



**LOTTE**  
INDIA



# **ANNUAL REPORT**

---

2023-2024



## CORPORATE INFORMATION

### Board of Directors

**KYUNGWOON CHO**

Chairman cum ED

**MILAN WAHI**

Managing Director

**JEONGKWAN HEO**

Whole Time Director (till 28.06.2024)

**MYEONGRIM CHOI**

Director (till 05.12.2023)

**D.G.RAJAN**

Independent Director (till 18.08.2024)

**JEEHYE YOU**

Independent Director

**JUN YEON KIM**

Director (from 05.03.2024)

**N.RAMESH RAJAN**

Independent Director (from 19.08.2024)

### Chief Financial Officer

**JEONGKWAN HEO**

### Company Secretary

**T.G.KARTHIKEYAN**

### Registered office

22-b, 2nd Floor, Commerce House -4,  
Beside Shell Petrol Pump, Prahaladnagar,  
Ahmedabad – 380015, Gujarat (w.e.f. 23.07.2024)

### Corporate office

No.4/169, Rajiv Gandhi Salai (OMR)  
Kandanchavadi, Chennai – 600 096.

### Factories

Nellikuppam (Cuddalore Dist), Tamil Nadu  
Nemam (Chennai), Tamil Nadu  
Rohtak (Haryana)

### Auditors

Price Waterhouse Chartered Accountants LLP  
Chennai

### Bankers

HDFC Bank Ltd

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## TEN YEARS AT A GLANCE

Rs. in Lakhs

	2016 (15 months Jan 2015-March 2016)	2016-17	2017-18	2017-18*	2018-19*	2019-20*	2020-21	2021-22	2022-23	2023-24
<b>OPERATING RESULTS:</b>										
GROSS INCOME	48,132	40,245	42,576	42,621	45,490	44,070	41,682	49,429	65,416	74,276
PROFIT/(LOSS) BEF DEPN., INTEREST & TAX	2,815	3,395	4,087	4,029	5,814	3,316	6,223	4,401	4,962	8,700
PROFIT/(LOSS) BEF INTEREST & TAX	(919)	(845)	(7)	(65)	1,779	(915)	2,083	329	1,196	5,120
PROFIT/(LOSS) BEFORE TAX (PBT)	(2,351)	(2,675)	(1,534)	(1,662)	389	(1,763)	1,229	91	687	4,545
PROFIT/(LOSS) AFTER TAX (PAT)	(2,251)	(2,675)	(1,534)	(1,662)	306	(1,763)	1,004	1,150	(126)	2,220
DIVIDENDS	-	-	-	-	-	-	-	-	-	-
DIVIDEND TAX	-	-	-	-	-	-	-	-	-	-
ADJUSTMENTS FOR OTHER COMPREHENSIVE INCOME	-	-	-	31.42	(4.57)	(39.55)	44.76	31.69	19.20	(33.32)
RETAINED PROFITS	(2,251)	(2,675)	(1,534)	(1,631)	302	(1,802)	1,049	1,182	(106)	2,187
<b>SOURCES AND APPLICATION OF FUNDS:</b>										
<b>SOURCES OF FUNDS:</b>										
SHARE CAPITAL	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,410	1,410
RESERVES AND SURPLUS	49,106	46,431	44,897	44,797	45,099	43,297	44,346	45,528	62,618	64,805
TOTAL SHAREHOLDERS' FUNDS	50,192	47,517	45,983	45,884	46,185	44,383	45,432	46,614	64,029	66,215
BORROWINGS	30,945	25,935	20,380	20,380	12,451	16,265	9,531	8,292	5,611	-
DEFERRED TAX LIABILITY	-	-	-	-	-	-	-	-	-	1,114
FUNDS EMPLOYED	81,137	73,452	66,363	66,264	58,636	60,649	54,963	54,906	69,640	66,215
CASH CREDIT	-	-	-	-	-	-	-	-	-	-
<b>APPLICATION OF FUNDS:</b>										
GROSS FIXED ASSETS (includes Investment Property)	93,863	92,950	93,096	72,224	72,432	73,137	73,245	74,238	74,482	90,044
DEPRECIATION	17,717	20,866	24,932	4,080	8,109	12,324	16,446	19,938	23,539	26,175
NET FIXED ASSETS	76,146	72,084	68,164	68,163	64,336	60,814	56,799	54,300	50,943	63,869
CAPITAL WORK-IN-PROGRESS	151	6	2	2	2	604	1,391	62	2,079	15
INVESTMENTS	0.26	0.26	0.26	0.26	0.26	5.00	5.00	5	5	5
DEFERRED TAX ASSET (NET)	-	-	-	-	-	-	-	1,109	417	-
DEFERRED TAX LIABILITY (NET)	-	-	-	-	-	-	-	-	-	1,114
GROSS CURRENT AND NON-CURRENT ASSETS	18,022	16,000	13,778	13,299	13,480	13,447	12,832	15,930	35,306	23,612
CURRENT LIABILITIES & PROVISIONS	13,181	14,638	15,580	15,201	19,183	14,221	16,064	15,789	18,963	20,582
NET CURRENT ASSETS	4,841	1,362	(1,802)	(1,902)	(5,703)	(774)	(3,232)	142	16,343	3,030
DEFERRED REVENUE EXPENDITURE	-	-	-	-	-	-	-	-	-	-
DEBIT BALANCE IN P & L	-	-	-	-	-	-	-	-	-	-
NET ASSETS EMPLOYED	81,137	73,452	66,364	66,264	58,636	60,649	54,963	54,511	69,371	66,919
<b>RATIOS:</b>										
ROCE (%)	(1.31)	(1.09)	(0.01)	(0.10)	2.85	(1.53)	0.03	0.01	1.92	7.54
PBDIT TO GROSS INCOME(%)	5.85	8.44	9.60	9.45	12.78	7.50	14.93	8.90	7.58	11.71
PAT ON SHAREHOLDERS' FUNDS(%)	(4.48)	(5.63)	(3.33)	3.62	0.66	(3.97)	2.21	2.47	(0.20)	3.35
EARNINGS PER EQUITY SHARE(Rs)	(20.72)	(24.62)	(14.12)	(15.30)	2.82	(16.22)	9.25	10.59	(0.99)	15.74
DIVIDEND PER EQUITY SHARE(Rs)	-	-	-	-	-	-	-	-	-	-
NET WORTH PER EQUITY SHARE(Rs)	462.01	437.39	423.27	422.35	425.13	408.54	418.20	429.08	504.85	469.53
DEBT: EQUITY RATIO	0.62	0.55	0.44	0.44	0.27	0.37	0.35	0.24	0.09	-

@ Includes merger of Lotte foods India Private Ltd (Subsidiary of Lotte confectionery Co. Ltd, Korea)

\* Company has switched over from Erstwhile IGAAP to IndAs from F.Y 2018-19. Accordingly Figures have been arrived after considering the effect of Ind As for the F.Y 2018-19. Further to enhance comparability F.Y 2017-18 Figures have been restated with Ind As adjustments.



## LOTTE INDIA CORPORATION LIMITED

Regd. Office : 22b, 2nd Floor, Commerce House- IV, Beside Shell Petrol Pump,  
100 ft Road, Prahalad Nagar, Ahmedabad- 380 015, Gujarat.  
Phone No. 079 - 4020 9000; e-mail: compsecy@lotteindia.com  
Corporate Identity Number: U15419GJ1954PLC153704; Website: www.lotteindia.com

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 69th Annual General Meeting of the Company (AGM) will be held on Monday, the 30th September, 2024 at 11.30 A.M. [Indian Standard Time (IST)] through Video Conferencing / Other Audio Visual Means to transact the following businesses:

#### ORDINARY BUSINESS

1. To consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Milan Wahi (DIN: 05242884), who retires by rotation and is eligible for reappointment.

#### SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

**RESOLVED THAT** Mr.Jun Yeon Kim (DIN. 10519756) who was appointed as an Additional Director of the Company on 5<sup>th</sup> March, 2024, whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 in writing, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company whose period of office is liable to retire by rotation.

4. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

**RESOLVED THAT** Mr.N.Ramesh Rajan (DIN. 01628318) who was appointed as an Additional Director of the Company on 16<sup>th</sup> August, 2024 whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 in writing, proposing his candidature for the

office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of one year from 19<sup>th</sup> August, 2024 to 18<sup>th</sup> August, 2025.

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, Mr.Kyungwoon Cho, (DIN. 09048060), be and is hereby reappointed as Chairman cum Executive Director for a period of 3 years from 8<sup>th</sup> March, 2024 to 7<sup>th</sup> March 2027 based on the following terms and conditions.

- (a) Salary
  - i. Rs.55,000 per month as basic salary
  - ii. Rs.7,69,150 per month towards allowances such as personal allowance and medical allowance.
- (b) Benefits
  - i. Rent free furnished accommodation expenses subject to a maximum of Rs.40,00,000 per annum and if required with an increase upto 15% p.a.
  - ii. Rs.6,00,000 per annum towards maintenance of car, fuel and driver's salary.
  - iii. Medical reimbursements subject to a maximum of Rs.1,03,000 in aggregate per annum and Medical Insurance premium as per company's policy.
  - iv. Rs.2,00,000 per annum in aggregate towards club membership / subscription fee.
  - v. Reimbursement of grocery expenses, school fees on actuals and cost of repairs, maintenance and utilities (eg. gas, electricity and water charges), and repairs for the said housing accommodation on actual.

- vi. Leave travel concession expenses on actual for one trip from India to Korea and return for him and his family subject to a maximum of Rs. 7,00,000 in aggregate per annum
- (c) Gratuity and Contribution to Provident fund shall be payable as per applicable Acts.

**RESOLVED FURTHER THAT** Mr.Kyungwoon Cho shall be governed by all service conditions of the Company as applicable to Senior Management personnel and directors.

**RESOLVED FURTHER THAT** in the event of no profits or inadequacy of profits, Mr.Kyungwoon Cho shall be entitled to the above remuneration as the minimum remuneration subject to the approvals, if any, required.

**RESOLVED FURTHER THAT** Mr.Kyungwoon Cho is entitled to annual increment as may be fixed by the Board from time to time on the recommendation of the Remuneration and Nomination Committee subject to applicable provisions of Companies Act, 2013 and that the terms and conditions of the aforesaid remuneration payable to Mr.Kyungwoon Cho be varied / altered/ revised within the said overall limit allowed under Companies Act, 2013, in such manner as may be deemed fit by the Board of Directors during aforesaid period.

**RESOLVED FURTHER THAT** any two directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all such documents as may be required to give effect to the aforesaid resolution.

6. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, the remuneration payable to Mr.Milan Wahi (DIN: 05242884), Managing Director be and is hereby revised as follows with effect from 1st January, 2024.

- (a) Salary
- i. Rs.5,47,203 per month as basic salary.
  - ii. Rs.5,99,794 per month towards allowances such as House rent allowance, special allowance and leave travel allowance.
- (b) Benefits
- i. Rs.62,750 per month towards Maintenance of car, fuel, driver's salary, telephone and mobile charges.
  - ii. Performance incentive subject to a maximum of Rs.16,02,837 per annum as per Company' policy.
  - iii. medical insurance and other benefits as applicable to the senior management personnel of the company, will be provided in accordance with the rules and regulations of the company
  - iv. Rs.2,00,000 per annum in aggregate towards Club membership subscription fee.
- (c) Gratuity and Contribution to Provident fund shall be payable as per applicable Acts. Superannuation fund payment shall be in accordance with Company's policy in force.

**RESOLVED FURTHER THAT** Mr.Milan Wahi shall be governed by all service conditions of the Company as applicable to Senior Management personnel and directors.

**RESOLVED FURTHER THAT** in the event of no profits or inadequacy of profits, Mr.Milan Wahi shall be entitled to the above remuneration as the minimum remuneration subject to the approvals, if any, required.

**RESOLVED FURTHER THAT** Mr.Milan Wahi is entitled to annual increment as may be fixed by the Board from time to time on the recommendation of the Remuneration and Nomination Committee subject to applicable provisions of Companies Act, 2013 and that the terms and conditions of the aforesaid remuneration payable to Mr.Milan Wahi be varied / altered/revised within the said overall limit allowed under Companies Act, 2013, in such manner as may be deemed fit by the Board of Directors during aforesaid period.

**RESOLVED FURTHER THAT** any two Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all such documents



as may be required to give effect to the aforesaid resolution.

**7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, the revised remuneration paid to Mr. Jeongkwan Heo, (DIN: 09715459), Whole Time Director for the period from 1<sup>st</sup> January, 2024 to 28<sup>th</sup> June, 2024 as below, be and is hereby approved.

**(a) Salary**

- i. Rs.55,000 per month as basic salary.
- ii. Rs. 5,76,806 per month towards allowances.

**(b) Benefits**

- i. Rent free furnished accommodation expenses subject to a maximum of Rs.25,00,000 per annum and if required with an increase upto 15% p.a.
- ii. Rs.6,00,000 per annum towards Maintenance of car, fuel, driver's salary.-
- iii. Medical reimbursement subject to a maximum of Rs.85,000 in aggregate per annum and Medical insurance premium as per company's policy.
- iv. Rs.2,00,000 per annum in aggregate towards Club Membership / subscription fee.
- v. Reimbursement of grocery expenses, school fees on actuals and cost of repairs, maintenance and utilities (eg. gas, electricity and water charges), and repairs for the said housing accommodation on actual.
- vi. Leave travel concession expenses on actual for one trip from India to Korea and return for him and his family subject to a maximum of Rs. 3,50,000 in aggregate per annum.
- vii. Gratuity and Contribution to Provident fund shall be payable as per applicable Acts.

**RESOLVED FURTHER THAT** any two Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all such documents as may be required to give effect to the aforesaid resolution.

