At the start of the period	44.27	275.36
Charge to Profit and Loss (Refer Note 18)	27.81	(236.07)
Charge/ (Credit) to OCI	(1.34)	4.98
At the end of year	**70.74**	**44.27**

(Amount Rs. in Lakhs)

Component of Deferred Tax Liabilities		**Charge/(Credit) to**		
	As at 1st April 2025	**Statement of Profit or Loss**	**Other comprehensive Income**	**As at 31st March, 2026**
Deferred tax liability on Property, Plant and Equipment	(17.13)	13.77	-	(3.36)
Deferred tax Asset on Provision for employee benefits	61.40	14.04	(1.34)	74.10
Deferred Tax Asset	**44.27**	**27.81**	**(1.34)**	**70.74**

NOTE 5:
OTHER ASSETS

(Amount Rs. in Lakhs)

	Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
(a)	**Non Current**		
	Advance tax	318.57	-
	Deposits with Government authorities	66.67	82.72
	Customs Duty paid under protest (Refer Note 28)	238.74	238.74
	Advance for purchase of Property, Plant and Equipment	107.65	114.24
	Total	**731.63**	**435.70**
(b)	**Current**		
	Advances to Suppliers	95.41	1,598.48
	Employee Advances	6.25	2.94
	Balances with Government Authorities (GST, VAT)	317.60	556.63
	Prepaid Expenses	41.32	18.07
	Total	**460.58**	**2,176.12**

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 6:
INVENTORIES

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(At lower of cost or net realisable value)		
Raw Materials (Including Material in Transit)	2,752.22	1,025.07
Work-in-progress	-	413.17
Finished Goods	1,291.07	6,264.77
Stock-in-Trade	118.39	24.36
Stores and Spares and Fuel	181.03	175.19
Packing Materials	137.33	158.94
Total	**4,480.04**	**8,061.50**

NOTE 7:
TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current		
Trade Receivables	16,705.28	13,308.49
Total	**16,705.28**	**13,308.49**

Ageing for Trade Receivables as at 31st March, 2026

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed - Considered Good	12,702.75	4,002.53	-	-	-	**16,705.28**
Undisputed - which have significant increase in the credit risk	-	-	-	-	-	-
Undisputed - Credit Impaired	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - Credit Impaired	-	-	-	-	-	-
Total	**12,702.75**	**4,002.53**	**-**	**-**	**-**	**16,705.28**

Notes to Financial Statements for the Year ended 31st March, 2026

Ageing for Trade Receivables as at 31st March, 2025

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

NOTE 8:
CASH AND CASH EQUIVALENTS

(Amount Rs. in Lakhs)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Balances with Banks	1,191.30	-
Total	**1,191.30**	**-**

NOTE 9:
OTHER FINANCIAL ASSETS

(Amount Rs. in Lakhs)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
(a) Non - Current		
Lease Deposit	16.98	-
Total	**16.98**	**-**
(b) Current		
Security Deposit	46.11	43.69
Other Receivables*	472.45	177.37
Total	**518.56**	**221.06**

*Comprises contractually reimbursable expenses

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 10: (Amount Rs. in Lakhs)

EQUITY SHARE CAPITAL

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Authorised Share Capital		
1,40,00,000 Equity Shares of Rs. 10/- each	1,400.00	1,400.00
5,87,93,200 Preference shares of Rs. 10/- each	5,879.32	5,879.32
Total	**7,279.32**	**7,279.32**
Issued, Subscribed and Fully paid-up Share Capital		
Equity Share Capital		
1,28,41,049 Equity Shares of Rs. 10/- each (As at 31st March, 2025: 1,28,41,049 Equity Shares of Rs. 10/- each)	1,284.10	1,284.10
Total	**1,284.10**	**1,284.10**

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

During the year ended 31st March, 2026, pursuant to a scheme of arrangement the entire 65,49,065 equity shares of Rs. 10/- each, representing 51% of the total paid-up equity share capital of the Company earlier held by Reliance Consumer Products Limited ("Old RCPL"), stood transferred to / vested in Reliance Consumer Products Limited (formerly known as Tira Beauty Limited) ("New RCPL") effective 1st December, 2025 and consequently, New RCPL became promoter and parent of the Company.

