Lotus Chocolate Company Limited

Financial Statements
2023-24

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
LOTUS CHOCOLATE COMPANY LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended 31st March 2024 and (b) reviewed the Standalone Financial Results for the quarter ended 31st March 2024 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended 31st March, 2024" of **Lotus Chocolate Company Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended 31st March, 2024:

i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended 31st March 2024

With respect to the Standalone Financial Results for the quarter ended 31st March, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended 31st March 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended 31st March 2024

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31st March 2024 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended 31st March 2024 has been compiled from the related audited standalone interim financial information. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31st March, 2024 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended 31st March 2024

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended 31st March 2024 as a whole is 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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

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

(b) Review of the Standalone Financial Results for the quarter ended 31st March 2024

We conducted our review of the Standalone Financial Results for the quarter ended 31st March 2024 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- The Statement includes the results for the Quarter ended 31st March 2024 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

- The comparative financial information of the Company for the quarter and year ended 31st March, 2023 included in the Statement were audited by the predecessor auditors whose report dated 22nd May, 2023 expressed an unmodified opinion. Our report on the Statement is not modified in respect of this matter.

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 24103999BKENDO5741

Date:-16th April, 2024
Place:- Mumbai

LOTUS CHOCOLATE COMPANY LIMITED
CIN: L15200TG1988PLC009111

Audited Standalone Statement of Assets and Liabilities as at 31st March, 2024.

(₹ in lakhs)

Sr. No.	Particulars	As at 31st March, 2024	As at 31st March, 2023
A	**ASSETS**		
1	**Non-Current Assets**		
	(a) Property, Plant and Equipment	2 11.57	1 94.77
	(b) Capital Work in Progress	58.05	-
	(c) Financial Assets		
	(i) Investments	18 00.00	-
	(ii) Deferred Tax Asset (net)	37.08	-
	(d) Other Non- Current Assets	2 09.18	57.30
	Sub Total – Non-Current Assets	**23 15.88**	**2 52.07**
2	**Current Assets**		
	(a) Inventories	7 12.17	6 44.39
	(b) Financial Assets		
	(i) Trade Receivables	20 52.09	4 42.18
	(ii) Cash and Cash Equivalents	4 18.57	40.76
	(iii) Other Financial Assets	27.37	17.76
	(c) Other Current Assets	3 55.37	80.89
	Sub Total - Current Assets	**35 65.57**	**12 25.98**
	TOTAL ASSETS	**58 81.45**	**14 78.05**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share Capital	12 84.10	12 83.80
	(b) Other Equity	23 99.20	(11 98.20)
	Subtotal - Equity	**36 83.30**	**85.60**
2	**Non - Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	-	4 00.00
	(ii) Other Financial Liabilities	7 30.38	-
	(b) Provisions	73.59	36.16
	(c) Deferred Tax Liabilities	-	2.95
	Subtotal - Non - Current Liabilities	**8 03.97**	**4 39.11**
3	**Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	47.00	1 67.93
	(ii) Trade Payables due to:		
	- Micro and Small Enterprises	9 16.57	-
	- Other than Micro and Small Enterprises	2 73.97	7 21.29
	(b) Provisions	20.22	-
	(c) Other Current Liabilities	1 36.42	64.12
	Subtotal -Current Liabilities	**13 94.18**	**9 53.34**
	Total Liabilities	**21 98.15**	**13 92.45**
	TOTAL- EQUITY AND LIABILITIES	**58 81.45**	**14 78.05**

Regd Office: Sumedha Estates (Puzzalona Towers), Avenue 4, Street No.1, Road No.10, Banjara Hills, Hyderabad, Telangana – 500034.

For and on behalf of the Board of Directors
Lotus Chocolate Company Limited
CIN: L15200TG1988PLC009111

Bharathan Rajagopalan Thatai
Chairman
DIN: 02464132

LOTUS CHOCOLATE COMPANY LIMITED
CIN: L15200TG1988PLC009111

Statement of Audited Standalone Financial Results for the Quarter and Year ended 31st March, 2024