**8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**RESOLVED THAT** the allowance amount of Rs.10,40,796 paid to Mr. Kyungwoon Cho (DIN.09048060), Chairman cum Executive Director, during the period from 01.04.2023 to 31.03.2024 over and above the limit of Rs. 90,31,800 approved by the Shareholders at their Annual General Meeting held on 29.09.2023 be and is hereby approved.

**9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**RESOLVED THAT** the allowance amount of Rs.2,36,400 paid to Mr. Jeongkwan Heo (DIN. 09715459), Whole Time Director during the period from 01.04.2023 to 31.03.2024 over and above the limit of Rs. 48,87,288 approved by the Shareholders at their Annual General Meeting held on 29.09.2023 be and is hereby approved.

**10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**RESOLVED THAT** in accordance with the provisions of Section 94 and any other applicable provisions of Companies Act, 2013 read with Rules thereunder, including any statutory modifications or re-enactment thereof, for the time being in force, approval of the members be and is hereby accorded to keep all the registers and returns required to be maintained under the Companies Act, 2013 at the Corporate office of the Company at 4/169, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096.

By Order of the Board  
For Lotte India Corporation Limited

Chennai  
Date: August 16, 2024

**T.G. Karthikeyan**  
Company Secretary

**Notes:**

1. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. For those Members who have not registered their email ids with the Company / Depositories, physical copy of Notice of AGM and Annual Report 2023-24 is being sent. The aforesaid notice along with Annual Report has been uploaded on the website of the Company at [www.lotteindia.com](http://www.lotteindia.com).
2. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item Nos.3 to 11.
3. Since this AGM is through video conferencing, appointment of Proxy is not applicable and hence proxy form and attendance slip are not attached to this Annual Report.
4. Members, who are having shares in physical form are requested to intimate change in their addresses, if any, immediately to the Company at its Head Office / RTA quoting their folio number and certificate number.
5. Members, who are having shares in Demat form are requested to intimate change in their addresses, if any, immediately to their Depository Participants with whom they are maintaining their Demat Account.
6. Book closure: The Register of Members and Share Transfer books of the Company shall remain closed from 24.09.2024 to 30.09.2024 (both days inclusive).
7. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company by sending an email to "compsecy@lotteindia.com", in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve documents in electronic form.
8. Since dematerialization of shares is mandatory for transfer of their holdings, Members who are holding shares in physical form are advised to dematerialise their holdings at the earliest.
9. In compliance with provisions of the Companies Act, 2013, the Company is pleased to offer e-voting facility, for all the Shareholders of the Company. For this purpose, the Company had entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
10. The Company has appointed Ms.R.Sucharithra, Company Secretary in Practice (CP No.6284), as Scrutinizer for conducting the e-voting process in a transparent manner.
11. Members who did not cast their vote through remote e-voting during the e-voting period shall be allowed to cast their vote through e-voting at the AGM.
12. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him who shall countersign the same. The Chairman or a person authorised by him shall declare the result of the voting forthwith. The results declared along with the Scrutiniser's report shall be placed on the Company's website [www.lotteindia.com](http://www.lotteindia.com).

**Instructions for e-voting and joining virtual meetings.**

Pursuant to the guidelines issued by Ministry of Corporate Affairs (MCA) vide Circlars dated April 8, 2020, April 13, 2020, May 05,2020 and September 25, 2023, this AGM will be held through video conferencing (VC) or other audio visual means (OAVM).

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and Sept 25, 2023, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The

facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

Since this AGM is through video conferencing, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.

The Notice of AGM along with Annual Report has been uploaded on the website of the Company at [www.lotteindia.com](http://www.lotteindia.com) and [www.evotingindia.com](http://www.evotingindia.com)

Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

The e-Voting period begins on 27.09.2024 at 9 a.m. and ends on 29.09.2024 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on 23.09.2024 (**the cut-off / record date**) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
	<ol style="list-style-type: none"> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 4886 7000 and 022 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on "Shareholders" module.

Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(OR) Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank details (or) Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant for LOTTE INDIA CORPORATION LIMITED on which you choose to vote.
- (v) 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.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xii) Additional Facility for Non – Individual Shareholders and Custodians for remote evoting.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compsecy@lotteindia.com](mailto:compsecy@lotteindia.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
4. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 210 9911
5. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 210 9911

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**ANNEXURE TO THE NOTICE****Profile of the Directors seeking appointment / reappointment.**

**Mr.Jun Yeon Kim** (DIN.10519756) is a graduate in Science from Pusan National University, Republic of Korea. He joined in Lotte Group in August 1994 and served in various capacities. Currently, Mr.Kim is working with Lotte HQ as Chief Globalisation Officer (Global Strategic Division). He is also a Director in Lotte Confectionery Holdings Europe B.V, Netherlands. He is a member of Remuneration & Nomination Committee.

**Mr.N.Ramesh Rajan** (DIN. 01628318) is a Commerce Graduate and a Fellow member of Institute of Chartered Accountants of India. He is the Founder and Senior Partner of LeapRidge Advisors LLP. He was with M/s. Price Waterhouse Coopers (PWC) & its group firms for about 3 decades in various capacities at senior levels. He was also the first elected Chairman and Senior partner of M/s.Price Waterhouse Coopers (PWC) responsible for overall strategy and operations of all PwC India entities.He is the Chairman of Audit Committee, Remuneration & Nomination Committee and CSR Committee and Member of Stakeholders Relationship committee.

Mr.Ramesh Rajan is on the Board of Cholamandalam Investment and Finance Co.Ltd, TTK Health Care Ltd, Rane Madras Ltd and Rane Engine Value Ltd and Rane Brake Linings Ltd as an Independent Director.

**Mr. Kyungwoon Cho** (DIN.9048060)is a Post graduate (MBA) in International Business from Korea University and having about 21 years of rich experience in Sales, Marketing and Finance. He joined in Lotte Group in 2001 and served in various capacities at its Headquarters at Korea and as well as at Lotte Guylian, Belgium. Before his appointment in Lotte India, he was working with Lotte HQ as Vice President of Global Strategic Division. He is the Chairman of Havmor Ice Cream P.Ltd. He is a member of Audit Committee, CSR Committee and Remuneration & Nomination Committee. His rich experience in the areas of sales, marketing and finance will help us to improve the overall performance of the Company.

**Mr.Milan Wahi** (DIN.05242884) is a post graduate in Science with PG Diploma and has about 30 years of rich experience in the fields of Marketing and sales and worked as senior management personnel in various reputed Companies such

as Cavin Kare, VST Industries, Whirlpool India, Lotte India Corporation Ltd, JK Dairy and Kenstar etc. Mr.Milan Wahi is a member of CSR Committee and Stakeholders relationship Committee.

**Explanatory statement pursuant to Section 102 of the Companies Act, 2013.**

The documents mentioned in Explanatory statement are available for inspection at the Head office of the Company at 4/169, Rajiv Gandhi Salai, Kandanchavadi, Chennai – 600 096 from Monday to Friday (except on holidays) from 10.30 A.M to 4 .30 P.M till the previous day before the AGM

**Item No.3**

Following the resignation of Mr.Myeongrim Choi (DIN.08820793), Director from the Board on 5th December, 2023, Mr.Jun Yeon Kim ( DIN.10519756) was appointed as an Additional Director at the Board Meeting held on 5th March, 2024 based on the recommendations of Remuneration and Nomination Committee meeting held on same date.

Brief Profile of Mr.Jun Yeon Kim is provided under the heading “ Profile of Directors seeking appointment / reappointment”.

Mr.Jun Yeon Kim has given his consent to act as Director of the Company. He does not hold any shares in the Company. His association with the company will help us to improve the performance of the company.

In terms of Section 160(1) of the Companies Act 2013, Your company has received notice from a member of the company nominating Mr.Jun Yeon Kim as Director.

None of the Directors (other than Mr.Jun Yeon Kim), Key managerial personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions.

**Item No.4**

The second term of 5 years of Mr.D.G.Rajan ( DIN.00303060) as an Independent Director came to an end on 18th August, 2024. In his place, Mr.N.Ramesh Rajan was appointed as an Additional Director at the Board Meeting held on 5th March, 2024 based on the recommendations of Remuneration and Nomination Committee meeting held on same date.

At the above meeting of Board of Directors, Mr.Ramesh Rajan was also appointed as an Independent Director



for a period of 1 year from 19th August, 2024 based on the recommendations of Remuneration and Nomination Committee meeting held on same date.

Brief Profile of Mr.Ramesh Rajan is provided under the heading “ Profile of Directors seeking appointment / reappointment”.

Mr.Ramesh Rajan has given his consent to act as Director / Independent of the Company. He does not hold any shares in the Company. His association with the company will help us to improve the performance of the company.

In terms of Section 160(1) of the Companies Act 2013, Your company has received notice from a member of the company nominating Mr.Ramesh Rajan as Director.

None of the Directors (other than Mr.Ramesh Rajan), Key managerial personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions.

#### **Item 5**

Based on the recommendation of Remuneration & Nomination Committee, the Board at its meeting held on 8th March, 2021, appointed Mr.Kyungwoon Cho (DIN: 09048060) as Chairman Cum Executive Director for a term of 3 years from 8th March, 2021 to 7th March, 2024.

In view of the above and considering his valuable contribution to the Company, the Board at its meeting held on 5th March, 2024 based on the recommendation of Remuneration and Nomination committee meeting held on the same date, reappointed Mr.Kyungwoon Cho as Chairman cum Executive Director for a period of 3 years from 8th March, 2024 to 7th March 2027 based on the same terms as approved by the Shareholders at their AGM held on 29th September, 2023.

Brief Profile of Mr.Kyungwoon Cho is provided under the heading “ Profile of Directors seeking appointment / reappointment”.

He does not hold any shares in the Company. His association with the company will help us to improve the performance of the company.

None of the Directors (other than Mr.Kyungwoon Cho), Key managerial personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions.

#### **Item 6**

Considering the performance of Mr. Milan Wahi, (DIN. 05242884) Managing Director and based on the recommendation of Remuneration and Nomination Committee, at its meeting held on 28th June, 2024, the Board of Directors at their meeting held on same date, revised the remuneration of Mr.Milan Wahi with retrospective effect from 1st January, 2024 subject to the approval of shareholders.

He does not hold any shares in the Company. His association with the company will help us to improve the performance of the company.

None of the Directors (other than Mr.Milan Wahi), Key managerial personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions.

#### **Item 7**

Mr.Jeongkwan Heo was the Whole Time Director of the Company till 28th June, 2024.

Considering the performance of Mr.Jeongkwan Heo, (DIN. 09715459) Whole Time Director and based on the recommendation of Remuneration and Nomination Committee, at its meeting held on 28th June, 2024, the Board of Directors at their meeting held on same date, revised the remuneration of Mr.Jeongkwan Heo with retrospective effect from 1st January, 2024 to 28th June, 2024 subject to the approval of shareholders.

Since, he was the Whole Time Director during the period from 1st January, 2024 to 28th June, 2024, the revision of remuneration for him requires the approval of Shareholders.

He does not hold any shares in the Company.

None of the Directors, Mr.Jeongkwan Heo, Key Managerial Personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions.

#### **Item 8**

The Company had paid the allowance amount of Rs.10,40,796 to Mr.Kyungwoon Cho, Chairman cum Executive Director during the period from 01.04.2023 to 31.03.2024 over and above the limit of Rs. 90,31,800 approved by the shareholders at their Annual General Meeting held on 29.09.2023. In view of the above, the

approval of shareholders is required. Mr.Kyungwoon Cho does not hold any shares in the Company.

None of the Directors (other than Mr.Kyungwoon Cho), Key Managerial Personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions

#### **Item 9**

The Company had paid the allowance amount of Rs. 2,36,400 to Mr.Jeongkwan Heo during the period from 01.04.2024 to 31.03.2024 over and above the limite of Rs.48,87,288 approved by the shareholders at their AGM held on 29.09.2023. In view of the above, the approval of shareholders is required. He does not hold any shares in the Company.

None of the Directors, Mr.Jeongkwan Heo, Key Managerial Personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions

#### **Item 10**

According to Section 94 of the Companies Act, 2012, the Statutory registers and returns have to be kept and maintained at the Registered office of the Company. Since the Registered office of the Company was shifted from 4/111, Mount Poonamallee Road, Manapakkam, Chennai - 600089, Tamilnadu to 22b, 2nd Floor, Commerce House- IV, Beside Shell Petrol Pump, 100 ft Road, Prahalad Nagar, Ahmedabad- 380 015, Gujarat. it is proposed to keep and maintain the said registers and returns at its Corporate office at 4/169, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai - 600096, Tamilnadu for administrative convenience.

None of the Directors, Key Managerial Personnel and relatives of them is interested or concerned in the above resolution. The Board of Directors recommend the passing of the above resolutions.

## DIRECTORS' REPORT 2023-24

Your Directors have pleasure in presenting the 69th Annual Report of your company together with the audited financial statements for the year ended 31st March, 2024.

[Rs.in Lakhs]

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Gross Sales	74,427.45	65,724.06
Less : Discounts & Schemes	6,390.98	5,808.64
Net sales	68,036.47	59,915.42
Add: Other Income	1,066.22	1,164.04
<b>Total Income</b>	<b>69,102.69</b>	<b>61,079.46</b>
<b>Total Expenditure w/o Depn and Finance charges</b>	<b>60,403.07</b>	<b>56,117.95</b>
Profit before depreciation and finance charges	8,699.62	4,961.51
Less: Int Dep and finance charges	4,154.36	4,274.51
<b>Profit /(loss) before tax</b>	<b>4,545.26</b>	<b>687.00</b>
Less: Provision for tax		
- Current	794.15	120.03
- Deferred	1,531.12	692.51
<b>Profit /(Loss) after tax</b>	<b>2,219.99</b>	<b>-125.54</b>
Add: Balance Brought forward from previous year	-4,846.18	-4,739.84
Profit /(loss) for the year	2,219.99	-125.54
Other Comprehensive income	-33.32	19.20
<b>Balance loss transferred to balance sheet</b>	<b>-2,659.51</b>	<b>-4,846.18</b>

The Board of Directors has decided not to recommend any dividend for the year period ended 31st March, 2024.