(b) Details of shareholdings of promoters

Name of Promoters	**As at 31st March, 2026**			**As at 31st March, 2025**
	No. of Equity Shares Held	**% of Total Equity Shares**	**% Change during the year**	**No. of Equity Shares Held**
Equity shares of Rs. 10/- each fully paid				
Reliance Consumer Products Limited (formerly known as Tira Beauty Limited)	65,49,065	51.00%	-	65,49,065
Total	**65,49,065**	**51.00%**	**-**	**65,49,065**

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	**As at 31st March, 2026**		**As at 31st March, 2025**	
	No. of Equity Shares Held	**% of Total Equity Shares**	**No. of Equity Shares Held**	**% of Total Equity Shares**
Equity shares of Rs.10/- each fully paid				
Reliance Consumer Products Limited (formerly known as Tira Beauty Limited)	65,49,065	51.00%	65,49,065	51.00%

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

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

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 11:
OTHER EQUITY

(Amount Rs. in Lakhs)

a) Other Equity

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Capital Reserve		
As per last balance sheet	274.14	274.14
As at period end	**274.14**	**274.14**
Securities Premium		
As per last balance sheet	379.68	379.68
As at period end	**379.68**	**379.68**
State Investment Subsidy		
As per last balance sheet	15.00	15.00
As at period end	**15.00**	**15.00**
Retained Earnings		
As per last balance sheet	(378.44)	(2,101.16)
Add: profit for the period	10.00	1,722.72
As at period end	**(368.44)**	**(378.44)**
Other Comprehensive Income		
As per last balance sheet	(31.36)	(16.56)
Add: movement (net) for the year	3.99	(14.80)
As at period end	**(27.37)**	**(31.36)**
Preference share capital		
As per last balance sheet	4,410.15	4,410.15
As at period end	**4,410.15**	**4,410.15**
Total	**4,683.16**	**4,669.17**

(b) Issued, Subscribed and Fully paid-up Preference Share Capital

(Amount Rs. in Lakhs)

Preference Share Capital

	As at 31st March, 2026	**As at 31st March, 2025**
5,07,93,200 Preference shares of Rs. 10/- each (As at 31st March, 2025: 5,07,93,200 Preference shares of Rs. 10/- each)	5,079.32	5,079.32
Total	**5,079.32**	**5,079.32**

Notes to Financial Statements for the Year ended 31st March, 2026

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

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of 0.01% Preference Shares Held	% of Total Preference Shares	No. of 0.01% Preference Shares Held	% of Total Preference Shares
Redeemable Preference Shares of Rs. 10/- each fully paid				
Reliance Consumer Products Limited #	2,53,96,600	50.00%	2,53,96,600	50.00%
Abhijeet Pai	63,49,150	12.50%	63,49,150	12.50%
Ashwini Pai	63,49,150	12.50%	63,49,150	12.50%
P.M.F. Estates Pvt Ltd	1,26,98,300	25.00%	1,26,98,300	25.00%
Total	**5,07,93,200**	100.00%	**5,07,93,200**	100.00%

During the year ended 31st March, 2026, pursuant to a scheme of arrangement sanctioned by Ho'ble NCLT Mumbai Bench on November 06, 2025, 2,53,96,600 preference shares of Rs. 10/- each, earlier held by Reliance Consumer Products Limited ("Old RCPL"), stood transferred to / vested in Reliance Consumer Products Limited (formerly known as Tira Beauty Limited) ("New RCPL") effective 1st December, 2025.

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

Non-cumulative, non-convertible, non-participating and redeemable Preference Shares have right to preferential dividend of 0.01% per annum on non-cumulative basis. Preference share holders carry no voting rights. The Preference shares are payable after a period of 20 years.

NOTE 12:
BORROWINGS (Amount Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current		
Cash Credit facility from Bank (unsecured)*	-	1,337.71
Working Capital Demand Loan - WCDL**	8,900.00	13,500.00
Total	**8,900.00**	**14,837.71**

* Cash Credit facility carries an interest of 8% per annum (previous year 9.10% per annum).