(₹ in lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 Mar'24 Unaudited (Refer note 9)	31 Dec'23 Unaudited	31 Mar'23 Unaudited	31 Mar'24 Audited	31 Mar'23 Audited
1	**Revenue from Operations**	**52 89.06**	**37 58.82**	**12 33.20**	**144 06.04**	**62 71.81**
2	Other income	46.08	20.47	(7.85)	1 07.66	10.16
3	**Total Income**	**53 35.14**	**37 79.29**	**12 25.35**	**145 13.70**	**62 81.97**
4	**Expenses**					
	(a) Cost of materials consumed	43 40.02	33 37.38	12 41.32	124 98.97	56 67.60
	(b) Purchases of Stock in Trade	1 14.73	98.86	-	2 13.59	-
	(c) Changes in inventories of finished goods and work-in-progress	2 31.59	(1 73.93)	90.88	56.73	1 66.01
	(d) Employee benefits expense	1 62.00	1 52.33	1 42.85	5 27.80	3 51.13
	(e) Finance costs	19.76	44.24	1.02	78.50	23.23
	(f) Depreciation and amortisation expenses	9.94	11.54	5.97	37.79	17.22
	(g) Other expenses	3 67.96	3 62.17	2 46.59	11 48.77	6 56.10
	Total expenses	**52 46.00**	**38 32.59**	**17 28.63**	**145 62.15**	**68 81.29**
5	**Profit / (Loss) before Exceptional Items and Tax**	**89.14**	**(53.30)**	**(5 03.28)**	**(48.45)**	**(5 99.32)**
6	**Exceptional Income / (Expenses)**	**-**	**-**	**(74.90)**	**-**	**(93.86)**
7	**Profit / (Loss) before Prior Period items and Tax**	**89.14**	**(53.30)**	**(5 78.18)**	**(48.45)**	**(6 93.18)**
8	**Prior Period Expenses**	-	-	-	**(39.64)**	-
9	**Profit / (Loss) before tax**	**89.14**	**(53.30)**	**(5 78.18)**	**(88.09)**	**(6 93.18)**
10	**Tax expense**					
	i Current Tax	-	-	-	-	-
	ii Deferred Tax	8.76	(1.88)	2.49	(46.32)	2.49
11	**Profit / (Loss) for the period / year**	**80.38**	**(51.42)**	**(5 80.67)**	**(41.77)**	**(6 95.67)**
12	**Other Comprehensive Income (OCI)**					
	Items that will not be reclassified to Profit or loss					
	i Remeasurement of Defined Benefit Plans	34.58	24.81	-	(25.00)	-
	ii Deferred Tax on Defined Benefit Plans	8.71	6.24	-	(6.29)	-
	Other Comprehensive Income / (Loss)	**43.29**	**31.05**	**-**	**(31.29)**	**-**
13	**Total Comprehensive Income / (Loss) for the period / year**	**1 23.67**	**(20.37)**	**(5 80.67)**	**(73.06)**	**(6 95.67)**
14	Paid up Equity Share Capital, Equity Shares of ₹ 10/- each.	12 84.10	12 84.10	12 83.80	12 84.10	12 83.80
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	(20 10.95)	(19 37.88)
16	Earnings per share (Face value of ₹ 10) (Not Annualised for the quarter)					
	(a) Basic	0.62	(0.40)	(4.52)	(0.42)	(5.42)
	(b) Diluted	0.62	(0.40)	(4.52)	(0.42)	(5.42)

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For and on behalf of the Board of Directors
Lotus Chocolate Company Limited
CIN: L15200TG1988PLC009111

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LOTUS CHOCOLATE COMPANY LIMITED
CIN: L15200TG1988PLC009111
Standalone Statement of Cash Flows for the year ended 31st March, 2024
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. **Cash Flows from Operating Activities**		
Loss Before Tax	**(88.09)**	**(693.18)**
Adjustments for:		
Depreciation and Amortisation Expense*	39.39	17.22
Finance Costs	78.50	23.23
Unpaid calls, written off	0.30	-
Interest Income on Fixed Deposits	(61.26)	-
Provision for Defined Benefit Plans	32.64	-
Loss on writeoff of Property, Plant and Equipment	48.25	-
Operating Profit / (Loss) before Working Capital Changes	**49.73**	**(652.73)**
Adjustments for (increase)/decrease in Operating Assets		
Trade Receivables	(1,609.91)	502.84
Inventories	(67.79)	561.64
Other Financial Assets	(9.61)	4.36
Loans and Advances	-	0.32
Other Current Assets	(274.48)	177.83
Other Non-Current Assets	(15.85)	-
Adjustments for increase/(decrease) in Operating Liabilities		
Trade Payables	469.25	(414.69)
Other Financial liabilities	-	107.38
Other Current Liabilities	72.31	-
Cash Generated from / (used in) Operations	**(1,386.35)**	**286.95**
Income Tax Paid (Net)	-	(2.49)
Net Cash (Used in) / Generated from Operating Activities (A)	**(1,386.35)**	**284.46**
B. Cash Flows from Investing Activities		
Capital Expenditure on Property, Plant and Equipment (including capital advances)	(298.53)	(51.53)
Interest Income on Fixed Deposit	61.26	-
Investment in Equity Shares of Subsidiary	(1,800.00)	-
Net Cash Used in Investing Activities (B)	**(2,037.27)**	**(51.53)**
C. Cash Flows from Financing Activities		
Repayment of Loans from Related Parties	(400.00)	-
Redemption of Preference Shares	(739.66)	-
Decrease in Short Term Borrowing (Cash Credit)	(120.93)	-
Issue of Preference Shares	5,079.32	-
Repayment long term borrowings	-	(204.70)
Interest Expense on Working Capital	(17.30)	(23.23)
Net Cash From / (used in) Financing Activities (C)	**3,801.43**	**(227.93)**
Net increase in Cash and Cash Equivalents (A+B+C)	**377.81**	**5.00**
Cash and Cash Equivalents at the beginning of the year	40.76	35.76
Cash and Cash Equivalents at the end of the Year	**418.57**	**40.76**