### Performance Highlights

For the year ended 31st March, 2024, the Company has achieved gross sales of Rs. 74,427.45 lakhs as against Rs. 65,724 Lakhs for the year ended 31st March, 2023. During the year under review, the Company has incurred a Profit after tax of Rs. 2,220 lakhs as against a Loss after tax of Rs. 125.54 lakhs for the year ended 31st March, 2023.

During the year under review, the company has achieved highest ever sales. Apart from increase in sales, the decrease in cost of few raw materials resulted in increase in Profit after tax of the Company.

### Industry Trends

In FY 2023-24 the FMCG industry witnessed a challenging year due to weather vagaries impacting agricultural output and consumer sentiment.

At the same time Cream biscuits category where Lotte operates in grew in double digit and we grew in line with the category.

In the last quarter of FY 2023-24, we launched new variants Choco Burst & Orange Pie. This launch will help us to expand our consumer base and enhance consumption. This year we commercialized our new Choco Pie line in Nemam factory. Additional capacity will help us to further drive the penetration of the Choco Pie category.

Brand Lotte new TV campaign was launched during the festive season of quarter 3 of FY 2023-24. We see positive impact in the market, and we registered a 3% increment in our Market shares in the premium cream segment.

Candies continued with their growth driven largely by new launches lollipops and Jellies.

Core brands Coffy bite & Coconut Punch registered growths in Rs 5/- unique format of Stick pack. In the coming year we plan to expand capacities of this Stock Keeping Unit.

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**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)****Outlook**

Markets are expected to have subdued growth as the extreme heat across the country kept consumers inside homes and impacted snacking category.

But in the festive season we expect the enthusiasm back in the consumer sentiment.

Lotte Choco Pie, new range of Choco Burst, Orange Pie along with re-launch of Frutopie will help us gain momentum.

We will continue to invest on ground to build brand Lotte to continue gain market share.

**Internal Control System**

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances.

**Extract of Annual Return**

As per the requirements of the Companies Act, 2013, copy of Annual Return is posted on Company's website and the same can be accessed at <https://www.lotteindia.com/investor-centre.html#annual-return>.

**Board Meetings**

During the year under review, four Board Meetings were held. Details of number of meetings of Board of Directors and its committees thereof and attendance of the Directors in such meetings are provided under the Corporate Governance Report.

**Directors' Responsibility Statement**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013, your Directors, based on representations from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Declaration from Independent Directors**

Mr. D.G.Rajan (DIN: 00303060), Ms.Jeehye You (DIN:07817025) and Mr. N. Ramesh Rajan (DIN: 01628318) Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

**Nomination & Remuneration Policy:**

The Policy provides for appointment, remuneration and removal of Directors, KMP & Senior Management Personnel and criteria for the same.

1. Appointment of Director, KMP and Senior Management Personnel: The Nomination and Remuneration Committee (NRC) shall identify and ascertain the qualification, expertise and experience of the persons being considered for appointment as a Director, KMP and Senior Management level and recommend the appointment to the Board. At the time of appointment

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**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

of an Independent Director, the NRC shall ensure that the appointee shall meet with the requirements of the Companies Act, 2013 and conditions stipulated in the Policy from time to time, for determining independence of a director. Further, the continuity of such Independent Director shall be on the basis of a yearly review process. While appointing, the company will have regard to diversity, qualification, skill, integrity, industry experience, expertise and other distinctions. In case of appointment of members of the Board, the term of appointment shall be in accordance with Companies Act, 2013 and rules made thereunder. The Managing Director and Whole Time Director are authorised to identify and appoint suitable persons for the post of KMP and Senior Management personnel (other than members of board) for administrative convenience and if need be after consulting the NRC / Board for guidance.

2. Evaluation: The Independent Directors shall carry out evaluation of performance of every Director including independent director. The evaluation process / criteria for the Board, its Committees, Individual Directors and the Independent Directors shall be broadly based on Knowledge to perform the role, time and level of participation, Performance of duties and Professional conduct and independence. The Board, its Committees, Individual Directors and the Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

The evaluation of KMP and Senior Management personnel shall be in accordance with HR policies of the Company in force.

3. Remuneration of Directors, KMP and Senior Management Personnel
  - a) Non-Executive Directors (Including Independent Directors): The sitting fee / remuneration payable to directors shall be in accordance with Companies Act, 2013, and the Rules made thereunder for the time being in force. Review of remuneration of non-executive directors shall be made by NRC and shall be recommended to the Board for approval, if required. An Independent Director shall not be entitled to any stock option of the Company.
  - b. Managing Director, Executive Director and Whole-time director (including revisions & alterations)

shall be in accordance with Companies Act, 2013 and Rules framed thereunder as well as the HR Policy of the Company. The remuneration is on the basis of the Company's overall performance, individual's contribution towards Company's performance and trends in the industry in general and comprises of a fixed salary, allowances, reimbursements, perquisites and performance incentive.

- c. Key Managerial Personnel and Senior Management Personnel: Remuneration comprises of fixed salary, allowances, reimbursements, perquisites, performance incentive as per HR policy of the Company and is also subject to NRC / Board approval wherever required statutorily. The remuneration is related to the desired skill set, experience, expertise and long term relationships.
4. Removal: Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations or amendments thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management personnel. The Remuneration and Nomination policy approved by the Board of Directors is posted on the website of the Company viz., <https://www.lotteindia.com/pdf/REMUNERATION-AND-NOMINATION-POLICY.pdf>

**Loans/Guarantee/Investments**

The Company has no Inter-Corporate Loans/ Guarantees. Investments of the Company in the shares of other companies are provided under notes to Balance Sheet appearing elsewhere in this Annual Report.

**Related Party Transactions:**

All the transactions of the Company with related parties are at arm's length and have taken place in the ordinary course of business. No transaction entered with related parties was material. In view of the above, disclosures of related party transactions in Form AOC-2 is not applicable.

**Deposits**

The company has not accepted any deposits and as such, no amount towards principal or interest on same has been outstanding as on date.

## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Material Changes

There is no material change or commitments after closure of the accounting year till the date of this report.

### Conservation of energy, technology absorption and foreign exchange earnings and outgo

#### (A) Conservation of energy

##### (i) The steps taken or impact on Conservation of Energy:

- a) Utilized wind power partially at Nemam & Nellikuppam factories and Head office.
- b) In view of the above, your Company was able to conserve energy cost and saved around **Rs.0.88** crores during the year 2023-24.

##### (ii) The steps taken by the Company for utilising alternate sources of energy :

- a) Your Company had already installed solar power plant (125 KW) at Rohtak factory..
- b) Generated **1.21** Lakhs **units** of Solar power at Rohtak factory, which resulted in cost saving of around **Rs. 10.25** lakhs.

##### (iii) the capital investment on energy conservation equipments: Nil.

#### (B) Technology absorption

- (i) the efforts made towards technology absorption;  
Continued efforts of quality control/ quality assurance procedures to enhance and maintain quality.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;  
The above resulted in enhancement of quality and reduction in cost of manufacture.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Your Company has the advantage of availing advanced technology and constant upgradation of the same from its holding company viz., Lotte wellfood Co. Ltd., Seoul, Korea (formely Lotte Confectionery Co.Ltd.)

Details of technology imported : Technology required for manufacturing basic raw materials

- a) Year of import : 2015
- b) Whether the technology been fully absorbed : Yes, fully absorbed

c) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not applicable

(iv) the expenditure incurred on Research and development: Rs 64.70 lakhs

#### Foreign exchange earnings and Outgo: (Rs.in lakhs)

Earnings	1108.10
Outgo	11582.37

### Business Risk Management

The Company has developed and implemented the Risk Management Policy. The policy envisages identification of risk and procedures for assessment and minimisation of risk thereof. The Risk Management Policy of the Company is available at the Company's website <http://www.lotteindia.com/pdf/RISKMANAGEMENT-POLICY-OF-LOTTE-INDIA.pdf>

### Corporate Social Responsibility

Your Company has constituted a CSR committee of Board of Directors and has adopted a CSR Policy. The same is posted in the Company's website <https://www.lotteindia.com/pdf/CSR-POLICY.pdf>. The policy aims mainly for promotion of education, development of vocational skills among children women, health, rural development etc.

The Company had spent Rs.15.60 lakhs towards CSR activities for the year F.Y. 2023-24. A report in prescribed format is attached herewith as Annexure 1.

### Directors

Mr.Myeongrim Choi, Director resigned from the post of Director with effect from 5<sup>th</sup> December, 2023. In his place, Mr.Junyeon Kim was appointed as an Additional Director with effect from 5<sup>th</sup> March, 2024.

Mr.Jeongkwan Heo resigned from the post of Whole Time Director and from the Directorship of the Company with effect from on 28<sup>th</sup> June, 2024.

Mr.Kyungwoon Cho was reappointed as Chairman cum Executive Director for a period of 3 years from 8<sup>th</sup> March, 2024 to 7<sup>th</sup> March 2027.

Mr.Milan Wahi, Director will retire by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

The 2<sup>nd</sup> term of 5 years of Mr.D.G.Rajan as an Independent Director comes to an end on 18<sup>th</sup> August, 2024 and in his place, the Company has appointed Mr.N. Ramesh Rajan, as an Independent Director for one year from 19<sup>th</sup> August, 2024.

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**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)****Key Managerial Personnel**

The Company designated Mr.Kyungwoon Cho, Chairman cum Executive Director, Mr. Milan Wahi, Managing Director, Mr.Jeongkwan Heo, Chief Financial Officer and Mr.T.G.Karthikeyan, Company Secretary as Key Managerial Personnel.

**Statutory Auditors**

M/s. Price Waterhouse Chartered Accountants LLP, Chennai was appointed as Statutory auditors of the Company at the AGM held on 30th September, 2021 for a period of 5 years to hold office from the conclusion of 66th AGM till the conclusion of 71st AGM.

**Secretarial Audit**

The Secretarial Audit Report for the FY ended 31st March, 2024 given by Mrs R.Sucharithra, Company Secretary in Practice, is annexed to this report as Annexure 2.

Your Company has appointed Mrs.R.Sucharithra, Company Secretary in Practice, to do Secretarial Audit for the FY 2024-25 and provide the report thereon

**Industrial Relations:**

During the year under review, the Industrial relations were remained cordial at all factories.

**Registered office :**

As approved by the Shareholders vide Postal ballot on 3<sup>rd</sup> January, 2024, the Registered office of the Company was shifted from 4/111, Mount Poonammallee Road, Manapakkam, Chennai – 600 089, Tamil Nadu to 22b, 2<sup>nd</sup> Floor, Commerce House- IV, Beside Shell Petrol Pump, 100 ft road, Prahalad Nagar, Ahmedabad- 380 015, Gujarat with effect from 26<sup>th</sup> April 2024 as per the Order of Regional Director, Southern Region, Ministry of Corporate Affairs. Subsequently new Corporate Identification Number was allotted by Registrar of Companies, Ahmedabad on 23.07.2024

**Merger :**

The Board of Directors at their meeting held on 29<sup>th</sup> July, 2024 has accorded its approval for the merger of Havmor Ice Cream Private Limited (Transferor Company) with your

Company viz., Lotte India Corporation Limited (Transferee Company) which is subject to the approval of shareholders and National Company Law Tribunal (NCLT). The merger will facilitate greater business synergies through supply chain optimisation, operational improvements, reduced administrative and other costs, synergistic integration of the business operations, better operational management and greater focus, reduce various statutory and regulatory compliances. The Company has filed the necessary application with NCLT in this regard.

**Other disclosures:**

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

Maintenance of cost records as specified by Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to your Company.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Acknowledgement**

The Board wishes to place on record, its sincere appreciation for the co-operation and support received from the Customers, Bankers, Suppliers, Converters and the Shareholders. The Board also wishes to place on record the whole hearted co-operation given by employees, at all levels, during the year.