** The Working Capital Demand Loan carries an interest rate of 8% per annum (previous year 8.75% per annum).

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

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 13:
OTHER FINANCIAL LIABILITIES

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-Current		
Debt Component of Redeemable Preference Shares*	894.39	808.30
Total	**894.39**	**808.30**

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

During the year ended 31st March, 2026, pursuant to a scheme of arrangement sanctioned by Ho'ble NCLT Mumbai Bench on November 06, 2025, 2,53,96,600 preference shares of Rs. 10/- each, earlier held by Reliance Consumer Products Limited ("Old RCPL"), stood transferred to / vested in Reliance Consumer Products Limited (formerly known as Tira Beauty Limited) ("New RCPL") effective 1st December, 2025.

NOTE 14:
PROVISIONS

(Amount Rs. in Lakhs)

	Particulars	As at 31st March, 2026	As at 31st March, 2025
(a)	**Non-Current**		
	Provision for Employee Benefits		
	Provision for Gratuity	129.31	107.71
	Provision for Compensated absences	102.51	46.76
	Total	**231.82**	**154.47**
(b)	**Current**		
	Provision for Employee Benefits		
	Provision For Gratuity	19.48	8.85
	Provision For Compensated absences	15.34	6.92
	Provision for Taxation	-	26.16
	Total	**34.82**	**41.93**

NOTE 15:
TRADE PAYABLES

(Amount Rs. in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Micro, Small and Medium Enterprises (MSME)	2,354.41	3,218.47
Other than MSME	6,378.00	1,871.48
Total	**8,732.41**	**5,089.95**

Notes to Financial Statements for the Year ended 31st March, 2026

Ageing for Trade Payables as at 31st March, 2026 (Amount Rs. in Lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	2,354.41	-	-	-	-	**2,354.41**
Undisputed dues - Others	4,715.65	1,662.35	-	-	-	**6,378.00**
Disputed dues - MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	
Total	**7,070.06**	**1,662.35**	**-**	**-**	**-**	**8,732.41**

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

Particulars	Outstanding for the following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	3,218.47	-	-	-	-	**3,218.47**
Undisputed dues - Others	-	1,801.17	70.31	-	-	**1,871.48**
Disputed dues - MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**
Total	**3,218.47**	**1,801.17**	**70.31**	**-**	**-**	**5,089.95**

Micro, Small and Medium scale business entities:

There are Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year ended 31st March, 2026. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31st March, 2026	As at 31st March, 2026
(A) (i) Principal amount remaining unpaid	2,354.41	3,218.47
(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	70.00	-
(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	-	-

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 16: (Amount Rs. in Lakhs)
LEASE LIABILITIES

	Particulars	As at 31st March, 2026	As at 31st March, 2026
(a)	**Current**		
	Lease Liabilites	37.05	-
(b)	**Non - Current**		
	Lease Liabilites	316.55	-

Movement in Lease Liabilities	FY 2025-26	FY 2024-25
Balance as at 1st April	**-**	**-**
Additions	358.86	-
Deletions	-	-
Finance Cost	7.38	-
Repayment (including interest on lease liabilities)	(12.64)	-
Balance as at 31st March	**353.60**	**-**

The following are the amounts recognised in Profit and loss:

Particulars	FY 2025-26	FY 2024-25
Depreciation expenses of Right-of-use assets	11.20	-
Interest expenses on lease liabilities	7.38	-
Interest Income on Security deposit for lease liabilities	(0.29)	-
Total amount recognised in profit and loss	**18.29**	**-**

NOTE 17: (Amount Rs. in Lakhs)
OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances from customers	2,421.54	26.44
Statutory dues payable	56.89	81.10
Others*	3.52	41.28
Total	**2,481.95**	**148.82**