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*Note: Depreciation and Amortisation includes prior period amount of Rs.1.60 lakh

For and on behalf of the Board of Directors
Lotus Chocolate Company Limited
CIN: L15200TG1988PLC009111

Bharathan Rajagopalan Thatai
Chairman
DIN: 02464132

Lotus Chocolate Company Limited

Standalone Statement of Changes in Equity for the year ended 31st March, 2024

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

(a) Share Capital

Balance as at 1st April, 2023	**1,28,41,049**	**1,284.10**
Changes in Equity Share Capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
Balance as at 31st March, 2024	**1,28,41,049**	**1,284.10**

(b) Other Equity

Balance as at 1st April, 2023	**274.14**	**379.68**	**15.00**	**(2,606.70)**	**-**	**(1,937.88)**
Profit for the period	-	-	-	(48.06)	-	(48.06)
Adjustments for opening Balances	-	-	-	-	-	-
Expense arising from equity-settled share-based payment transactions	-	-	-	-	-	-
Transferred from stock options outstanding	-	-	-	-	-	-
Dividend on equity shares	-	-	-	-	-	-
Remeasurement on net defined benefit liability	-	-	-	-	(25.00)	(25.00)
Balance as at 31st March, 2024	**274.14**	**379.68**	**15.00**	**(2,654.76)**	**(25.00)**	**(2,010.94)**

Notes:

1. The above standalone Audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company, in their respective meetings held on 16th April, 2024.
2. These financial results have been compiled from the related interim financial information which has been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. These financial results have been prepared pursuant to the requirements of Regulation 33 Of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and comply with the disclosure requirements contained therein. The financial results for the year ended 31st March, 2024 have been audited by the statutory auditors of the Company
3. The Company is primarily engaged in the manufacturing of Chocolates, Cocoa Products and other similar 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'.
4. Reliance Consumer Products Limited acquired 51% shares of the Company on 24th May, 2023, making the Company a subsidiary of Reliance Consumer Products Limited.
5. The Company acquired 100% equity shares of Soubhagya Confectionery Private Limited on 25th May, 2023 for a consideration of Rs. 1,800 Lakhs, making it a wholly owned subsidiary of the Company. Also, refer note 7 below.

6. The Company has redeemed existing 73,96,600, 10% Redeemable, Cumulative Preference Shares of Rs. 10/- each at par value on 25th May, 2023 and issued 5,07,93,200, 0.01% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of Rs. 10/- each at par value on 24th May, 2023
7. A Scheme of Amalgamation (the Scheme) of Soubhagya Confectionery Private Limited a wholly owned subsidiary (refer note 5 above), with the Company has been approved by the Board of Directors of the Company at their meeting held on 2nd January, 2024. The Scheme is filed with the National Company Law Tribunal (NCLT) on 07th February, 2024. The NCLT vide its order dated 3rd April, 2024 approved dispensation with the requirements of holding separate meetings of equity and preference shareholders and creditors of respective applicant Companies.
8. The standalone financial results for the year ended 31st March, 2023, and quarter ended 31st March, 2023 were audited and reviewed, respectively, by the predecessor auditors. The reports of the predecessor auditors dated 22nd May, 2023, expressed an unmodified opinion/conclusion.
9. The figures for the quarter ended on 31st March, 2024 and 31st March 2023, are the balancing figures between audited figures for the full financial year end and published year to date figures up to the third quarter of the financial years.
10. The figures for the previous periods/years have been regrouped wherever necessary, to make them comparable.

For and on behalf of the Board of Directors
Lotus Chocolate Company Limited
CIN: L15200TG1988PLC009111

Bharathan Rajagopalan Thatai
Chairman
DIN: 02464132

Notes forming part of the standalone financial statements
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Note 1: Corporate Information

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

Reliance Consumer Products Limited acquired 51% shares of the Company on 24th May, 2023, making the Company a subsidiary of Reliance Consumer Products Limited.

Note 2: Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and as amended by the Ministry of Corporate Affairs (MCA) from time to time.

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair values:

i) Certain financial assets and liabilities,

ii) Defined benefit plans - plan liabilities

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 lakhs except when otherwise stated.