**Cautionary Statement**

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

On behalf of the Board  
For **Lotte India Corporation Limited**

Chennai  
August 16, 2024

**Kyungwoon Cho**  
Chairman cum ED

**Milan Wahi**  
Managing Director

**D.G.Rajan**  
Independent Director

## ANNEXURE 1 TO DIRECTOR'S REPORT

### Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year ended 31.03.2024

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

Lotte India believes that every citizen including the corporate citizen needs to shoulder some social responsibility for the progress and well being of the society. Towards this end, Lotte India shall strive to actively contribute to the social and economic development of the society in which we operate.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr.D.G. Rajan	Chairman (Independent Director)	Meeting was held on 29.08.2023 as per the provisions of Section 135 (1) of Companies Act, 2013.	1
2	Mr. Kyungwoon Cho	Member (Chairman of Board and Executive Director)		1
3	Mr. Milan Wahi	Member (Managing Director)		1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<https://www.lotteindia.com/pdf/CSR-POLICY.pdf>

**4. Provide the executive summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not Applicable**

5. (a) Average net profit / (Loss) of the Company as per sub-section 5 of Section 135: Rs.716.94 lakhs.  
 (b) Two percent of average net profit/ (Loss) of the company as per sub-section 5 of Section 135: Rs.14.34 lakhs.  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable  
 (d) Amount required to be set-off for the financial year, if any: Not Applicable  
 (e) Total CSR obligation for the financial year (b+c-d): Rs.14.34 lakhs
6. (a) Amount spent on CSR Projects (both ongoing [project and other than ongoing project): Rs.15.60 lakhs  
 (b) Amount spent in Administrative Overheads : Not applicable  
 (c) Amount spent on Impact Assessment, if applicable : Not applicable  
 (d) Total Amount spent for the financial year [a+b+c] : Rs.15.60 lakhs.  
 (e) CSR amount unspent for the Financial Year : Nil

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2023-24	Not Applicable				



**b. Excess amount for set-off, if any:**

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

**7. Details of unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6			7	8	
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to any Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any	
					Name of the Fund	Amount (in Rs).	Date of transfer.			
1.	FY- 1	Not Applicable								
2.	FY- 2									
3.	FY- 3									

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

No

If yes, enter the number of Capital assets created / acquired

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

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

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

On behalf of the Board  
For **Lotte India Corporation Limited**

Chennai  
August 16, 2024

**Kyungwoon Cho**  
Chairman cum ED

**Milan Wahi**  
Managing Director

**D.G.Rajan**  
Independent Director

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members  
LOTTE INDIA CORPORATION LIMITED  
CIN: U15419GJ1954PLC153704  
22B, 2nd Floor, Commerce House-4, Beside Shell Petrol Pump,  
Praladnagar, JodhpurChar Rasta,  
Ahmedabad, Ahmadabad City, Gujarat, India, 380015

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LOTTE INDIA CORPORATION LIMITED (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Lotte India Corporation Limited ("the Company") for the financial year ended on 31.03.2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable since the company is not a Listed Company.
- (vi) Since the Company is not a listed Company, the Listing Agreement is not applicable.
- (vii) The management has identified and confirmed the following law as being specifically applicable to the Company. On the basis of the representations made by the respective plant heads, the Company has identified and complied with the various laws applicable to the Company inter-alia:
  - a. Food Safety and Standards Act 2006
  - b. Factories Act, 1948

I have also examined compliance with the applicable clauses of Secretarial standards issued by the Institute of Company Secretaries of India for Board Meetings and General Meetings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above. The Managerial remuneration paid for the year ended 31.03.2024 is in excess of limits approved by shareholders. The Company has proposed to obtain shareholders' approval for the same in the ensuing Annual General Meeting in order to comply with the requirements of Section 197 read with Schedule V to the Companies Act, 2013.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman independent director.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions are carried out and properly recorded in the minutes.

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

All decisions were taken unanimously at the Board and Committee meetings and with requisite majority at the Annual General meeting.

#### **OBSERVATION:**

The Soft copies of the records, documents and licenses, wherever applicable for compliances under various Acts, wherever applicable pertaining to Factories at Nellikuppam, Nemam and Rohtak were verified.

The records pertaining to Safety, Health and Welfare measures followed by the Company and the laws applicable and the compliances were also verified.

I also observe that Books of accounts as required under section 128(1) of the Companies Act,2013 have been kept by the company. However, the back-up of such books of accounts and other papers maintained in electronic mode has not been maintained on servers physically located in India.

I further report that during the audit period–

1. The Company in its 68th annual General meeting held on September 29th September 2023 obtained members approval for
  - a) Payment of revised remuneration to Mr.Kyungwoon Cho, Chairman cum Executive Director with effect from 01.02.2023 to 07.03.2024
  - b) Payment of revised remuneration to Mr.Milan Wahi, Managing Director with effect from 01.01.2023 to 09.10.2025
  - c) Payment of revised remuneration to Mr.Jeongkwan Heo with effect from 01.02.2023 to 29.08.2025
  - d) Approval of allowance amount paid to Mr.Jeongkwan Heo, Whole Time Director during the period from 30.08.2022 to 31.03.2023 in excess of amount approved by shareholders on 29.09.2022.

2. There was no Physically convened Extra-ordinary General Meeting convened during the period under review. However, Postal Ballot Meeting was convened on 03.01.2024
3. The members of the Company approved the special resolution through Postal Ballot for shifting its Registered Office of the Company from the State of Tamil Nadu to the state of Gujarat on 03rd January 2024. The Compliance(s) connected thereto were met with.
4. I Further report that, the company has not carried out
  - (i) Redemption/buy-back of securities
  - (ii) Merger/amalgamation/reconstruction, etc.
  - (iii) Foreign Technical Collaborations

Name of Company Secretary in practice: **R Sucharithra**

FCS No: 9734

C P No: 6284

Place : Chennai

Date : 16.08.2024

Peer Review Certificate No: 1026/2020

UDIN: F009734F000989372

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**ANNEXURE 3 TO DIRECTORS' REPORT****SECRETARIAL AUDIT REPORT**

To

The Members,  
LOTTE INDIA CORPORATION LIMITED  
CIN: U15419TN1954PLC001987  
No.4/111, Mount Poonamallee Road,  
Manapakkam, Chennai- 600 089

My Secretarial Audit Report of even date, for the financial year 2023-2024 is to be read along with this letter.

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

Name of Company Secretary in practice: **R Sucharithra**

FCS No: 9734

C P No: 6284

Peer Review Certificate No: 1026/2020

UDIN: F009734F000989372

Place : Chennai

Date : 16.08.2024

## REPORT ON CORPORATE GOVERNANCE

(Voluntary disclosures)

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Lotte India Corporation Limited (LICL) is committed to the highest standards of corporate governance in all its activities and processes. Corporate Governance refers to the manner in which a Company is directed, and laws and customs affecting that direction. It includes the manner in which a Company operates under the laws governing Companies, the bylaws established by the Company itself, and the structure of the Company. The corporate governance structure specifies the relationship, and the distribution of rights and responsibilities, among primarily three groups of participants viz. the Board of directors, managers and shareholders. It spells out the rules and procedures for making decisions on corporate affairs; it also provides the structure through which the Company objectives are set, as well as the means of attaining and monitoring the performance of those objectives. The fundamental concern of corporate governance is to ensure conditions whereby a Company's directors and managers act in the interests of the Company and its various stakeholders. The following is a report on the status and progress on major aspects of Corporate Governance.

### 2. BOARD OF DIRECTORS

#### (a) Composition of the Board and Directorship held as on 31st March 2024:

Name of Directors	Position	Category	No. of Directorship held in other companies	No. of Board Committee Memberships and Chairmanships held in other companies	No. of shares held as on 31.03.2024
Mr. Kyungwoon Cho	Chairman Cum ED	Executive Director	1	Nil	Nil
Mr. Milan Wahi	Managing Director	Executive Director	Nil	Nil	Nil
Mr. D.G. Rajan	Independent Director	Non Executive	8	11	Nil
Ms. Jeehye You	Independent Director	Non Executive	12	Nil	Nil
Mr. Jeongkwan Heo #	Whole Time Director	Executive Director	Nil	Nil	Nil
Mr. Junyeon Kim (@)	Director	Non Executive	5	Nil	Nil

(#) Mr. Jeongkwan Heo resigned from WTD/Board on 28th June, 2024.

(@) Mr. Junyeon Kim was appointed as an Additional director on 5th March, 2024

#### (b) Attendance of each director at the Board Meetings and the last AGM

During the year ended 31st March, 2024, four (4) Board Meetings were held on the following dates: 25th July, 2023, 29th August, 2023, 27th November, 2023 and 5th March, 2024.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Name of Directors	No.of Board Meetings attended	Attendance at last AGM held on 29th Sept, 2023
Mr.Kyungwoon Cho	4	Yes
Mr.Milan Wahi	4	Yes
Mr.Myeongrim Choi (#)	2	No
Mr.D.G.Rajan	4	Yes
Ms.Jeehye You	4	Yes
Mr.Jeongkwan Heo	4	Yes
Mr.Junyeon Kim (@)	1	No

(#) Mr.Myeongrim Choi resigned from directorship on 5th December, 2023.

(@) Mr.Junyeon Kim was appointed as an Additional director on 5th March, 2024

**3. AUDIT COMMITTEE**

(a) Constitution: Composition of the Audit Committee as on 31.03.2024:

Mr.D.G.Rajan - Non Executive Independent Director – Chairman

Mr.Kyungwoon Cho – Chairman cum ED – Member

Ms.Jeehye You - Non Executive Independent Director - Member

Mr. T.G. Karthikeyan - Company Secretary act as Secretary of the Committee

(b) **Audit Committee – Meetings and attendance during the year ended 31.03.2024. Two (2) Meetings were held on the following dates. 29th Aug, 2023 and 27th Nov, 2023.**

Name of Directors	Position	No. of Audit committee meetings attended
Mr.D.G.Rajan	Chairman	2
Mr.Kyungwoon Cho	Member	2
Ms.Jeehye You	Member	2

Non-Executive Chairman, Managing Director, Whole Time Director, Senior Management Personnel, Statutory Auditors and Internal Auditors are regularly invited to the meeting. Mr. T. G. Karthikeyan, Company Secretary acts as Secretary to the Committee. Mr. D G Rajan, Director is a Fellow of the Institute of Chartered Accountants in England and Wales and Fellow of the Institute of Chartered Accountants of India. He has vast exposure in finance and accounts.

**4. REMUNERATION & NOMINATION COMMITTEE**

The Remuneration policy details are available in the Nomination and Remuneration policy mentioned in the Directors' Report.

Constitution: Composition of the Remuneration & Nomination (R & N) Committee as on 31.03.2024:

Mr.D.G.Rajan, Non Executive Independent Director - Chairman

Mr.Kyungwoon Cho, Chairman cum ED – Member

Mr.Junyeon Kim, Director - Member

Ms.Jeehye You, Non Executive Independent Director - Member

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Mr. T.G. Karthikeyan - Company Secretary act as Secretary of the Committee

During the year ended 31.03.2024, Two (2) meetings were held on 25<sup>th</sup> July, 2023 and 5<sup>th</sup> March, 2024.

The attendance of each member of the Committee is given below :

Name of Director	Position	Attendance at Audit Committee Meeting
Mr.D.G.Rajan	Chairman	2
Mr.Kyungwoon Cho	Member	2
Mr.Myeongrim Choi (#)	Member	1
Ms.Jeehye You	Member	2
Mr.Junyeon Kim (@)	Member	-

(#) Mr.Myeongrim Choi resigned from directorship on 5<sup>th</sup> December, 2023.

(@) Mr.Junyeon Kim was appointed as director on 5<sup>th</sup> March, 2024

The details of sitting fee paid to Non-Executive Directors for the year 2023-24.

Name of the Director	Sitting fees (Rs)	Commission
Mr.D.G.Rajan	500000	Nil
Ms.Jeehye You	450000	Nil
Total	950000	

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee was mainly established to monitor investors' grievances such as complaints on transfer of shares, nonreceipt of balance sheet, non-receipt of declared dividends, etc. and redressal thereof. The Board has delegated its powers, to approve transfer, issue and sign new share certificates in case of new issue / split / consolidation / lost / mutilated / rematerialisation etc, to Directors / Company Secretary.

No complaints of material nature were received during the year under review.

Constitution: Composition of Stakeholders Relationship Committee as on 31.03.2024

The Committee consists of Mr. Junyeon Kim, Director as Chairman, Mr.D.G.Rajan, Independent Director as Member and Mr.Milan Wahi, as Member, Mr. T.G. Karthikeyan, Company Secretary act as Secretary of the Committee.

The Company has created separate e-mail id compsecy@lotteindia.com for grievance redressal.

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, Board of Directors had formed a Committee by name Corporate Social Responsibility Committee.

Constitution: Composition of Corporate Social Responsibility Committee as on 31.03.2024:

The Committee consists of Mr.D.G.Rajan, Independent Director as Chairman, Mr. Kyungwoon Cho, Chairman cum Executive Director and Mr.Milan Wahi, Managing Director as members. Mr. T.G. Karthikeyan, Company Secretary act as Secretary of the Committee

Details of Meetings held during the year ended 31.03.2024 : One (1) meeting was held on 29<sup>th</sup> August, 2023. All members were present.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**7. INDEPENDENT DIRECTORS MEETING**

Mr.D.G.Rajan (DIN: 00303060) and Ms.Jeehye You (DIN: 07817025) had a Meeting on 5th March, 2024 without the presence of other directors and evaluated the performance of Board, Directors and Chairman.

**8. ANNUAL GENERAL MEETINGS (AGM) / EXTRAORDINARY GENERAL MEETINGS (EGM)**

Details of the last four Annual General Meetings held are given below :

<b>Date of Meeting</b>	<b>Time of Meeting</b>	<b>Venue of the Meeting</b>
29th Sept, 2023	11 A.M	Video conferencing
29th Dec, 2022	10.30 A.M	Video conferencing
30th Sept, 2021	10.30 A.M	Video conferencing
30th Sept, 2020	11.30 A.M	M.A.Chidambaram Hall, SICCI, Esplanade, Chennai – 600108.

**9. DISCLOSURES**

- i) Related Party Transactions: There were no materially significant related party transactions with Directors/promoters/management which had potential conflict with the interest of the Company at large.
- ii) Risk Management: The Board of Directors were presented the risk assessment and minimization of the same which is subject to periodical review.
- iii) Code of Conduct: Code of Conduct for the Board members and Senior Management personnel has been adopted by the Board.
- iv) The Company has Vigil Mechanism Policy and we affirm that no personnel have been denied access to the Audit Committee (in respect of matters involving misconduct, if any).

On behalf of the Board  
 For **Lotte India Corporation Limited**

Chennai  
 August 16, 2024

**Kyungwoon Cho**  
 Chairman cum ED

**Milan Wahi**  
 Managing Director

**D.G.Rajan**  
 Independent Director

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## CHIEF FINANCIAL OFFICER CERTIFICATION

To  
The Members of Lotte India Corporation Limited

In relation to the Audited Financial Statements of the Company for the Year ended 31st March, 2024, we hereby certify that

1. We have reviewed the financial statements and the cash flow statement for the Year ended 31st March 2024 and that to the best of our knowledge and belief,
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading, and
  - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. We have informed the auditors and the audit committee that there are
  - Significant changes in internal control during the year, if any.
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
  - Instances of significant fraud of which we have become aware of and which involve management or an employee having a significant role in the Company's Internal Control System over financial reporting. However, there was no such instance.