* Includes salaries and expenses payable

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 18:
TAXATION

(Amount Rs. in Lakhs)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2026**
Tax Expenses recognised in the Statement of Profit or Loss		
Current Tax Expense	124.97	346.83
Tax expenses pertaining to prior years	9.63	-
Deferred Tax	(27.81)	236.07
Total Tax Expenses Recognised during the year	**106.79**	**582.90**
The Tax expense for the year can be reconciled to the accounting profit as follows		
Particulars		
Profit before tax	**116.79**	**2,305.62**
Applicable Tax rate (Actual rate 25.168%)	25.17%	25.17%
Computed Tax expenses	**29.39**	**580.28**
Tax effect of:		
Expenses disallowed	183.10	(313.63)
Additional allowances	(87.52)	80.18
Prior year taxes	9.63	-
Current Tax provision (A)	**134.60**	**346.83**
Incremental Deferred tax liability on Property, Plant and Equipment and intangible assets	(13.77)	9.40
Deferred tax Asset on Provision for employee benefits	(14.04)	(27.48)
Deferred tax Asset on Carry forward losses	-	254.15
Deferred Tax Asset/(Deferred Tax Liability) (B)	**(27.81)**	**236.07**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**106.79**	**582.90**
Effective Tax Rate	91.44%	25.28%

NOTE 19:
REVENUE FROM OPERATIONS

(Amount Rs. in Lakhs)

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Revenue from Operations		
Sale of Products*	57,929.32	57,347.99
Other Operating Revenue*	26.04	27.04
Total	**57,955.36**	**57,375.03**

* The Revenue is net of GST

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 20: (Amount Rs. in Lakhs)

OTHER INCOME

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Interest Income	3.78	20.13
Interest Income on Security Deposit	0.29	-
Business Support Service	2,481.70	-
Exchange Gain (Net)	-	19.63
Write Back of Liabilities no longer required	-	8.38
Miscellaneous income	1,120.15	32.80
Total	**3,605.92**	**80.94**

NOTE 21: (Amount Rs. in Lakhs)

COST OF MATERIALS CONSUMED

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Raw Materials		
Opening Stock	1,025.07	486.49
Purchases (Raw Materials)	31,767.97	54,182.71
Closing Stock	2,752.22	1,025.07
Cost of Raw Materials Consumed (A)	**30,040.82**	**53,644.13**
Packing Materials		
Opening Stock	158.94	71.46
Purchases (Packing Materials)	382.03	410.56
Packing Material Write Off	-	6.62
Closing Stock	137.33	158.94
Cost of Packing Materials Consumed (B)	**403.64**	**329.70**
Total Cost of Materials Consumed (A+B)	**30,444.46**	**53,973.83**

NOTE 22: (Amount Rs. in Lakhs)

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

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Finished Goods		
Opening Stock	6,264.77	251.44
Closing Stock	1,291.07	6,264.77
(Increase) / Decrease (A)	**4,973.70**	**(6,013.33)**
Work in Progress		
Opening Stock	413.17	154.00
Closing Stock	-	413.17
(Increase) / Decrease (B)	**413.17**	**(259.17)**

Notes to Financial Statements for the Year ended 31st March, 2026

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Stock in Trade		
Opening Stock	24.36	52.54
Closing Stock	118.39	24.36
(Increase) / Decrease (C)	**(94.03)**	**28.18**
Total Decrease / (Increase) in Inventories (A+B+C)	**5,292.84**	**(6,244.32)**

NOTE 23:
EMPLOYEE BENEFITS EXPENSE

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and Wages	3,242.23	1,641.61
Contribution to Provident and other funds	111.01	104.33
Staff Welfare expenses	46.73	51.97
Total	**3,399.97**	**1,797.91**

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

Defined Contribution Plan

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

Particulars	FY 2025-26	FY 2024-25
Employer's Contribution to Provident Fund	69.61	25.38

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

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation (Amount Rs. in Lakhs)

Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	2025-26	**2024-25**
Defined benefit obligation at beginning of the year	116.31	90.03
Current service cost	32.65	14.20
Interest cost	8.63	6.58
Actuarial (Gain)/ loss	(5.33)	22.55
Benefits paid	(3.47)	(17.05)
Defined Benefit Obligation at year end- recognized in Balance Sheet	**148.79**	**116.31**

Notes to Financial Statements for the Year ended 31st March, 2026

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

Particulars	**Gratuity (unfunded)**	**Gratuity (unfunded)**
	2025-26	**2024-25**
Fair Value of Plan Assets	-	-
Present Value of Obligation	148.79	116.31
Amount recognised in Balance Sheet (Surplus / Deficit)	(148.79)	(116.31)