2.2 Current and Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current and non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

2.3 Critical accounting judgements and key sources of estimation uncertainty - last point

In the preparation of the Company's financial statements, the management of the Company are required to make judgements, estimates and assumptions that affect the reported amount of revenue, expense, asset and liabilities. 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 year.

a) Depreciation of Property, Plant and Equipment

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Provision and contingent liability

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

2.4 Significant Accounting Policies

1. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration entitled in exchange for those goods or services. The company is generally the principal as it typically controls the goods or services before transferring them to the customers.

Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risk of ownership or future obligation with respect to the goods shipped.

2. Foreign currencies

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

3. Borrowing costs

Borrowing costs are interest expense, amortization of discounts and other ancillary costs incurred in connection with borrowing of funds and exchange difference to the extent they are regarded as an adjustment to the Interest cost incurred by the Company in connection with borrowing of funds. Specific borrowing costs that are directly 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.

4. Income Taxes

Income tax expense consists of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in Other Comprehensive Income, in which case, the tax is also recognised in Other Comprehensive Income.

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. Current tax asset and liabilities are measured at the amount expected to be recovered from or paid to the income tax authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

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 corresponding tax bases used in Computation of Taxable Profit. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5. Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the period by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

6. Property, plant and equipment

The initial cost of Property, plant and Equipment (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. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation is provided on a pro-rata basis on a straight-line basis over the useful lives as prescribed in Schedule II to the Act. 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.
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
Electrical Equipment - 10 Years
Office Equipment - 5 Years
Computers - 3 Years
Furniture and Fixtures - 10 Years
Vehicles - 8 Years

Depreciation on additions is provided on a proportionate basis from the month of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/ disposal.

7. Intangible assets

Intangible assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.
The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Design and development are amortised over a period of five years.

8. Inventories

Inventories are valued as follows:

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

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

9. Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank, cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value.

10. Cash Flow Statement

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

11. Impairment of assets

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.

12.Employee Benefits

Short-term employee benefits

Short-term employee benefits are recognised as an expense in the period when employee renders service. 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.

Post-employment benefits

Defined contribution plans:-

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

Defined benefit plans:-

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

Termination benefits:-

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

Other long-term employee benefits:-

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

13. Provisions

A provision is recognized if the Company has a present legal or constructive obligation as a result of a past event, 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.

14. Contingent liabilities and contingent assets

A disclosure for a contingent liability is made when there is a possible obligation arising from past events or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

15. Financial instruments

i) Financial Assets

A. <u>Initial recognition and measurement</u>

All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issues of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition.

B. <u>Subsequent measurement</u>

a) Financial assets measured at amortised cost. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
   1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
   2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

   A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terns of the financial asset give rise an specified date to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at Fair value through Profit or Loss (FVTPL)

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

d) Investment in Subsidiary

The Company has accounted for its investment in subsidiary at cost less impairment loss (if any).

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

ii) Financial liabilities:

A) Initial recognition and measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the state of profit and loss as finance cost.

B) Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short term maturity of these instruments.

iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.
The Company derecognises a financial liability or part of financial liability when its contractual obligations are discharged or cancelled or expire.

iv) Offsetting

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

v) Impairment

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

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

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

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

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the Balance Sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Note 3: Property, Plant and Equipment

Description	**Gross carrying value**				***Depreciation/Amortisation***				***Net carrying value***	
	As at 1st April, 2023	Additions	Dispo-sals	As at 31st March, 2024	As at 1st April, 2023	Charge for the period	Dispo-sals	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Land	2.31	-	-	2.31	-	-	-	-	2.31	2.31
Buildings	222.58	-	4.21	218.37	178.57	1.40	-	179.97	38.40	44.01
Furnitures & Fixtures	25.66	11.65	0.15	37.16	25.40	0.56	-	25.96	11.20	0.26
Plant & Machinery	1,998.90	71.41	40.39	2,029.92	1,858.69	32.36	-	1,891.05	138.87	140.21
Office Equipment	13.41	1.38	0.58	14.21	12.26	0.41	-	12.67	1.54	1.15
Electric Installations	51.92	3.22	-	55.14	50.44	0.51	-	50.95	4.19	1.48
Computers	31.44	16.79	1.37	46.86	27.74	4.06	0.00	31.80	15.06	3.70
Vehicles	15.92	-	1.55	14.37	14.27	0.10	-	14.37	-	1.65
Total	**2,362.14**	**104.45**	**48.25**	**2,418.34**	**2,167.37**	**39.40**	**0.00**	**2,206.77**	**211.57**	**194.77**

Ageing of Capital Work In Progress as on 31st March, 2023

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	-	-	-	-	-
Total	-	-	-	-	-

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

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

Note 4: Intangible Assets

Particulars	Total
Balance as at 1st April, 2023	**-**
Additions	-
Disposals	-
Balance as at 31st March, 2024	**-**

