



LOTUS CHOCOLATE COMPANY LIMITED

**30th ANNUAL REPORT
2018-2019**

BOARD OF DIRECTORS

NAME

Shri P. Prakash Pai
Shri P. Ananth Pai
Shri Subramanya Ram Ganapath
Shri Dilip Mangesh Kalelkar
Smt. Ashwini Pai
Shri Gottemukkala Venkatapathi Raju
Shri Bharathan Rajagopalan Thatai
Shri. Admala Surya Prakash Reddy

DESIGNATION

Non-Executive Non-Independent Director
Non-Executive Non-Independent Director
Whole Time Director
Whole Time Director (Technical)
Women Director
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director

STATUTORY COMMITTEES

AUDIT COMMITTEE

NAME

Shri. Bharathan Rajagopalan Thatai
Shri. P. Ananth Pai
Shri. Gottemukkala Venkatapathi Raju
Shri. Admala Surya Prakash Reddy

DESIGNATION

Chairperson
Member
Member
Member

NOMINATION & REMUNERATION COMMITTEE

NAME

Shri. Gottemukkala Venkatapathi Raju
Shri. Bharathan Rajagopalan Thatai
Shri. P. Prakash Pai
Shri. P. Ananth Pai

DESIGNATION

Chairperson
Member
Member
Member

STAKEHOLDER RELATIONSHIP COMMITTEE

NAME

Shri. P. Prakash Pai
Shri. P. Ananth Pai
Shri. Gottemukkala Venkatapathi Raju
Shri. Subramanya Ram Ganapath

DESIGNATION

Chairperson
Member
Member
Member

RISK MANAGEMENT COMMITTEE

NAME

Shri. P. Prakash Pai
Shri. P. Ananth Pai
Shri. Subramanya Ram Ganapath

DESIGNATION

Chairperson
Member
Member

CHIEF FINANCIAL OFFICER

Shri. Vivekanand Narayan Prabhu

COMPANY SECRETARY

*Ms. Shivani Sarda

BANKERS

Canara Bank,
Balanagar Branch,
Hyderabad-500 042

AUDITORS

STATUTORY AUDITOR

M/s. VDNR & Associates

Chartered Accountants,

201, Dwarka Avenue, Dwarkapuri Colony,
Punjagutta, Hyderabad – 500 082.**SECRETARIAL AUDITOR**

Mrs. Rakhi Agarwal

6-3-660, Flat 520, Block 4, Amrit Appartment,
Kapadia Lane, Somajiguda,
Hyderabad – 500 082.**REGISTRAR & TRANSFER AGENT**

CIL SECURITIES LIMITED

214, Raghavaratna, Towers,

Chiragali Lane, Abids Hyderabad, 500 001

Phone # +91-040-2320 2465

Email : advisors@cilsecurities.com

Website : www.cilsecurities.com

**FACTORY**Doulatabad, Hathnoora Mandal,
Sangareddy District,
Telangana – 502 296.**REGISTERED OFFICE:****LOTUS CHOCOLATE COMPANY LIMITED**

CIN NO:L15200TG1988PLC009111

8-2-596, 1st Floor, 1B,

Sumedha Estates, Avenue - 4,

Puzzalona Towers, St.No.1. Rd. No.10,

Banjara Hills, Hyderabad-500 034.

Ph. No. :91-40-3352707/08/09

Fax No. :91-40-23352710

Email : complaints@lotuschocolate.com

Website : www.lotuschocolate.com

NOTICE OF 30th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 30th ANNUAL GENERAL MEETING OF THE MEMBERS OF LOTUS CHOCOLATE COMPANY LIMITED WILL BE HELD AT 10:00 A.M. ON MONDAY, 30TH SEPTEMBER, 2019 AT LIONS BHAVAN, NEAR PARADISE CIRCLE, SECUNDERABAD - 500 003(TG) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended 31st March, 2019 along with the Auditors' Report, Board's Report & Corporate Governance Report thereon.
2. To appoint a Director in place of Shri. Peraje Ananth Pai, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:-

3. *To consider and if thought fit, to pass with or without modification, the following resolution as*
SPECIAL RESOLUTION:

"RESOLVED THAT, in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of Shri. Subramanya Ram Ganapath (DIN: 02395478) as a Whole time Director, not liable to retire by rotation, of the Company for a period of five years with effect from 3rd November, 2018, or till such earlier date in accordance with the policies and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

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

Sd/-	Sd/-
P. Ananth Pai	G.S. Ram
DIRECTOR	WHOLE TIME DIRECTOR
DIN: 00048339	DIN: 02395478

Place : Hyderabad
Date : 14.08.2018

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than forty-eight hours before the commencement of the Meeting. Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2019 to 30.09.2019 (both days inclusive) for the purpose of annual closure. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in Dematerialized form are requested to write their DP ID and Client ID and those who hold shares in Physical Form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. 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.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days except Saturdays and Sundays, between 11.00 AM and 1.00 PM up to the date of the Meeting.
7. Brief resume of the Director including those proposed to be appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships / Chairmanships of Board Committees, shareholding and relationships between directors inter – se stipulated under Regulation 27(2) of SEBI (LODR) Regulations,

2015 are provided in the Report on Corporate Governance forming part of the Annual Report.