Chennai  
Date: August 16, 2024

For Lotte India Corporation Limited  
**Jeongkwan Heo**  
Chief Financial Officer

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## CONFIRMATION

To  
The Members of Lotte India Corporation Limited

We hereby confirm that, for the Year ended 31st March, 2024

- (i) All the Board Members and the Senior Management Personnel have affirmed compliance with the code of conduct framed by the Company.
- (ii) No instance of sexual harassment of women was reported to the Internal Complaints Committee constituted under the Sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013.

Chennai  
Date: August 16, 2024

For Lotte India Corporation Limited  
**Kyungwoon Cho**  
Chairman cum ED

## GENERAL SHAREHOLDER INFORMATION

1. **Registered Office** : 22b, 2nd Floor, Commerce House-IV, Beside Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad – 380 015
2. **Date of the forthcoming Annual General Meeting by VC / OAVM** : 30.09.2024 at 11.30A.M.
3. **Book Closure Dates** : 24.09.2024 to 30.09.2024 (both days inclusive).
4. **EVSN** : 240902069
5. **E-voting Cut off Date** : 23.09.2024
6. **E-voting period** : Commences from 27.09.2024 at 9.00 a.m and ends on 29.09.2024 at 5.00 p.m (both days inclusive). Procedures for e-voting are given in Notice calling Annual General Meeting.
7. **Plant Location** : 1. Nellikuppam (Cuddalore Dist.) Tamil Nadu  
2. Nemam, Chennai, Tamil Nadu  
3. Rohtak, Haryana
8. **Share Capital** : 141023630 equity shares of Rs.10 each. Out of this, 14031489 equity shares of Rs.10/- each (99.50%) equity shares have been dematerialized as on 31st March,2024
9. **Share Transfer System**  
The Company has appointed Cameo Corporate Services Ltd., as the Registrar and Transfer Agent (R&TA) of the Company for all aspects of investor servicing relating to shares.  
The Board has delegated the power to approve the transfer to a committee of Directors and also to the Senior Executives of the Company, with limits.  
Share transfers are completed within a period of 15 days from the date of receipt of the documents, if the documents are in order in all respects.  
No investor complaint is pending.
10. **Address for Correspondence :**
  - i) To contact R&TA for all matters : P Muralidharan, Manager relating to shares  
Cameo Corporate Services Limited  
Subramanian Building', No.1, Club House Road, Chennai-600 002  
Tel : 91-44-2846 0718; Fax: 91-44-2846 0129 e-mail: murali@cameoindia.com
  - ii) To the Company : T G Karthikeyan, Company Secretary  
Lotte India Corporation Limited  
4/169, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096.  
Tel: 91-44-4545 8888; Fax: 91-44-4545 8800
  - iii) The designated Company's E-mail Id for Investor Complaints is : compsecy@lotteindia.com
  - iv) Compliance Officer : T G Karthikeyan, Company Secretary
  - v) Company's Website : www.lotteindia.com
11. **Depositories Connectivity**  
National Securities Depository Ltd. (NSDL)  
Central Depository Services (India) Ltd. (CDSL)  
ISIN: INE185A01011
12. **Dematerialization of shares**  
The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form. As on 31st March, 2024, 14031489 equity shares constituting 99.50 % of the total paid up capital of the Company have been dematerialized.
13. **Outstanding GDRs/ ADRs etc.**  
The Company has not issued any GDR, ADR or any convertible instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

## **Independent Auditors' Report**

### **To the Members of Lotte India Corporation Limited**

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

##### **Opinion**

1. We have audited the accompanying financial statements of Lotte India Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

##### **Basis of Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other Information**

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Responsibilities of management and those charged with governance for the financial statements**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditors' responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
  10. 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.

## Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on April 01, 2024 and April 05, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
  - ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 40 (vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries..

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
  - vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, audit trail feature of the aforesaid software was not enabled and operated throughout the year for all relevant transactions recorded in the software at application as well as Database level. Hence the question of our commenting on whether the audit trail was tampered with, does not arise.
- 13 The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**  
 Firm Registration Number: 012754N/N500016

**Gauthami N**  
 Partner

Chennai  
 August 16, 2024

Membership Number: 216759  
 UDIN: 24216759BKFKYH3317

## **Annexure A to Independent Auditors' Report**

**Referred to in paragraph 12(g) of the Independent Auditors' Report of even date to the members of Lotte India Corporation Limited on the financial statements for the year ended March 31, 2024**

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Lotte India Corporation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with

reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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

disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**Gauthami N**  
Partner

Chennai  
August 16, 2024

Membership Number: 216759  
UDIN: 24216759BKFKYH3317



## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Lotte India Corporation Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment, right of use assets and investment properties.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment and investment properties are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (INR Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Building measuring 945.20 sq. ft. at Ahmedabad	10.50	Parry Confectionary Limited, erstwhile Company	No	More than 10 years	Title deed in the name of erstwhile Company

- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets), investment properties and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out below. (Also refer Note 40(iii) to the financial statements).

Name of the Bank	Aggregate working capital limits sanctioned (in INR Lakhs)	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (in INR Lakhs)	Amount as per books of account (in INR Lakhs)	Difference (in INR Lakhs)	Reasons for difference
Yes Bank, Kotak Mahindra Bank, HDFC Bank	3,500	Inventories and Receivables	June 2023	9,632.87	9,597.60	35.27	Difference is on account of Loss allowance on Debtors which was finalised subsequent to the filings.

- iii. The Company has not granted loans, or stood guarantee, or provided security to any parties. The Company has made investment in one Company and has granted interest-free unsecured advances in nature of loans to employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such advances are as per the table given below:

	Guarantees (INR Lakhs)	Security (INR Lakhs)	Loans (INR Lakhs)	Advances in nature of loans (INR Lakhs)
Aggregate amount granted/ provided during the year				
- Others (Interest-free advances in nature of loans to employees)	-	-	-	13.20
Balance outstanding as at balance sheet date in respect of the above case				
- Others (Interest-free advances in nature of loans to employees)	-	-	-	13.20

(Also, refer Note 5(b) to the financial statements)

- (b) In respect of the aforesaid interest-free advances in nature of loans, the terms and conditions under which such advances were granted are not prejudicial to the Company's interest.
- (c) In respect of the interest-free advances in nature of loans, the schedule for repayment of principal has been stipulated by the Company, and the parties are repaying the principal amounts, as stipulated.
- (d) In respect of the interest-free advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no advances in nature of loans which have fallen due during the year and were renewed/extended. Further, no fresh advances were granted to same parties to settle the existing overdue advances in nature of loan.
- (f) There were no advances in nature of loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 37 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) There are no statutory dues of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, duty of customs, value added tax, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
		(In INR lakhs)		
CENVAT CREDIT RULES, 2004	Excise Duty	11.94	Jan 2010 to Feb 2013	CESTAT
CENVAT CREDIT RULES, 2004	Service tax	3.95	March 2013	CESTAT
CENVAT CREDIT RULES, 2004	Service tax	6.21	April 2013 to March 2014	CESTAT
CENVAT CREDIT RULES, 2004	Service tax	38.81	March 2017 to June 2017	Commissioner of Central Tax and Central Excise (Appeals), Cochin

\*Excludes amount paid as deposit against dispute amount Rs. 14.50 lakhs.

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans during the year ended March 31, 2024 and there was no unutilized balance of term loan obtained in earlier years as on April 1, 2023. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e),(ix)(f) of the Order are not applicable to the Company.

- 
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (xi) (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**Gauthami N**  
Partner

Membership Number: 216759  
UDIN: 24216759BKFKYH3317

Chennai  
August 16, 2024

## Balance Sheet as at March 31, 2024

(All amounts are in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	55,076.57	42,085.57
Right-of-use Assets	3(b)	410.26	269.26
Capital work-in-progress	3(c)	15.31	2,079.11
Investment properties	3(d)	8,778.11	8,843.62
Other Intangible assets	4	14.46	14.06
Financial assets			
(i) Investments	5(a)	5.00	5.00
(ii) Other financial assets	5(b)	729.27	1,302.11
Deferred tax assets (net)	6	-	416.97
Income tax assets (net)	7	-	29.85
Other non-current assets	8	3,639.12	4,363.22
<b>Total non-current assets</b>		<b>68,668.10</b>	<b>59,408.77</b>
<b>Current assets</b>			
Inventories	9	8,707.82	7,713.52
Financial assets			
(i) Trade receivables	10	1,591.80	1,603.17
(ii) Cash and cash equivalents	11	7,466.21	15,514.38
(iii) Bank balances other than (ii) above	12	18.03	3,200.30
(iv) Other financial assets	5(b)	255.82	302.21
Other current assets	13	1,203.82	860.35
<b>Total current assets</b>		<b>19,243.50</b>	<b>29,193.93</b>
<b>TOTAL ASSETS</b>		<b>87,911.60</b>	<b>88,602.70</b>

	Note	As at March 31, 2024	As at March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14(a)	1,410.24	1,410.24
<b>OTHER EQUITY</b>			
Reserves and surplus	14(b)	64,805.08	62,618.41
<b>Total equity</b>		<b>66,215.32</b>	<b>64,028.65</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15	-	5,611.31
(ii) Lease Liabilities	16	312.91	172.10
Provisions	17	96.57	248.13
Deferred tax liabilities (Net)	6	1,114.15	-
<b>Total non-current liabilities</b>		<b>1,523.63</b>	<b>6,031.54</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	15	5,688.40	3,370.89
(ii) Lease Liabilities	16	159.47	120.13
(iii) Trade payables			
a) total outstanding dues of micro and small enterprises	18	258.67	44.95
b) total outstanding dues of creditors other than micro and small enterprises	18	8,074.66	9,752.10
(iv) Other financial liabilities	19	4,663.45	3,761.58
Provisions	17	327.62	264.14
Current tax liabilities (net)	20A	39.77	-
Other current liabilities	20B	960.61	1,228.72
<b>Total current liabilities</b>		<b>20,172.65</b>	<b>18,542.51</b>
<b>Total liabilities</b>		<b>21,696.28</b>	<b>24,574.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>87,911.60</b>	<b>88,602.70</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

For and on behalf of Board of Directors  
**Lotte India Corporation Limited**

**Gauthami N**  
Partner  
Membership Number: 216759

**Kyung Woon Cho**  
Chairman cum Executive Director  
DIN : 09048060

**Milan Wahi**  
Managing Director  
DIN : 05242884

**Jeong Kwan Heo**  
Chief Financial Officer

**D.G. Rajan**  
Independent Director  
DIN : 00303060

**T.G. Karthikeyan**  
Company Secretary

Place: Chennai  
Date: August 16, 2024

Place: Chennai  
Date: August 16, 2024

## Statement of Profit and Loss for the year ended March 31, 2024

(All amounts are in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>REVENUE</b>			
Revenue from operations	21	68,036.47	59,915.42
Other income	22	1,066.22	1,164.04
<b>Total income</b>		<b>69,102.69</b>	<b>61,079.46</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	33,876.68	35,365.85
Purchases of stock-in-trade		2,683.86	929.57
Changes in inventories of work-in-progress, stock-in-trade and finished goods	24	(186.48)	(1,530.02)
Employee benefits expense	25	5,407.77	4,738.91
Finance costs	26	574.57	509.16
Depreciation and amortisation expense	27	3,579.79	3,765.35
Other expenses	28	18,621.24	16,613.64
<b>Total expenses</b>		<b>64,557.43</b>	<b>60,392.46</b>
<b>Profit before tax</b>		<b>4,545.26</b>	<b>687.00</b>
Income tax expense	29		
Current tax		794.15	120.03
Deferred tax		1,531.12	692.51
<b>Total tax (credit) / expense</b>		<b>2,325.27</b>	<b>812.54</b>
<b>Profit / (loss) for the year</b>		<b>2,219.99</b>	<b>(125.54)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit / loss			
Remeasurements of post-employment benefit obligations (net of tax)		(33.32)	19.20
<b>Other comprehensive income for the year</b>		<b>(33.32)</b>	<b>19.20</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>2,186.67</b>	<b>(106.34)</b>
Basic earnings per share (in INR)	41	15.74	(0.99)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
 Firm Registration Number: 012754N/N500016

For and on behalf of Board of Directors  
**Lotte India Corporation Limited**

**Gauthami N**  
 Partner  
 Membership Number: 216759

**Kyung Woon Cho**  
 Chairman cum Executive Director  
 DIN : 09048060

**Milan Wahi**  
 Managing Director  
 DIN : 05242884

**Jeong Kwan Heo**  
 Chief Financial Officer

**D.G. Rajan**  
 Independent Director  
 DIN : 00303060

**T.G. Karthikeyan**  
 Company Secretary

Place: Chennai  
 Date: August 16, 2024

Place: Chennai  
 Date: August 16, 2024



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

(All amounts are in INR lakhs, unless otherwise stated )

A	Equity share capital	Note	As at March 31, 2024	As at March 31, 2023
	Balance at the beginning	14(a)	1,410.24	1,086.38
	Changes in Equity Share Capital due to prior period errors		-	-
	Restated balance at the beginning of the current reporting period		1,410.24	1,086.38
	Changes in equity share capital during the current year		-	323.86
	Balance at the end		<b>1,410.24</b>	<b>1,410.24</b>

### B Other equity

	Note	Reserves and surplus				Total
		Capital reserve	Securities premium	General reserve	Retained earnings	
Balance at the beginning of April 1, 2022		464.47	7,445.79	42,357.39	(4,739.84)	45,527.81
Premium on shares issued during the year		-	17,196.94	-	-	17,196.94
Profit for the year	14(b)	-	-	-	(125.54)	(125.54)
Other comprehensive income	14(b)	-	-	-	19.20	19.20
Total comprehensive income for the year		-	-	-	(106.34)	(106.34)
Balance as at the end of March 31, 2023		464.47	24,642.73	42,357.39	(4,846.18)	62,618.41
Premium on shares issued during the year		-	-	-	-	-
Profit for the year	14(b)	-	-	-	2,219.99	2,219.99
Other comprehensive income	14(b)	-	-	-	(33.32)	(33.32)
Total comprehensive income for the year		-	-	-	2,186.67	2,186.67
Balance as at the end of March 31, 2024		464.47	24,642.73	42,357.39	(2,659.51)	64,805.08