Note 5: Investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Investments carried at cost:		
(i) Equity instruments of subsidiaries (unquoted) (Soubhagya Confectionery Private Limited)	1,800.00	-
Total	**1,800.00**	**-**

Note 6: Loans and Advances

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Unsecured, Considered Good:		
Loans to Related Parties	0	0
Total	0	0
(b) Current		
Unsecured, Considered Good:		
Loans to Related Parties	0	0
Total	0	0

Note 7: Trade Receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, Undisputed:		
Considered Good	2,052.09	442.18
Considered Doubtful	-	55.74
Valuation Allowance for Doubtful Receivables	-	(55.74)
Total	**2,052.09**	**442.18**

Ageing for Trade Receivables as at 31st March, 2024

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed - Considered Good	2,052.09	-	-	-	-	2,052.09
Undisputed - which have significant increase in the credit risk	-	-	-	-	-	-
Undisputed - Credit Impaired	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - Credit Impaired	-	-	-	-	-	-
Total	2,052.09	-	-	-	-	2,052.09

Ageing for Trade Receivables as at 31st March, 2023

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	442.18	-	-	-	-	442.18
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	442.18	-	-	-	-	442.18

Note 8: Inventories

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Raw Materials	242.86	150.07
Work in progress	125.68	287.59
Finished Goods	177.66	125.03
Stock in Trade	52.54	-
Stores & Spares and Fuel	58.59	58.49
Packing Material	54.84	83.64
(-) Provision for Obsolete Stock of Packing Material	-	(60.43)
Total	**712.17**	**644.39**

Note 9: Cash and Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Bank CC (Secured)	183.83	-
Current Accounts and Deposits	234.50	40.72
Cash in Hand	0.24	0.04
Total	**418.57**	**40.76**

Note 10: Other Financial Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Other Financial Assets	-	-
Total	**-**	**-**
(b) Current		
Security Deposit – Customers	5.00	5.40
Interest Receivable	1.44	12.36
Other Deposits	20.93	-
Total	**27.37**	**17.76**

Note 11: Other Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
TDS Receivable	19.70	6.41
TCS Receivable	0.90	-
Balances with Government Bodies Receivable	20.00	20.00
Deposits with Government Authorities	32.55	30.89
Advance for purchase of PPE	136.03	-
Total	**209.18**	**57.30**
(b) Current		
Advances to Suppliers	229.86	45.52
Employee Advances	0.59	0.91
GST Input Receivable (net)	-	31.61
Recoverable From Previous Promoters	119.08	-
Prepaid Expenses	5.84	2.85
Total	**355.37**	**80.89**

Note 12: Share Capital

Particulars	As at 31st March 2024	As at 31st March, 2023
Authorised Share Capital		
7,27,93,200 shares of Rs.10/- each (1,40,00,000 Equity Shares of 10/- each & 5,87,93,200 Preference Shares of 10/- each)	**7279.32**	**7279.32**
Issued, Subscribed and Fully paid-up Share Capital		
Equity Share Capital	**As at 31st March 2024**	**As at 31st March, 2023**
1,28,41,049 Equity Shares of Rs. 10/- each (As at 31st March, 2023: 1,28,41,049 Equity Shares of Rs. 10/- each)	1,284.10	1,284.10
Less: Calls Unpaid from members other than directors	-	0.30
	1,284.10	**1,283.80**

(a) Details of shareholders holding morethan 5% shares in the Company

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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	65,49,065	51.00%	-	0.00%
Ananth Peraje Pai	3,85,805	3.00%	36,60,338	28.50%
Prakash Peraje Pai	3,84,804	3.00%	36,59,337	28.50%

(b) Details of shareholdings of promoters

Name of Promoters	As at 31st March, 2024		As at 31st March, 2023	
	No. of Equity Shares Held	% Change during the year	No. of Equity Shares Held	% Change during the year
Equity shares of Rs.10/- each fully paid				
Reliance Consumer Products Limited	65,49,065	51.00%	-	-
Abhijeet Pai	4,52,139	-	4,52,139	-
Aman Pai	4,07,139	-	4,07,139	-
Aditya Pai	4,07,139	-	4,07,139	-
Ananth Peraje Pai	3,85,805	-25.50%	36,60,272	-
Prakash Peraje Pai	3,84,804	-25.50%	36,59,272	-
Ashwini Pai	3,27,139	-	3,27,139	-
Poornima Pai	1,88,420	-	1,88,420	-
Nivedita Pai	1,52,500	-	1,52,500	-
Total	**92,54,150**		**92,54,020**	