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

Particulars	**FY 2025-26**	**FY 2024-25**
In Income Statement		
Current Service Cost	32.65	14.20
Interest Cost	8.63	6.58
Return on Plan Assets	-	-
Net Cost	**41.28**	**20.78**
In Other Comprehensive income		
Actuarial (Gain)/ Loss	(5.33)	22.55
Return on Plan Assets	-	-
Net (Income)/ Expense for the period Recognised in OCI	**(5.33)**	**22.55**

IV. Actuarial Assumptions (Amount Rs. in Lakhs)

Particulars		
Mortality Table (IALM)	2012-14	2012-14
(Ultimate)	(Ultimate)	
Discount Rate (per annum)	7.70%	6.99%
Rate of Escalation in Salary (per annum)	7.00%	7.00%

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

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

V. Sensitivity Analysis

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

Particulars	**As at 31st March, 2026**		**As at 31st Mar, 2025**	
	Decrease	**Increase**	**Decrease**	**Increase**
Change in discounting rate (delta effect of +/- 1%)	6.08%	5.41%	5.26%	5.88%
Change in rate of salary increase (delta effect of +/- 1%)	6.02%	6.64%	5.81%	6.38%

Notes to Financial Statements for the Year ended 31st March, 2026

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

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

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

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

VI. Based on the assessment made by the company, there is no impact on implementation of New Labour Codes on the employee benefit expense for the year ended 31st March, 2026.

NOTE 24:
FINANCE COSTS

(Amount Rs. in Lakhs)

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Interest on debt component of Preference Shares	86.09	77.92
Interest Expense on Lease Liability	7.38	-
Interest Expense on Borrowings	1,537.07	633.16
Total	**1,630.54**	**711.08**

NOTE 25:
DEPRECIATION AND AMORTISATION EXPENSE

(Amount Rs. in Lakhs)

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Depreciation Expense	391.72	181.16
Total	**391.72**	**181.16**

NOTE 26:
OTHER EXPENSES

(Amount Rs. in Lakhs)

Particulars	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Selling Expenses		
Marketing and Selling Expenses	1,339.08	573.34
Freight Outwards	557.33	502.96
Commission on Sales	384.10	-
Total Selling Expenses (A)	**2,280.51**	**1,076.30**
Administrative Expenses		
Travelling and Conveyance	211.86	194.23
Professional Charges	843.10	1,046.12
Rates and Taxes	56.17	24.04
Exchange Gain (Net)	(240.45)	-

Notes to Financial Statements for the Year ended 31st March, 2026

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Software Charges	36.44	10.89
Insurance Charges	47.56	24.26
Postage, Telephone & Courier Charges	10.80	4.80
Payment to Auditors		
(i) Statutory Audit Fees	12.50	11.00
(ii) Limited review Fees	9.00	8.43
(iii) Tax Audit Fees	4.38	-
(iv) Out of Pocket Expenses	3.98	2.13
CSR Expenditure	12.85	-
General Expenses	89.74	175.25
Rental Expenses	2.84	5.35
Total Administrative Expenses (B)	**1,100.77**	**1,506.50**
Operating Expenses		
Consumption of Stores and Spares	261.01	375.96
Power and Fuel	289.13	451.14
Repairs and Maintenance	199.16	127.37
Security Charges	77.39	42.80
Warehouse Expenses	49.76	13.56
Other Manufacturing Expenses	510.61	67.37
Total Operating Expenses (C)	**1,387.06**	**1,078.20**
Total Other Expenses (A+B+C)	**4,768.34**	**3,661.00**

NOTE 27:
EARNINGS PER SHARE (EPS)

(Amount Rs. in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Profit/(loss) after Tax for the year	10.00	1,722.72
Less: Preference Dividend		
(A) Net Profit after Tax attributable to Equity Shareholders	10.00	1,722.72
(B) Weighted Average Number of Equity Shares for the period (Basic and Diluted)	1,28,41,049	1,28,41,049
Basic EPS (A/B)	**0.08**	**13.42**
Diluted EPS (A/B)	**0.08**	**13.42**

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 28: (Amount Rs. in Lakhs)