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of changes in Equity referred in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

For and on behalf of Board of Directors  
**Lotte India Corporation Limited**

**Gauthami N**  
Partner  
Membership Number: 216759

**Kyung Woon Cho**  
Chairman cum Executive Director  
DIN : 09048060

**Milan Wahi**  
Managing Director  
DIN : 05242884

**Jeong Kwan Heo**  
Chief Financial Officer

**D.G. Rajan**  
Independent Director  
DIN : 00303060

**T.G. Karthikeyan**  
Company Secretary

Place: Chennai  
Date: August 16, 2024

Place: Chennai  
Date: August 16, 2024

## Statement of Cash Flows for the year ended March 31, 2024

(All amounts are in INR lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax	4,545.26	687.00
Adjustments for:		
Finance costs	574.57	509.16
Depreciation and amortisation expense	3579.79	3,765.35
(Gain)/Loss on sale of property, plant and equipment (net)	9.89	(1.81)
Interest on bank deposits	(650.09)	(755.25)
Liability no longer required written back	(88.81)	-
Net (gain)/loss on foreign currency transaction and translation exchange differences	107.46	865.77
Lease rentals	(305.32)	(297.05)
Bad debts Provision	41.89	-
<b>Sub-total (1)</b>	<b>7,814.64</b>	<b>4,773.17</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/Decrease in other financial assets	526.73	(479.01)
(Increase)/Decrease in other current and non-current assets	(331.35)	141.69
(Increase)/Decrease in trade receivables	(30.52)	24.70
(Increase)/Decrease in inventories	(994.30)	(1,222.89)
Increase/(Decrease) in trade payables	(1,410.95)	1,554.73
Increase/(Decrease) in other financial liabilities	446.46	771.39
Increase/(Decrease) in other current and non-current liabilities	(268.27)	617.07
Increase/(Decrease) in provisions	(127.49)	59.26
<b>Sub-total (2)</b>	<b>(2,189.69)</b>	<b>1,466.94</b>
<b>Cash generated from operations (1) + (2) = (3)</b>	<b>5,624.95</b>	<b>6,240.11</b>
Income taxes paid (net of refunds)	(724.53)	(40.53)
<b>Net cash inflow from operating activities (A)</b>	<b>4,900.42</b>	<b>6,199.58</b>
<b>B. Cash flow from investing activities</b>		
Investment in property, plant and equipment and intangible assets (including capital work-in-progress)	(13,117.89)	(6,441.18)
Proceeds for sale of property, plant and equipment	6.90	3.72
Redemption of deposits with banks with maturity of more than 3 months	3,182.27	508.69
Interest received from bank deposits	742.59	733.10
Income from investment property	305.32	297.05
<b>Net cash outflow from investing activities (B)</b>	<b>(8,880.81)</b>	<b>(4,898.62)</b>

	Year ended March 31, 2024	Year ended March 31, 2023
<b>C. Cash flow from financing activities</b>		
Repayment of borrowing	(3,396.65)	(3,293.43)
Proceeds from fresh issue of equity shares	-	17,520.80
Principal payments related to lease liabilities	(128.74)	(122.78)
Interest payments related to lease liabilities	(50.60)	(41.50)
Interest paid	(491.79)	(350.07)
<b>Net cash outflow from financing activities (C)</b>	<b>(4,067.78)</b>	<b>13,713.02</b>
<b>Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>(8,048.17)</b>	<b>15,013.98</b>
Cash and cash equivalents as at the beginning of the period	15,514.38	500.40
<b>Cash and cash equivalents as at the end of the period</b>	<b>7,466.21</b>	<b>15,514.38</b>
<b>Reconciliation of cash and cash equivalents as per the Statement of Cash Flows</b>		
Cash and cash equivalents as per above comprises of the following:		
Balances with banks		
- In current accounts	410.60	349.35
- In cash credit account	873.48	233.05
- In EEFC accounts	181.81	131.46
Cash on hand	0.32	0.52
Cheques on hand	-	-
Deposits with original maturity less than 3 months	6,000.00	14,800.00
<b>Balances per Statement of Cash Flows</b>	<b>7,466.21</b>	<b>15,514.38</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Gauthami N**

Partner

Membership Number: 216759

**Kyung Woon Cho**

Chairman cum Executive Director

DIN : 09048060

For and on behalf of Board of Directors

**Lotte India Corporation Limited**

**Milan Wahi**

Managing Director

DIN : 05242884

**Jeong Kwan Heo**

Chief Financial Officer

**D.G. Rajan**

Independent Director

DIN : 00303060

**T.G. Karthikeyan**

Company Secretary

Place: Chennai

Date: August 16, 2024

Place: Chennai

Date: August 16, 2024

## Notes forming part of the Financial Statements

### 1 Corporate Information

Lotte India Corporation Limited is engaged in the business of manufacturing and marketing of confectionery products. The parent company is Lotte Wellfood Co.Ltd Company Limited, South Korea, which is one of the leading manufacturers of confectionery products. The Company has three manufacturing plants in India and manufactures/ distributes a wide range of confectionery products including Chocopie, Coffy Bite, Lacto King, Frutopie, Caramilk, Coconut Punch, Chewit and Spout Gums.

### 2A Basis of preparation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services rendered and the time between the commencement of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### "(ii) New and amended Standard adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023.

- i. Disclosure of accounting policies - Amendments to Ind AS 1
- ii. Definition of accounting estimate - Amendments to Ind AS 8
- iii. Deferred Tax Related to Assets & Liabilities arising from a single transaction - Amendments to Ind AS 12 The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically no changes would be necessary as a consequence of amendments made to Ind AS 12, as the company's accounting policy already complies with the now mandatory treatment."

#### (iii) Critical estimates and judgements

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and the assumptions used in the accompanying financial statements are based upon the management's evaluation.

"The areas involving critical estimates and judgements:

- (i) Measurement of deferred taxes (refer note 6)
- (ii) Estimation of defined benefit obligation (refer note 30)
- (iii) Provision for customer schemes and discounts (refer note 19)"

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## Notes forming part of the Financial Statements (Contd.)

### (iv) Historical cost convention

The financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

## 2B Material Accounting Policies

### (i) Property, plant and equipment

Freehold land is carried at historical cost. All other property, plant and equipment are stated at historical cost less depreciation.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset	Useful life	As per Schedule II
Building	28 years	30, 60 years
Plant and machinery	5-13 years	15 years
Office equipments	5-10 years	5 years
Furnitures and fittings	5 - 10 years	10 years
Computers and other peripherals	3 - 5 years	3 years
Vehicles	5 years	8 years
Leasehold improvements	5 years or balance useful life, whichever is less	

The useful lives have been determined based on technical evaluation done by the Management's expert, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets individually costing INR 5,000 and below are fully depreciated in the year of addition.

Also Refer to Note 2C(i) below for other accounting policies related to Property, plant and equipment.

### (ii) Investment properties

"Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert."

Also Refer to Note 2C(iii) below for other accounting policies related to Investment Properties.

### (iii) Inventories

Inventories are stated at lower of cost and net realisable value. Cost of raw materials and stock-in-trade is ascertained using the moving weighted average method and includes purchase cost, taxes and duties and all expenses incurred in bringing the inventory to its present location and condition, but excludes duties and taxes that are subsequently recoverable from revenue authorities.

Also Refer to Note 2C(vii) below for other accounting policies related to Inventories.

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**Notes forming part of the Financial Statements (Contd.)****(iv) Revenue recognition****Sale of products**

Revenue from sale of products comprises sale of goods after deduction of discounts, taxes and estimated returns. Revenue is recognised when control of the product is transferred to the customer and there are no unfulfilled performance obligations. Depending on the incoterm, control is transferred at the point of shipment or at the point of delivery. Payment for the sale is received as per agreed credit terms, which is short term in nature. Discounts are given in various forms, including, but not limited to rebates, price reductions and incentives. Accumulated experience is used to estimate the provision for discounts, using the most likely method. An estimate of the goods that will be returned is made, and a corresponding liability has been recognised for this amount.

Also Refer to Note 2C(viii) below for other accounting policies related to Revenue Recognition.

**(v) Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the transaction price unless they contain significant financing components, when they are recognised at the fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

**(vi) Leases****As a lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in substance fixed payments), less any lease incentives receivable.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases of property, plant and office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Also Refer to Note 2C(x) below for other accounting policies related to leases.

**(vii) Employee benefits****Post-employment obligations:****i) Defined contribution plans****Superannuation**

Contribution towards superannuation fund administrated by the trustees and managed by Life Insurance Corporation ("LIC") is made in accordance with the terms of employment contracts for eligible employees, where the Company has no further obligations. Such benefits are classified as Defined Contribution Plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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**Notes forming part of the Financial Statements (Contd.)****ii) Defined benefit plans****Gratuity**

“The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The Company’s gratuity plan is funded and is administered by Life Insurance Corporation of India (LIC).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.”

Also Refer to Note 2C(xvii) below for other accounting policies related to employee benefits.

**(viii) Income Taxes**

“The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.”

“Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

“Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (“MAT”) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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**Notes forming part of the Financial Statements (Contd.)****2C Other Accounting Policies****(i) Property, plant and equipment**

“Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s 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 of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.”

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/(expenses).

**(ii) Intangible assets**

Computer software including internally developed software

“Computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.”

**(iii) Investment Properties**

Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**(iv) Impairment of assets**

Assets (Property, plant and equipment, Investment property & Intangible assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(v) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term deposits with original maturities of 3 months or less that are readily



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**Notes forming part of the Financial Statements (Contd.)**

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**(vi) Borrowings**

“Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/(expenses).”

**(vii) Inventories**

Cost of work-in-progress includes material cost and share of production overheads. The valuation of finished goods includes material cost and share of production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(viii) Revenue recognition****Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset.

**(ix) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are recorded at a nominal amount and are presented by deducting the grant from the carrying amount of the assets.

**(x) Leases**

“The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee’s incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease tenure so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.”

**As a lessor**

The Company has given on lease certain property, plant and equipment and investment property and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease

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**Notes forming part of the Financial Statements (Contd.)**

income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred. The respective leased assets are included in the Balance Sheet based on their nature.

**(xi) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

**(xii) Investments and other financial assets****Classification**

“The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost. The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.”

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial asset.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**“Debt instruments**

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- a) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss and presented in other income/(expenses). Impairment losses are presented as separate line item in the statement of profit and loss.

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**Notes forming part of the Financial Statements (Contd.)**

- b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/(expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/(expenses) and impairment expenses are presented as separate line item in statement of profit or loss.
- c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other income/(expenses) in the period in which it arises. Interest income from these financial assets is included in other income."

**"Equity instruments**

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/(expenses) in the statement of profit and loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established."

**Impairment of financial assets**

"The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. "

**Derecognition of financial assets**

"A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset."

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**Notes forming part of the Financial Statements (Contd.)****(xiii) Segment reporting**

“Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The board of directors of Lotte India Corporation Limited assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors have been identified as being the CODM. Refer note 35 for segment information presented. “

**(xiv) Foreign currency translation**

“Functional and presentation currency: Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency), i.e., Indian Rupee (INR), which is the Company’s functional and presentation currency.

**Initial Recognition**

Foreign currency transactions are recorded in functional currency using the exchange rates prevailing on the date of transaction.

**Subsequent recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing at the date of the transaction. All monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/realization and from the year end restatement are recognised in the Statement of Profit and Loss.”

**(xv) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

**(xvi) Provisions and contingent liabilities**

“Provisions: Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.”

“Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. “

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**Notes forming part of the Financial Statements (Contd.)****(xvii) Employee benefits**

“Short-term obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Other long-term employee benefit obligations: The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.”

**Bonus plans:**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Post-employment obligations:

**i) Defined contribution plans****Provident Fund**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(xviii) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**(xix) Earnings per share****“Basic earnings per share:**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, equity shares issued during the year

**Notes forming part of the Financial Statements** (Contd.)**Diluted earnings per share:**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.”

**(xx) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated. The numbers presented throughout the financial statements may not add up precisely to the totals and absolute figures.

## Notes forming part of the Financial Statements

(All amounts are in INR lakhs, unless otherwise stated )

### 3(a) Property, plant and equipment

Particulars	Gross carrying amount				Depreciation				Net carrying amount
	As at April 1, 2023	Additions	Deletions	As at March 31, 2024	As at April 1, 2023	For the year	Deletions	As at March 31, 2024	As at March 31, 2024
Land	9,031.67	-	-	9,031.67	-	-	-	-	9,031.67
Buildings (Note i)	29,528.52	4,730.74	-	34,259.26	7,011.86	1,239.88	-	8,251.74	26,007.52
Plant and Machinery									
- Owned	25,753.17	11,411.19	324.93	36,839.43	15,571.94	2,033.38	308.70	17,296.62	19,542.81
- Leased*	178.89	-	-	178.89	101.80	-	-	101.80	77.09
Office Equipment									
- Owned	87.26	-	-	87.26	26.59	-	-	26.59	60.67
- Leased*	25.96	-	-	25.96	7.13	-	-	7.13	18.83
Furniture and Fixtures									
- Owned	417.23	177.81	10.76	584.28	275.20	56.72	10.20	321.72	262.56
- Leased*	107.88	-	-	107.88	82.01	-	-	82.01	25.87
Leasehold improvements	7.33	-	-	7.33	0.40	-	-	0.40	6.93
Vehicles	61.95	29.48		91.43	37.36	11.45		48.81	42.62
<b>Total</b>	<b>65,199.86</b>	<b>16,349.22</b>	<b>335.69</b>	<b>81,213.39</b>	<b>23,114.29</b>	<b>3,341.43</b>	<b>318.90</b>	<b>26,136.82</b>	<b>55,076.57</b>

\*Represents assets given on lease where the Company is a lessor

#### Note (i) Title deeds

(a) Immovable properties acquired (now merged) from the erstwhile Parry Confectionery Limited (PCL) are not in the name of the Company.