(c) **Details of Preference Share Holders**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Preference Shares Held	% of Total Preference Shares	No. of Preference Shares Held	% of Total Preference Shares
0.01% Redeemable Cum. Preference Shares of Rs. 10/- each fully paid				
Reliance Consumer Products Limited	2,53,96,600	50.00%	-	0.00%
Abhijeet Pai	`	12.50%	-	0.00%
Ashwini Pai	63,49,150	12.50%	-	0.00%
P.M.F. Estates Pvt Ltd	1,26,98,300	25.00%	-	0.00%
Ananth Peraje Pai	-	0.00%	36,98,300	50.00%
Prakash Peraje Pai	-	0.00%	36,98,300	50.00%
	5,07,93,200	**100.00%**	**73,96,600**	**100.00%**

(d) Rights, Preference and Restrictions attached to the Shares:
(i) Equity Shares: Equity Shares rank pari passu as regards to dividend and voting rights. Each share has one vote.
(ii) Preference Shares: Non-cumulative, non-convertible, non-participating and redeemable Preference Shares have right to preferential dividend of 0.01% per annum on cumulative basis. Preference share holders shall carry no voting rights.

Note 13: Other Equity

Particulars	As at 31st March 2024	As at 31st March, 2023
Capital Reserve	274.14	274.14
Securities Premium	379.68	379.68
State Investment Subsidy	15.00	15.00
Retained Earnings	(2,654.76)	(2,606.68)
Other Comprehensive Income	(25.00)	-
Preference Share Capital		
5,07,93,200 0.01% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10/- each (As at 31st March, 2022: 73,96,600 10% Redeemable Cumulative Preference Shares of Rs. 10/- each)	4,410.14	739.66
Total	**2,399.20**	**(1,198.20)**

Preferential shares of Rs. 10/- each fully paid	No. of Shares	Value of Shares
Balance as at 1st April, 2023	**73,96,600**	**739.66**
Redeemed during the period	73,96,600	739.66
Issued during the period	5,07,93,200	5,079.32
Balance as at 31st Mar, 2024	**5,07,93,200**	**5,079.32**

Note 14(a): Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Loans from Related Parties (Unsecured)	-	400.00
Total	**-**	**400.00**
(b) Current		
Bank Cash Credit account - Axis Bank	47.00	167.93
Total	**47.00**	**167.93**

Note 14(b): Other Financial Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Long term Liability for Investment	730.38	-
Total	**730.38**	**-**

Note 15: Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dues to MSME (Refer Note below)	916.57	-
Dues to creditors other than MSME	273.97	721.29
Disputed dues to MSME	-	-
Disputed dues to creditors other than MSME	-	-
Total	**1,190.54**	**721.29**

Ageing for Trade Payables as at 31st March , 2024

Particulars	Outstanding for the following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	916.57	-	-	-	**916.57**
Undisputed dues - Others	273.97	-	-	-	**273.97**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	**-**
Total	**1,190.54**	**-**	**-**	**-**	**1,190.54**

Ageing for Trade Payables as at 31st March , 2023

Particulars	Outstanding for the following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed dues - MSME	-	-	-	-	**-**
Undisputed dues - Others	721.29	-	-	-	**721.29**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	**-**
Total	**721.29**	**-**	**-**	**-**	**721.29**

Note 16: Provisions

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Provision for Employee Benefits		
Provision for Gratuity	66.70	36.16
Provision for Leave Encashment	6.89	-
Total	**73.59**	**36.16**
(b) Current		
Provision for Employee Benefits		
Provision for Gratuity	6.59	-
Provision for Leave Encashment	13.63	-
Provision for Expenses	-	-
Total	**20.22**	**-**

Note 17: Other Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Non Current		
Other Non Current Liabilities	-	-
Total	**-**	**-**
(b) Current		
Advances from customers	1.42808	1.55
GST Output Payable (net)	76.38188	-
TDS Payable	20.47120	0.53
Salaries Payable	32.84210	9.87
ESI EPF PT Payable	3.09824	3.09
Outstanding Liabilities for Expenses	-	49.08
Employee Related Payments	2.20203	
Total	**136.42**	**64.12**

Note 18: Deferred Tax Asset (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Asset (Net)	37.08	(2.95)
Total	**37.08**	**(2.95)**

Note 19: Current Tax Assets (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Tax Assets (Net)	-	-
Total	**-**	**-**

Note 20: Revenue from Operations

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from Operations	14,406.04	6,271.81
Total	**14,406.04**	**6,271.81**

Note 21: Other Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Income	61.26	4.38
Miscellaneous Income	29.88	-
Gain on Foreign Exchange Transactions (Net)	10.77	5.78
Balances Written Back	5.75	-
Total	**107.66**	**10.16**

Note 22: Cost of Materials Consumed

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Raw Materials		
Opening Stock	150.07	556.67
Purchases (Raw Materials)	12,457.60	5,045.02
Less: Closing Stock	242.86	150.07
Cost of Raw Materials Consumed (A)	**12,364.81**	**5,451.62**
Packing Materials		
Opening Stock	83.64	75.35
Packing Material Write Back	-60.43	
Purchases (Packing Materials)	165.79	163.84
Less: Closing Stock	54.84	23.21
Cost of Packing Materials Consumed (B)	**134.16**	**215.98**
Total Cost of Materials Consumed (A+B)	**12,498.97**	**5,667.60**