CONTINGENT LIABILITIES

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
In the respect of Customs Duty for the period 2014-2019. Company filed writ petition before High court of Telangana along with stay application. Honourable High Court granted stay and the matter is pending for hearing.	287.41	287.41
In the respect of Custom Duty for the period from 2014-2018 . The amount under protest was paid on 23rd May, 2023 though the final decision by the court is not yet pronounced. The management is of the opinion that the decision shall be in the favour of the Company.	238.74	238.74

NOTE 29: (Amount Rs. in Lakhs)

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to :

a. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b. Maintain an optimal capital structure to reduce the cost of capital.It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

Particulars	**As at 31st March, 2026**	**As at 31st March, |2025**
Net Debt	8,900.00	14,837.71
Total Equity	5,967.26	5,953.27
Net Gearing Ratio	**1.49**	**2.49**

NOTE 30: (Amount Rs. in Lakhs)

FINANCIAL INSTRUMENTS

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

Valuation Methodology

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

a) The fair value of the financial instruments if any, is determined using discounted cash flow analysis.

b) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Particulars	**As at 31st March, 2026 (Carrying Amount)**	**As at 31st March, 2025 (Carrying Amount)**
Financial AssetsAt Amortised Cost		
Trade Receivables	16,705.28	13,308.49
Cash and cash equivalents	1,191.30	-
Other Financial Assets	535.54	221.06

Notes to Financial Statements for the Year ended 31st March, 2026

Particulars	As at 31st March, 2026 (Carrying Amount)	As at 31st March, 2025 (Carrying Amount)
Financial Liabilities		
Trade Payables	8,732.41	5,089.95
Borrowings	8,900.00	14,837.71
Lease Liabilities	353.60	-
Other Financial Liabilities	894.39	808.30

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

1. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

a) Foreign Currency Risk

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

The following table shows in **Rs. Lakhs**, the US Dollar currency exposure on financial instruments at the end of the reporting period:

Particulars	As at 31st March, 2026	As at 31st March, 2025
	USD	USD
Borrowings	-	-
Trade and Other Payables	-	-
Trade and Other Receivables	-	162.01
Forward & Futures	2,065.54	-
Total Exposure	**2,065.54**	**162.01**

b) Interest Rate Risk

The Company is exposed to interest rate risk primarily arising from its variable rate borrowings linked to external benchmarks such as Repo rate. Any movement in interest rates impacts finance costs and profitability.

Sensitivity analysis of 1% change in Interest rate

Particulars	As at 31st March, 2026	
	Up Move	Down Move
Impact on P&L	(89.00)	89.00
Total Impact	**(89.00)**	**89.00**

Notes to Financial Statements for the Year ended 31st March, 2026

2. Credit Risk

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

3. Liquidity Risk

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

Maturity Profile As at 31st Mar, 2026							
Particulars	**Below 3 Months**	**3-6 Months**	**6-12 Months**	**1-3Years**	**3-5 Years**	**Above5 Years**	**Total**
Borrowings	8,900.00	-	-	-	-	-	8,900.00
Lease Liability (Gross)	15.17	15.17	31.55	132.83	145.93	125.22	465.87
Forward & Futures	1,957.71	107.83	-	-	-	-	2,065.54
Total	**10,872.88**	**123.00**	**31.55**	**132.83**	**145.93**	**125.22**	**11,431.41**

Maturity Profile As at 31st Mar, 2025							
Particulars	**Below 3 Months**	**3-6Months**	**6-12Months**	**1-3Years**	**3-5Years**	**Above5 Years**	**Total**
Borrowings	14,837.71	-	-	-	-	-	14,837.71
Total	**14,837.71**	**-**	**-**	**-**	**-**	**-**	**14,837.71**

NOTE 31: (Amount Rs. in Lakhs)
CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule VII thereof by the Company during the period is Rs. 12.85 Lakhs (Previous year Rs. Nil). Expenditure incurred related to Corporate Social Responsibility is Rs. 12.85 Lakhs (Previous year Rs. Nil).