Particulars	Property location	Area (sq.ft)	Gross carrying amount	Net carrying amount	Title deeds in the name of
Building	Ahmedabad	945.20	10.50	1.02	Title deeds are in the name of erstwhile company Parrys Confectionery Limited.

#### Note (ii) Contractual obligations

Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### Note (iii) Valuation of Property, Plant and Equipment and Intangible asset

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### 4 Other Intangible assets

Particulars	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2023	Additions	Deletions	As at March 31, 2024	As at April 1, 2023	For the year	Deletions	As at March 31, 2024	As at March 31, 2024
Computer software	46.90	5.26	-	52.16	32.84	4.86	-	37.70	14.46
<b>Total</b>	<b>46.90</b>	<b>5.26</b>	<b>-</b>	<b>52.16</b>	<b>32.84</b>	<b>4.86</b>	<b>-</b>	<b>37.70</b>	<b>14.46</b>

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 3(a) Property, plant and equipment

Particulars	Gross carrying amount				Depreciation				Net carrying amount
	As at April 1, 2022	Additions	Deletions	As at March 31, 2023	As at April 1, 2022	For the year	Deletions	As at March 31, 2023	As at March 31, 2023
Land	9,031.67	-	-	9,031.67	-	-	-	-	9,031.67
Buildings (Note i)	29,520.69	7.83	-	29,528.52	5,799.94	1,211.92	-	7,011.86	22,516.66
Plant and Machinery									
- Owned	25,637.12	154.26	38.21	25,753.17	13,303.58	2,304.66	36.30	15,571.94	10,181.23
- Leased*	178.89	-	-	178.89	101.80	-	-	101.80	77.09
Office Equipment									
- Owned	87.26	-	-	87.26	26.59	-	-	26.59	60.67
- Leased*	25.96	-	-	25.96	7.13	-	-	7.13	18.83
Furniture and Fixtures									
- Owned	307.86	109.37	-	417.23	231.26	43.94	-	275.20	142.03
- Leased*	107.88	-	-	107.88	82.01	-	-	82.01	25.87
Leasehold improvements	7.33	-	-	7.33	0.40	-	-	0.40	6.93
Vehicles	61.95			61.95	29.18	8.18		37.36	24.59
<b>Total</b>	<b>64,966.61</b>	<b>271.46</b>	<b>38.21</b>	<b>65,199.86</b>	<b>19,581.89</b>	<b>3,568.70</b>	<b>36.30</b>	<b>23,114.29</b>	<b>42,085.57</b>

\*Represents assets given on lease where the Company is a lessor

#### Note (i) Title deeds not in the name of the company:

(a) Immovable properties acquired (now merged) from the erstwhile Parry Confectionery Limited (PCL) and are not in the name of the Company.

Particulars	Property location	Area (sq.ft)	Gross carrying amount	Net carrying amount	Title deeds in the name of
Building	Ahmedabad	945.20	10.50	1.55	Title deeds are in the name of erstwhile company Parrys Confectionery Limited.

#### Note (ii) Contractual obligations

Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### Note (iii) Valuation of Property, Plant and Equipment and Intangible asset

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### 4 Other Intangible assets

Particulars	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2022	Additions	Deletions	As at March 31, 2023	As at April 1, 2022	For the year	Deletions	As at March 31, 2023	As at March 31, 2023
Computer software	36.11	10.79	-	46.90	29.49	3.35	-	32.84	14.06
<b>Total</b>	<b>36.11</b>	<b>10.79</b>	<b>-</b>	<b>46.90</b>	<b>29.49</b>	<b>3.35</b>	<b>-</b>	<b>32.84</b>	<b>14.06</b>



## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 3(b) Right-of-Use Assets

	As at March 31, 2024	As at March 31, 2023
Present Value of Lease Payments (Ind AS 116)		
Opening Lease Assets (Buildings)	1,264.81	955.82
Less: Accumalated Depreciation of Right of Use Assets	(854.55)	(686.56)
Net Carrying amount	410.26	269.26

- Addition to the right-of-use assets during the year: INR 308.99 (March 31, 2023 : Nil)
- The total cash outflow for leases for the year: INR 179.34 (March 31, 2023: INR 164.28)
- Extension and termination options:  
Extension and termination options are included in the above leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.
- The Company has not incurred any expenses relating to low-value assets during the current year. There are no expenses relating to variable lease payments
- The lease period ranges from 3 to 6 years over which the right to use asset is depreciated on a straight line basis.

Amount recognised in the statement of profit and loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Right of use Assets - Buildings	167.99	127.79
Interest expense (included in finance cost)	50.60	41.50
Expenses relating to short term leases	245.06	235.03

As a lessor

The Company has given certain assets – building and plant and machinery on operating leases. These lease arrangements range for a period between 1.5 and 5 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

### 3(c) Capital Work in Progress

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work in Progress (CWIP)	15.31	2,079.11

a) Capital work in progress movement	Amount
Balance at April 1, 2022	62.04
Additions/Adjustments during the year	2,288.53
Capitalised during the year	271.46
Balance at March 31, 2023	2,079.11
Additions/Adjustments during the year	14,290.68
Capitalised during the year	16,354.48
Balance at March 31, 2024	15.31

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### b) Ageing Schedule of Capital Work in Progress

As at March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.31	-	-	-	15.31

  

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,079.11	-	-	-	2,079.11

Of the above there are no projects where the cost has exceeded the estimated cost as well as timelines, as per original plan.

### 3(d) Investment properties

	As at March 31, 2024	As at March 31, 2023
<b>Cost</b>		
Land	7,770.53	7,770.53
Building	1,465.11	1,465.11
Less: Deletions during the year	-	-
<b>Gross carrying amount (a)</b>	<b>9,235.64</b>	<b>9,235.64</b>
<b>Depreciation</b>		
Opening accumulated depreciation	392.02	326.51
Less: Deletion during the year	-	-
Add: Depreciation	65.51	65.51
<b>Closing accumulated depreciation (b)</b>	<b>457.53</b>	<b>392.02</b>
<b>Net carrying amount (a)-(b)</b>	<b>8,778.11</b>	<b>8,843.62</b>
Amounts recognised in profit and loss for investment properties		
Rental income (Refer Note 22)	305.32	297.05
Direct operating expenses from property that generated rental income	43.42	42.65
Direct operating expenses from property that did not generate rental income	6.13	12.11
Fair value of investment properties	<b>16,343.05</b>	<b>16,145.79</b>

#### Estimation of fair value

"For the year ended March 31, 2024, the Company obtained independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by Value Assessors & Surveyors (P) Limited, who is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. All resulting fair value estimates for investment properties are included in level 3."

#### Leasing arrangements

"The investment properties are leased to tenants under operating leases with rentals receivable monthly. Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Minimum lease payments receivable on leases of investment properties are as follows:"

**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

Particulars	March 31, 2024	March 31, 2023
Within 1 year	323.58	244.53
Between 1 and 2 years	274.53	155.66
Between 2 and 3 years	171.23	144.02
Between 3 and 4 years	25.80	78.42
Between 4 and 5 years	-	-
More than 5 years	-	-

**5(a) Non-current investments**
**Investments in equity instruments - unquoted carried at FVTPL**

50,000 (March 31, 2023 : 50,000) equity shares of Aadhav Green Power Private Ltd., of INR 10 each, fully paid up	5.00	5.00
<b>Total non-current investments</b>	<b>5.00</b>	<b>5.00</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5.00	5.00
Aggregate amount of impairment in the value of investments	-	-

**5(b) Other financial assets**
**Non-current**

Bank deposits with maturity of more than 12 months (includes earmarked balance of INR Nil; 31.03.2023 - Rs. 17.55 Lakhs)	-	617.55
Security deposits	142.82	131.41
Other receivables	586.45	553.15
<b>Total other financial assets - non-current</b>	<b>729.27</b>	<b>1,302.11</b>

**Current**

Interest accrued on deposits with banks	6.54	99.04
Advances to employees	31.90	29.79
Security deposits	217.38	173.38
<b>Total other financial assets - current</b>	<b>255.82</b>	<b>302.21</b>

**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

	As at March 31, 2024	As at March 31, 2023
<b>6 Deferred tax assets/(liabilities) (Net)</b>		
<b>(i) Deferred tax assets</b>		
Provision for doubtful debts and advances	62.19	45.42
Expenses allowed on payment basis	336.08	404.83
Lease liability	165.07	97.56
Unabsorbed Depreciation	3,603.93	4,443.35
<b>(ii) Deferred tax liabilities</b>		
Right-of-use assets	(143.36)	(89.89)
Difference between book and tax written down value of depreciable fixed assets	(5,138.06)	(4,484.30)
<b>Deferred tax assets/(liabilities) (Net)</b>	<b>(1,114.15)</b>	<b>416.97</b>
Note: 'The company has recognised deferred tax assets on carried forward unabsorbed depreciation, which can be carried forward for an indefinite period. The company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the company. (also refer note 29)		
<b>7 Income tax assets (Net)</b>		
Advance income tax and tax deducted at source (net of provision for income tax) INR 2,403.04 (March 31, 2023: INR 1,608.92)	-	29.85
	<b>-</b>	<b>29.85</b>
<b>8 Other non-current assets</b>		
Capital advances	3,618.17	4,330.14
Advances other than capital advances:		
- Sales tax paid under protest	14.50	11.00
- Prepaid expenses	6.45	22.08
<b>Total other non-current assets</b>	<b>3,639.12</b>	<b>4,363.22</b>
<b>9 Inventories</b>		
Raw materials (includes packing material)	3,276.48	2,498.82
Work-in-progress	156.69	123.99
Finished goods	4,630.32	4,536.74
Stock-in-trade	281.65	221.45
Stores, spares and consumables	362.68	332.52
<b>Total inventories</b>	<b>8,707.82</b>	<b>7,713.52</b>
Provision of Inventory*	120.71	82.63
Cost of inventories (including cost of stock-in-trade purchased, cost of stores and spares and write down of inventories) recognised as an expense	36,586.77	34,971.79
*There are no write-down of inventories to net realisable value during the current and previous year.		
Goods-in-transit		
Raw materials	0.04	0.04

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

	As at March 31, 2024	As at March 31, 2023
<b>10 Trade receivables</b>		
Trade receivables considered good - Unsecured		
- Related parties	148.77	214.04
- Others	1,443.03	1,389.13
Trade receivables – credit impaired	1,591.80	1,603.17
- Others	177.96	136.07
	<b>177.96</b>	<b>136.07</b>
Less: Loss allowance for credit impaired		
- Others	(177.96)	(136.07)
	<b>(177.96)</b>	<b>(136.07)</b>
<b>Total trade receivables</b>	<b>1,591.80</b>	<b>1,603.17</b>

The trade receivables of the Company do not contain a significant financing component and accordingly, the Company has adopted the simplified approach under Ind AS 109 for recognition of impairment of losses on trade receivables.

### Ageing of Trade Receivables

Year ended March 31, 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,255.04	313.08	18.92	4.76	-	-	1,591.80
- credit impaired	1.43	5.69	39.15	-	-	131.69	177.96
(ii) Disputed Trade receivables							
- considered good	-	-	-	-	-	-	-
<b>Total</b>	<b>1,256.47</b>	<b>318.77</b>	<b>58.07</b>	<b>4.76</b>	<b>-</b>	<b>131.69</b>	<b>1,769.76</b>

Year ended March 31, 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,428.99	138.06	34.11	-	-	-	1,601.16
- credit impaired						136.07	136.07
(ii) Disputed Trade receivables							
- considered good	-	-	-	-	2.02	-	2.02
<b>Total</b>	<b>1,428.99</b>	<b>138.06</b>	<b>34.11</b>	<b>-</b>	<b>2.02</b>	<b>136.07</b>	<b>1,739.24</b>

There are no unbilled trade receivables in the current and previous years.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

	As at March 31, 2024	As at March 31, 2023
<b>11 Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	410.60	349.35
- In cash credit account	873.48	233.05
- In EEFC accounts	181.81	131.46
Cash on hand	0.32	0.52
Cheques on hand	-	-
Deposits with original maturity less than 3 months	6,000.00	14,800.00
<b>Total cash and cash equivalents</b>	<b>7,466.21</b>	<b>15,514.38</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

### 12 Other bank balances

Deposits with maturity of more than 3 months and less than 12 months [includes earmarked balance of Rs. 1.46; March 31, 2023: 0.30]	18.03	3,200.30
<b>Total other bank balances</b>	<b>18.03</b>	<b>3,200.30</b>

### 13 Other current assets

Advances to suppliers	366.62	394.46
Balances with government authorities	496.50	148.67
Prepaid expenses	340.70	317.22
<b>Total other current assets</b>	<b>1,203.82</b>	<b>860.35</b>

### 14(a) Equity share capital

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of INR 10 each	370,000,000	37,000.00	370,000,000	37,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of INR 10 each	14,102,363	1,410.24	14,102,363	1,410.24
<b>(i) Reconciliation of equity share capital</b>				
Balance as at the beginning of the year	14,102,363	1,410.24	10,863,768	1,086.38
Add: Shares issued during the year	-	-	3,238,595	323.86
<b>Balance as at the end of the year</b>	<b>14,102,363</b>	<b>1,410.24</b>	<b>14,102,363</b>	<b>1,410.24</b>

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### (ii) Movements in issued, subscribed and paid-up equity share capital

	Number of shares	Equity share capital (par value)
As at March 31, 2022	10,863,768	1,086.38
Increase during the year	3,238,595	323.86
As at March 31, 2023	14,102,363	1,410.24
Increase during the period	-	-
As at March 31, 2024	14,102,363	1,410.24

### (iii) Shares held by promoters - Lotte Wellfood Co. Limited, South Korea

	March 31, 2024	March 31, 2023
Number of Shares held by promoters	13,947,035	13,947,035
% of total shares held	98.90%	98.90%
% Change during the year	0.00%	0.33%

### (iv) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (v) Shares of the Company held by Holding Company

	March 31, 2024	March 31, 2023
Lotte Wellfood Co. Limited, South Korea	13,947,035	13,947,035

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

	March 31, 2024		March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Lotte Wellfood Co. Limited, South Korea	13,947,035	98.90%	13,947,035	98.90%

Note: The remaining shareholders hold shares which is lesser than the threshold required for disclosure.