Note 23: Changes in inventories of Finished Goods, Work in progress and Stock in Trade

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Finished Goods		
Opening Stock	125.02	199.37
Less: Closing Stock	177.66	125.02
(Increase) / Decrease in Inventories of Finished Goods (A)	**(52.64)**	**74.35**
Work in Progress		
Opening Stock	287.59	379.25
Less: Closing Stock	125.68	287.59
(Increase) / Decrease in Inventories Work in Progress (B)	**161.91**	**91.66**
Stock in Trade		
Opening Stock	-	-
Less: Closing Stock	52.54	-
(Increase) / Decrease in Inventories Stock in Trade C)	**(52.54)**	**-**
Total (Increase) / Decrease in Inventories (A+B+C)	**56.73**	**166.01**

Note 24: Employee Benefit Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and Wages	460.40	332.99
Contribution to Provident and other funds	55.66	16.13
Staff Welfare expenses	11.74	2.01
Total	**527.80**	**351.13**

Note 25: Finance Costs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Finance Cost - RPS	61.20	-
Interest Expense on Working Capital	17.30	23.23
Total	**78.50**	**23.23**

Note 26: Depreciation and Amortisation Expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation Expense	37.79	17.22
Total	**37.79**	**17.22**

Note 27: Other Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Selling Expenses		
Marketing and Other Selling Expenses	79.88	9.69
Freight Outwards	195.02	116.42
Total Selling Expenses (A)	**274.90**	**126.11**
Administrative Expenses		
Travelling and Conveyance	24.12	13.05
Professional Charges	249.97	23.78
Rates and Taxes	7.29	20.01
Director Sitting Fees	19.60	-
CDSL and NSDL Charges	3.04	-
Software Charges	3.80	-
Insurance Charges	6.33	4.39
Postage, Telephone & Courier Charges	6.94	2.66
Payment to Auditors		
Statutory Audit Fees	15.00	2.50
CSR Expenditure	0.51	5.64
Fees for Increase in Authorised Share Capital	-	43.09
General Expenses	34.27	12.78
Office Maintenance Expenses	1.40	0.55
Commission and Brokerage	7.18	-
Advertisement Expenses	7.16	-
Provision for Doubtful Debts	-	55.74
Other Miscellaneous expenses (Net)	4.24	-
Total Administrative Expenses (B)	**390.85**	**184.19**

Operating Expenses		
Consumption of Stores and Spares - Refer (a) below	160.53	48.15
Consumption of Power and Fuel - Refer (b) below	238.02	250.33
Repairs and Maintenance	24.36	6.09
Security Charges	21.27	14.25
Factory Maintenance	26.21	14.87
Ware House Expenses	10.00	6.11
Other Manufacturing Expenses	-	6.00
Transit Insurance	2.63	
Total Operating Expenses (C)	**483.02**	**345.80**
Total Other Expenses (A+B+C)	**1,148.77**	**656.10**

(a) Consumption of Stores and Spares

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Stock	56.64	56.64
Less: S&S transferred to Property, Plant and Equipment	57.68	
Purchases (Stores and Spares)	218.53	54.79
Less: Closing Stock	56.96	56.64
Consumption of Stores and Spares	**160.53**	**54.79**

(b) Consumption of Power and Fuel

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Power Charges	153.48	137.79
Fuel Consumption:		
Opening Stock	1.85	1.85
Purchases (Fuel)	84.11	108.58
Fuel Consumption	0.20	
Less: Closing Stock	1.62	1.85
Consumption of Power and Fuel	**238.02**	**246.37**

<u>Note 28: Earnings Per Share (Amounts in Rs.)</u>

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit after Tax for the period	(41,76,875.96)	(6,95,68,781.17)
Less: Preference Dividend	(12,75,094.33)	-
(A) Net Profit after Tax attributable to Equity Shareholders	(54,51,970.29)	(6,95,68,781.17)
(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)	**(0.42)**	**(5.42)**
Dilutive EPS (A/B)	**(0.42)**	**(5.42)**

Note 29: Contingent Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contingent Liabilities not provided for on account of Customs Duty under protest for the period 2014-2019. Company filed write petition before High court of Telangana along with stay application. Honourable High Court granted stay and the matter is pending hearing	287.41	287.41

Note 30: Corporate Social Responsibility

Particulars	As at 31st March, 2024	As at 31st March, 2023
Amount required to be spent (YTD)	0.51	5.64
Amount spent during the period	0.51	5.64
Shortfall at the end of the period	**-**	**-**
Total of previous year's Shortfall	-	-
Reason for Shortfall	NA	NA
Nature of CSR Activities	Contribution to Reliance Foundation	Contribution to L.V. Prasad Hyderabad Eye Institute