Corporate Social Responsibility	**As at 31st March, 2026**	**As at 31st March, 2025**
Amount required to be spent during the year	12.85	-
Amount spent during the year	12.85	-
Shortfall at the end of the year	-	-
Total of previous year's Shortfall	-	-
Nature of CSR Activities	Contribution to Reliance Foundation	NA

Notes to Financial Statements for the Year ended 31st March, 2026

NOTE 32: (Amount Rs. in Lakhs)

ANALYTICAL RATIOS

Ratio	For the year ended 31st March, 2026	For the year ended 31st March, 2025	% Change	Reasons for variances
Current Ratio (in times)	1.16	1.18	(2.06%)	-
Debt-Equity Ratio (in times)	1.64	2.63	(37.55%)	This decrease is attributed to repayment of working capital demand loan.
Debt Service Coverage Ratio (in times)	0.27	4.01	(93.21%)	Increase in interest expenses coupled with decline in operating profits has lead to lower coverage
Return on Equity Ratio (in %)	0.17%	34%	(99.50%)	The volatile market conditions has led to stressed gross margins resulting in lower operating profits
Inventory Turnover Ratio (in times)	8.17	12.54	(34.82%)	The inventory being maintained at optimum level to service the sales
Trade Receivables Turnover Ratio (in times)	3.86	7.17	(46.16%)	Volatile markets has led to increase in cash realization cycle thereby increasing the average Trade receivables
Trade Payables Turnover Ratio (in times)	7.34	17.69	(58.50%)	Delay in operating cycles has led to higher working capital consumption increasing the average trade payables
Working Capital Turnover Ratio (in times)	17.00	18.40	(7.61%)	-
Net Profit Ratio (in %)	0.0%	3.0%	(99.43%)	The volatile market conditions has led to stressed gross margins resulting in lower operating profits
Return on Capital Employed (in %)	2.0%	14%	(86.15%)	The volatile market conditions has led to stressed gross margins resulting in lower operating profits

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

NOTE 33:
RELATED PARTY DISCLOSURES

A. List of Related Parties

I. Reliance Industries Limited (Ultimate Holding Company)

II. Reliance Retail Ventures Limited (Fellow Subsidiary)^*

III. Reliance Consumer Products Limited (Holding Company)(Formerly known as Tira Beauty Limited)*

IV. Reliance Retail Limited (Fellow Subsidiary)^

V. Reliance Consumer Products Limited (Holding Company)^*

VI. Jio Platforms Limited (Fellow Subsidiary)

VII. Key Managerial Personnel

1. Sandipan Ghosh, CEO

2. S Gautham, CFO

3. Natarajan Mayuram Venkataraman, WTD

4. Utsav Saini, CS

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

1. Reliance Foundation

^ With effect from 1st April, 2025 entire FMCG Business of Reliance Retail limited has been transferred to its holding company Reliance Retail Ventures Limited and Reliance Consumer Products Limited is amalgamated with Reliance Retail Ventures limited.

* Pursuant to a scheme of arrangement the entire 65,49,065 equity shares of Rs. 10/- each, representing 51% of the total paid-up equity share capital of the Company earlier held by Reliance Consumer Products Limited (“Old RCPL”), stood transferred to / vested in Reliance Consumer Products Limited (formerly known as Tira Beauty Limited) (“New RCPL”) effective 1st December, 2025 and consequently, New RCPL became promoter and the Parent of the Company.

B. Transactions during the year (Amount Rs. in Lakhs)

Particulars	**Relationship**	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
1. Revenue			
Reliance Retail Ventures Limited	Fellow Subsidiary	282.64	-
Reliance Retail Limited	Fellow Subsidiary	-	656.53
Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)	Holding Company	3,119.81	-
2. Other Income			
Reliance Retail Ventures Limited	Fellow Subsidiary	1,354.05	-
Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)	Holding Company	1,828.01	-

Particulars	Relationship	For the year ended 31st March, 2026	For the year ended 31st March, 2025
3. Purchases			
Reliance Retail Ventures Limited	Fellow Subsidiary	2,082.28	-
Reliance Retail Limited	Fellow Subsidiary	-	387.91
Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)	Holding Company	284.83	-
4. Salary to Key Managerial persons			
Utsav Saini	Company Secretary	42.77	31.49
5. Others expenses			
Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)*	Holding company	380.90	-
Reliance Retail Ventures Limited	Fellow Subsidiary	286.22	-
Reliance Consumer Products Limited	Holding company	-	837.21
Reliance Foundation	Enterprise over which Key Managerial Personnel of Ultimate Holding Company is able to exercise significant influence.	12.85	-
Jio Platforms Limited	Fellow Subsidiary	3.22	1.74