8. Explanatory Statement as required under section 102 of the companies in respect of special business is annexed hereto.
10. The Shareholders are expected to send their queries on Annual Report to the Company Secretary, at least 7 days before the date of meeting, so that the requisite information/ explanations can be provided in time.
11. CIL Securities Limited, Regd. Office: 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500001, is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of members may be communicated to them.
12. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
13. Electronically copy of the Annual Report for 2019 is being sent to all the members whose email ids are registered with the company/ Depository participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode.
14. Members may also note that the Notice of the 30th Annual General Meeting and Annual Report for 2019 will also be available on the Company's **website: www.lotuschocolate.com** their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send request to the Company's investor email id: info@lotuschocolate.com.
15. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of

the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Sunday, up to and including the date of the Annual General Meeting of the Company.

16. Voting through electronic means:
 - i. According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.
 - ii. In compliance with provisions of Sections 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services provided by Central Depository services (India) Limited (CDSL).
 - iii. A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - iv. During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the fixed or record date, may cast their vote electronically.
 - v. The e-Voting shall remain open for 4 days on Thursday, 26th September 2019 from 10.00 AM to Sunday 29th September, 2019 till 5.00 PM.
 - vi. The Company has appointed Mrs. Rakhi Agarwal, Practicing Company Secretary as scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

In case of members receiving e-mail:

- (i) The voting period begins on Thursday, 26th September 2019 from 10.00 AM to Sunday 29th September, 2019 till 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in

- dematerialized form, as on the cut-off- date 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on “Shareholders” tab.
- (iv) Now, select the “LOTUS CHOCOLATE COMPANY LIMITED” from the drop down menu and click on “SUBMIT”
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Bank Details#	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach
- ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.***
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <LOTUS CHOCOLATE COMPANY LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm

your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) Thursday, 26th September 2019 from 10.00 AM to Sunday 29th September, 2019 till 5.00 PM.

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.09.2019, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:-

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No.3:-

The term of Shri.Subramanya Ram Ganapath as Whole time director of the company as approved by the members of the Company is completed on 2nd November, 2018, after which on the recommendation of the Nomination & Remuneration Committee ('the Committee') and subject to the approval of the Members, the Board at the meeting held on 11th January, 2019, re-designated Shri.Subramanya Ram Ganapath as Whole time director of the Company with effect from 3rd November, 2018 on the existing terms and conditions.

The Board at the aforesaid meeting, on the recommendation of the Committee, also recommended for the approval of the Members, the re-appointment of Shri.Subramanya Ram Ganapath as a Director, and as Whole time Director of the Company, as set out in the Resolution relating to his re-appointment, on the following remuneration

None of the other Director(s) or key managerial personnel(s) or their relative(s) is, in anyway, concerned or interested in the said resolution.

Particulars of Directors seeking appointment and reappointment:-

Name of Director	Shri. G. S. Ram
Date of Birth	05.08.1956
Date of Appointment	05.11.2008
Qualification	M.Sc (Food Technology)
Relationship between Directors inter-se	NA
Expertise in specific functional areas	FMCG Industry
List of Other Companies in which Directorship is held as on 31 st March, 2019	NIL
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31 st March, 2019	NIL
No. of shares held in the Company	500

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
P. Ananth Pai
DIRECTOR
DIN No. 00048339

Sd/-
G. S. Ram
WHOLETIME DIRECTOR
DIN No. 02395478

Place: Hyderabad

Date: 14.08.2019

REGISTERED OFFICE

#8-2-596, 1st Floor, 1B, Sumedha Estate,
Avenue-4, Puzzolana Towers,
St.No.1, Road No.10, Banjara Hills,
Hyderabad-500 034 (TS)

BOARD'S REPORT

Dear Member(s),

Your Directors have pleasure in presenting the 30th Annual Report of your Company and the Audited Financial statements for the Financial Year ended on 31st March, 2019 together with Auditors' Report thereon.

FINANCIAL RESULTS:

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

Particulars	Year ended on 31.03.2019 (In Rupees)	Year ended on 31.03.2018 (In Rupees)
Revenue from Operations	65,68,58,287	56,91,67,167
Other Income	7,03,214	2,26,436
Less: Expenses	64,54,70,208	55,68,01,415
Profit/(Loss) before Taxation	1,20,91,294	1,25,92,188
Less: Tax Expense		
Current Tax	(12,39,895)	-
Deferred Tax		32,99,183
Profit/Loss after Tax	1,33,31,189	92,93,005
Other comprehensive Income	(74,189)	-
Gain/loss on Foreign Exchange	-	3,71,414
Balance Profit/(Loss) C/F to the Next Year	1,32,57,000	96,64,419

During the year under review your company has achieved the total turnover of ₹ 65,68,58,287/- as compared to Turnover of ₹ 56,91,67,167/- during the last financial year i.e. around 15% increase in turnover as against last Financial Year, registering a total profit of ₹ 1,32,57,000/- as compared to the loss amounting to ₹ 96,64,419/- in previous year.

TRANSFER TO RESERVES:

The profit registered in the Financial Year 2018-19, amounting to ₹ 1,32,57,000/- has been transferred to General Reserve.

FIXED DEPOSITS:

The Company has not accepted or invited any Deposits and consequently no deposit has matured / become due for re-payment as on 31st March 2019.

DIRECTORS:

Shri. Peraje Ananth Pai, director of the company will retire by rotation at the ensuing 30th Annual General Meeting and being eligible, offers himself for re-appointment, as mentioned in Item 2 of Notice annexed to this Report.

Further, the Board recommends re-appointment of Shri. Subramanya Ram Ganpath, as Whole Time Director of the Company, at this Annual General Meeting as mentioned in item no. 3 of the Notice annexed to this Report.

BOARD EVALUATION:

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