Note 31: 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net Debt	47.00	567.93
Total Equity	3,683.31	85.59
Net Debt to Equity Ratio	**0.01**	**6.64**

Note 32: Analytical Ratios

Ratio	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% of change
Current Ratio (in times)	2.56	1.31	95%
Debt-Equity Ratio (in times)	0.01	6.64	-100%
Debt Service Coverage Ratio (in times)	0.77	(28.21)	-103%
Return on Equity Ratio (in %)	-2.9%	-178%	-98%
Inventory Turnover Ratio (in times)	21.24	6.56	224%
Trade Receivables Turnover Ratio (in times)	11.55	9.04	28%
Trade Payables Turnover Ratio (in times)	25.12	10.01	151%
Working Capital Turnover Ratio (in times)	11.79	8.92	32%
Net Profit Ratio (in %)	0%	-11%	-97%
Return on Capital Employed (in %)	-2%	-143%	-98%

Note 33: Related Party Disclosures

A. List of Related Parties

I. Parent Companies

1. Reliance Industries Limited
2. Reliance Retail Ventures Limited
3. Reliance Consumer Products Limited
4. Fellow Subsidiaries of holding Company/Companies under the same group

Reliance Retail Limited

II. Subsidiary Company

1. Soubhagya Confectionery Private Limited

III. Key Managerial Personnel

1. G. S. Ram, Whole Time Director up to 2nd Nov, 2023
2. S Gautham, CFO
3. Sandipan Ghosh, CEO
4. Utsav Saini, CS
5. Subodhakanta Sahoo, CS

IV.Promoter Shareholders

1. Abhijeet Pai
2. Aman Pai
3. Aditya Pai
4. Ananth Peraje Pai
5. Prakash Peraje Pai
6. Ashwini Pai
7. Poornima Pai
8. Nivedita Pai
9.Puzzolona Machinery Fabricators (Hyderabad) LLP

B. Transactions during the year

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1. Unsecured Loans		
Opening Balance	-	
Anantha Peraje Pai	200.00	298.00
Prakash Peraje Pai	200.00	298.00
	400.00	**596.00**
Repayment of Loans		
Anantha Peraje Pai	200.00	98.00
Prakash Peraje Pai	200.00	98.00
	400.00	**196.00**
Closing Balance		
Anantha Peraje Pai	-	200.00
Prakash Peraje Pai	-	200.00
	-	**400.00**
2. Purchases from		
Soubhagya Confectionery Private Limited	96.37	35.33
Reliance Retail Limited	16.06	312.43
3. Sales to		
Puzzolana Machinery Fabricators (Hyderabad) LLP	-	0.68
Soubhagya Confectionery Private Limited	811.45	300.15
Reliance Retail Limited	306.02	189.14
4. Salary to Key Managerial persons		
1. G. S. Ram, Whole Time Director up to 2nd Nov, 2023	4.35	-
2. Utsav Saini, CS	12.73	-
3. Subodhakanta Sahoo, CS	-	-

C. Closing Balances

Particulars	As at 31st March 2024	As at 31st March, 2023
1. Unsecured Loans		
Anantha Peraje Pai	-	200.00
Prakash Peraje Pai	-	200.00
2. Other Receivables		
Puzzolana Machinery Fabricators (Hyderabad) LLP	-	1.95
Soubhagya Confectionery Private Limited	69.49	6.12
Reliance Retail Limited	44.88	-
3. Other Payables		
Reliance Retail Limited	-	275.29
Soubhagya Confectionery Private Limited	-	0

Note 34: Foreign Currency Exposure

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

Note 35: Financial Risk Management

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

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 instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

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 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.

Note 36: Segment Information

The Company is mainly engaged in manufacturing of finest chocolates, cocoa products and cocoa derivatives primarily catering to consumers in India under various consumption baskets. Accordingly, the group has only one identifiable segment reportable under Ind AS 108 "Operating Segments. All the activities of the Company revolve around this main business. The Chief Operating Decision Maker (CODM) monitors the operating results of the Company's business for the purpose of making decisions about resource allocation and performance assessment.

Note 37: Previous year’s figures have been regrouped/reclassified wherever necessary, to confirm to current period’s classification.

Note 38: Other Statutory Information

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
b. The Company does not have any transactions with companies struck off.
c. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
d. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   i. 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
   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   i. 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
   ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company has not 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

h. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

i. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

Varsha A. Fadte
Partner
(Membership No. 103999)

For and on behalf of the Board of Directors
Lotus Chocolate Company Limited
CIN: L15200TG1988PLC009111

Bharathan Rajagopalan Thatai
Chairman
DIN: 02464132

Date: -16th April, 2024