* Includes cross charge of remuneration paid to key managerial personnel

C. Closing Balances (Amount Rs. in Lakhs)

Particulars	Relationship	For the year ended 31st March, 2026	For the year ended 31st March, 2025
1. Other Receivables			
Jio Platforms Limited	Fellow Subsidiary	-	0.10
Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)	Holding company	1,454.77	-
2. Other Payables			
Reliance Consumer Products Limited	Holding company	-	298.89
Reliance Retail Limited	Fellow Subsidiary	-	34.30
Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)	Holding company	475.94	-

	Particulars	Relationship	For the year ended 31st March, 2026	For the year ended 31st March, 2025
3.	**Preference Shares**			
	Reliance Consumer Products Limited (Formerly known as Tira Beauty Limited)	Holding company	2,539.66	-
	Reliance Consumer Products Limited	Holding company	-	2,539.66

NOTE 34:
SEGMENT INFORMATION

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

NOTE 35:
OTHER STATUTORY INFORMATION

(i) The Company does not have any transactions with struck off companies.

(ii) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(viii) The stock statements filed by the Company with the banks and financial institutions are consistent with the books of accounts.

(ix) The Company does not have any charges or satisfaction which is yet to be registered with the Register of Companies beyond the statutory period.

(x) The capital work-in-progress is not overdue as at the year end.

(xi) The deeds of immovable properties are held in the name of the Company.

NOTE 36:

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

NOTE 37:

The Financial statements were approved for issue by the Board of Directors on 15th April, 2026.

For Deloitte Haskins & Sells LLP Chartered Accountants (Firm's registration No. 117366W/W-100018)	**For and on behalf of the Board** Lotus Chocolate Company Limited			
Varsha A. Fadte Partner Membership No. 103999	**Prof. Dipak C. Jain** Chairman (DIN: 00228513)	**Natarajan Mayuram Venkataraman** Whole-time director (DIN: 5324934)	**Ketan Pravin Mody** Director (DIN: 07723933)	**K. Sudarshan** Director (DIN: 01029826)
	Riddhi Bhimani Director (DIN: 10072936)	**Asim Bhupatrai Parekh** Director (DIN: 00056125)	**Abhijeet Pai** Director (DIN: 02100465)	**Aditya Pai** Director (DIN: 07538946)
Date: 15th April, 2026	**Rafathullah Mohammed** Director (DIN: 06744446)	**Sandipan Ghosh** Chief Executive Officer	**S Gautham** Chief Financial Officer	**Utsav Saini** Company Secretary & Compliance Officer

LOTUS CHOCOLATE COMPANY LIMITED
Regd. Office: Pranava One, 6th Floor, 6-5-654, Punjagutta Road, Raj Bhavan Quarters Colony, Somajiguda, Hyderabad, Nampally, Telangana - 500 082, INDIA
Tel: 1800-425-3949 **CIN**: L15200TG1988PLC009111
Website: www.lotuschocolate.com; **E-mail**: investors@lotuschocolate.com

Date: September 03, 2026

Folio No. / DP ID Client ID :

Name of the Sole / First Holder:

Second Holder :

Third Holder :

Dear Shareholder(s),

Sub.: Annual Report for the Financial Year 2025-26

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

We are pleased to inform you that the Thirty-Seventh Annual General Meeting of the Company will be held on Friday, September 25, 2026 at 12:30 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

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

In this regard, we would like to inform you that, the Annual Report of the Company for the Financial Year 2025-26 is available on Company's website and can be accessed at https://www.lotuschocolate.com/uploads/investor/1788265510_Annual%20Report%20for%20the%20year%202025-2026.pdf

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

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

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

KFin Technologies Limited
(Unit: **Lotus Chocolate Company Limited**)
Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032, Telangana
Toll Free No.: 1800-309-4001
(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)
Email: lotusinvestor@kfintech.com

Thanking you,

Yours faithfully,
For Lotus Chocolate Company Limited

Sd/-
Utsav Saini
Company Secretary and Compliance Officer