**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

	As at March 31, 2024	As at March 31, 2023
<b>14(b) Reserves and surplus</b>		
Securities premium	24,642.73	24,642.73
General reserve	42,357.39	42,357.39
Retained earnings	(2,659.51)	(4,846.18)
Capital reserve	464.47	464.47
<b>Total reserves and surplus</b>	<b>64,805.08</b>	<b>62,618.41</b>
Reserves and surplus		
<b>i) Securities premium</b>		
Balance as at the beginning of the year	24,642.73	7,445.79
Premium on shares issued during the year	-	17,196.94
<b>Balance as at the end of the year</b>	<b>24,642.73</b>	<b>24,642.73</b>
<b>ii) General reserve</b>		
Balance as at the beginning of the year (refer note below)	42,357.39	42,357.39
<b>Balance as at the end of the year</b>	<b>42,357.39</b>	<b>42,357.39</b>
<b>(iii) Retained earnings (Surplus in Statement of Profit and Loss)</b>		
Balance as at the beginning of the year	(4,846.18)	(4,739.84)
Net profit for the year	2,219.99	(125.54)
Items of other comprehensive income directly recognised in retained earnings		
Remeasurements of post-employment benefit obligations (net of tax)	(33.32)	19.20
<b>Balance as at the end of the year</b>	<b>(2,659.51)</b>	<b>(4,846.18)</b>
<b>iv) Capital reserve</b>		
Balance as at the beginning of the year	464.47	464.47
<b>Balance as at the end of the year</b>	<b>464.47</b>	<b>464.47</b>

**Nature and purpose of reserves:**
**Securities premium**

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

During the previous year company issued additional equity shares of 32,38,595 shares of Rs. 10 each on preferential basis to Lotte Confectionery Company Limited, South Korea, at a premium of Rs. 531 per share pursuant to the provisions of section 42 and 62 of the Companies Act, 2013.

**Retained earnings/General reserves**

Company's cumulative earnings since its formation minus dividends. These are available for distribution. Balance in general reserve includes INR 39,817.73 arising from merger of Lotte Foods India Private Limited with the Company in the year 2010.

**Capital reserve**

A gain arising on account of merger has been credited to capital reserve.



## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 15 Borrowings

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Unsecured loan	5,754.72	9,064.22
Less: Current maturities	(5,688.40)	(3,370.89)
Less: Accrued interest on borrowings (refer note 19)	(66.32)	(82.02)
<b>Total non-current borrowings</b>	<b>-</b>	<b>5,611.31</b>
<b>Terms of repayment:</b>		
i) USD 205 lakhs availed from Woori Bank in February 2020 is repayable in 18 unequal quarterly instalments starting from May 2020. Balance outstanding as at March 31, 2024 is USD 68.25 lakhs and the equivalent INR is 5,688.40 lakhs (March 31, 2023 is USD 109.25 lakhs and the equivalent INR is 8,982.20 lakhs).		
ii) The aforesaid loans are guaranteed by the holding company, Lotte Wellfood Company Limited, South Korea.		
iii) Rate of interest is linked to SOFR + agreed spread p.a. Presently, the interest rate is 6.22 %.		
<b>Current</b>		
Unsecured		
Current maturities of long-term debt	5,688.40	3,370.89
<b>Total current borrowings</b>	<b>5,688.40</b>	<b>3,370.89</b>
<b>Terms of repayment:</b>		
i) Rate of interest is linked to SOFR + agreed spread p.a. The interest rate ranges from 5.67% to 6.22%		
<b>Net debt reconciliation</b>		
<b>Borrowings - Non-current</b>		
Opening balance	5,611.31	8,292.11
Cash flows relating to principal amounts	-	-
Current maturities of long-term debt reclassified from non-current to current	(5,688.40)	(3,370.89)
Adjustments for foreign currency translation	77.09	690.09
Interest paid	-	-
Interest expense	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>5,611.31</b>
<b>Borrowings - Current (including interest accrued)</b>		
Opening balance	3,452.91	3,128.50
Cash flows relating to principal amounts	(3,396.65)	(3,287.18)
Current maturities of long-term debt reclassified from non-current to current	5,688.40	3,370.89
Adjustments for foreign currency translation	30.37	175.69
Interest paid	(491.79)	(350.50)
Interest expense	471.48	415.51
<b>Balance as at the end of the year</b>	<b>5,754.72</b>	<b>3,452.91</b>
<b>Lease Liabilities</b>		
Opening balance	292.23	415.01
Additions	308.89	-
Cash flows relating to lease payments	(179.34)	(164.28)
<b>Interest expense</b>	<b>50.60</b>	<b>41.50</b>
<b>Balance as at the end of the year</b>	<b>472.38</b>	<b>292.23</b>

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

	As at March 31, 2024	As at March 31, 2023
<b>16. Lease Liabilities</b>		
Current	159.47	120.13
Non Current	312.91	172.10
	<b>472.38</b>	<b>292.23</b>
<b>17 Provisions</b>		
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (refer note 30)	96.57	248.13
<b>Total provisions - Non-current</b>	<b>96.57</b>	<b>248.13</b>
Current		
Provision for employee benefits:		
Provision for compensated absences (refer note 30)	327.62	264.14
<b>Total provisions - Current</b>	<b>327.62</b>	<b>264.14</b>
<b>18 Trade payables</b>		
Total outstanding dues of creditors of micro and small enterprises (refer note below)	258.67	44.95
Total outstanding dues of creditors other than micro and small enterprises	7,148.21	8,450.51
Total outstanding dues payable to related parties (refer note 34)	926.45	1,301.59
<b>Total trade payables</b>	<b>8,333.33</b>	<b>9,797.05</b>

The amount of principal and interest outstanding under Medium Enterprises Development Act, 2006 is given below:

Particulars	As at March 31, 2024	As at March 31, 2023
i) The principal amount and interest due thereon remaining unpaid to suppliers registered under the MSMED		
- Principal	258.67	44.95
- Interest on principal amount unpaid as at the year end	0.06	-
ii) The amount of interest paid in terms of Section 16 of the MSMED along with the amount of payment made to suppliers beyond the appointed date during the year	-	-
iii) The amount of interest due and payable for principal paid during the year beyond the appointed date but without adding the interest specified under the MSMED		
- Principal	1,052.71	31.34
- Interest	6.10	0.15
iv) The amount of interest accrued and remaining unpaid at the end of the year	6.16	0.16
v) Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	0.16	0.01

**18 Trade payables (Contd.)**
**Ageing of Trade Payables**

Year ended March 31, 2024	Outstanding for following periods from due date of payment						Total
	Unbilled / Accrued	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed							
- MSME	-	248.69	9.98	-	-	-	258.67
- Others	2,445.20	2,394.86	2,696.56	402.81	40.94	94.29	8,074.66
(ii) Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>2,445.20</b>	<b>2,643.55</b>	<b>2,706.54</b>	<b>402.81</b>	<b>40.94</b>	<b>94.29</b>	<b>8,333.33</b>
Year ended March 31, 2023	Outstanding for following periods from due date of payment						Total
	Unbilled / Accrued	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed							
- MSME	-	44.95	-	-	-	-	44.95
- Others	2,258.00	10.21	6,585.41	609.44	151.15	137.89	9,752.10
(ii) Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>2,258.00</b>	<b>55.16</b>	<b>6,585.41</b>	<b>609.44</b>	<b>151.15</b>	<b>137.89</b>	<b>9,797.05</b>

**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

	As at March 31, 2024	As at March 31, 2023
<b>19 Other Financial liabilities</b>		
Current		
Interest accrued but not due on borrowings/security deposits	66.32	82.02
Security deposits	274.54	211.29
Amount payable to customers	2,888.43	2,663.51
Employee benefits payable	972.51	803.93
Capital creditors	461.65	0.83
Book overdraft	-	-
<b>Total other financial liabilities - Current</b>	<b>4,663.45</b>	<b>3,761.58</b>
<b>20A Current tax liabilities (net)</b>		
Provision for Income Tax (Net Off Advance Tax INR 2,403.04 : 31.03.23: INR 1608.92)	39.77	-
<b>Total current tax liabilities (net)</b>	<b>39.77</b>	<b>-</b>
<b>20B Other current liabilities</b>		
Advances from customers	601.50	740.49
Statutory dues payable	352.79	488.23
Interest due on MSME	6.32	-
<b>Total other current liabilities</b>	<b>960.61</b>	<b>1,228.72</b>
	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
<b>21 Revenue from operations</b>		
Sale of confectionery products	67,902.87	59,845.35
Other operating revenue		
Service income		
Scrap sales	133.60	70.07
<b>Total revenue from operations</b>	<b>68,036.47</b>	<b>59,915.42</b>
<b>21.1 Reconciliation of revenue with contract price</b>		
Contract price	74,427.45	65,724.06
Adjustments :		
Discounts	6,239.14	5,500.37
Damaged goods (Returns)	151.84	308.27
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>68,036.47</b>	<b>59,915.42</b>

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 21.2 Contract liabilities

Payments received in advance from customers (i.e, before transferring control of goods) is recognised as a contract liability. As and when the performance obligation is met, the same is recognized as revenue. Contract liabilities are represented by "Advance from customers" (refer note 20). The entire amount of contract liability in the beginning (i.e, the closing balance of previous period) was recognised as revenue in the current period. As the entity has applied the practical expedient under Para 121 of Ind AS 115 (i.e, the remaining performance obligations are part of contracts that have expected duration of less than a year), reconciliation of contract liabilities which represent unsatisfied performance obligations is not given.

	Year ended March 31, 2024	Year ended March 31, 2023
<b>22 Other income</b>		
Interest income from financial assets at amortised cost		
- Interest income on deposits with banks	650.09	755.25
- on others	7.36	13.13
Unwinding of discount on security deposits	-	-
Insurance claims	12.41	37.77
Lease rentals	305.32	297.05
Gain on sale of property, plant and equipment and investment property (net)	-	1.81
Miscellaneous income	2.23	59.03
Liabilities no longer required written back	88.81	-
<b>Total other income</b>	<b>1,066.22</b>	<b>1,164.04</b>
<b>23 Cost of materials consumed</b>		
Opening inventory	2,498.82	2,904.58
Add: Purchases	34,654.34	34,960.09
Less: Raw material at the end of the year	3,276.48	2,498.82
<b>Total cost of materials consumed</b>	<b>33,876.68</b>	<b>35,365.85</b>
<b>24 Changes in inventories of work-in-progress, stock-in-trade and finished goods</b>		
<b>Stock at the end of the year</b>		
Finished goods	4,630.32	4,536.74
Work-in-progress	156.69	123.99
Stock-in-trade (traded goods)	281.65	221.45
<b>Stock at the beginning of the year</b>		
Finished goods	4,536.74	3,149.76
Work-in-progress	123.99	98.18
Stock-in-trade (traded goods)	221.45	104.22
<b>Total change in inventories</b>	<b>(186.48)</b>	<b>(1,530.02)</b>

**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

	Year ended March 31, 2024	Year ended March 31, 2023
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	4,697.77	4,131.37
Contribution to provident and other funds (Refer note 30(ii))	236.01	227.11
Gratuity (Refer note 30(iii))	68.51	68.03
Staff welfare expenses	405.48	312.40
<b>Total employee benefits expense</b>	<b>5,407.77</b>	<b>4,738.91</b>
<b>26 Finance costs</b>		
Interest expense		
- on borrowings*	471.48	413.10
- on MSME	6.16	0.15
- on others	10.29	2.41
- on Lease Liabilities	50.60	41.50
Guarantee commission	36.04	52.00
<b>Total finance costs</b>	<b>574.57</b>	<b>509.16</b>
	-	-
<b>27 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (Refer note 3a)	3,341.43	3,568.70
Depreciation of Right of Use Assets (Refer note 3b)	167.99	127.79
Depreciation of investment property (Refer note 3d)	65.51	65.51
Amortisation of intangible assets (Refer note 4)	4.86	3.35
<b>Total depreciation and amortisation expense</b>	<b>3,579.79</b>	<b>3,765.35</b>
<b>28 Other expenses</b>		
Raw material conversion charges	986.89	875.59
Consumption of stores and spare parts	212.71	206.39
Repairs and maintenance		
- Buildings	17.85	15.04
- Plant and machinery	1,470.95	1,355.59
- Others	212.08	207.16
Communication expenses	33.49	35.86
Power and fuel	2,486.40	2,252.73
Rent	245.06	235.03
Rates and taxes	129.98	156.66
Legal and professional fees	151.74	108.08
Packing, dispatching and freight	5,078.02	5,139.81
Clearing forwarding and other charges	179.60	184.24
Travelling and conveyance	777.59	674.71
Insurance	259.03	239.29
Sales promotion	2,555.74	2,296.79
Royalty	817.53	724.83

**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement expenses	1,980.30	396.53
Security charges	140.42	126.28
Bank charges	12.65	7.99
Payment to auditors	27.34	33.56
Director fees	11.50	10.50
Loss on sale of property, plant and equipment (net)	9.89	-
Net loss on foreign currency transaction and translation exchange differences	196.12	886.04
Corporate Social Responsibility (Refer Note 38)	15.59	-
Changes in loss Allowance	41.89	-
Miscellaneous expenses	570.88	444.94
<b>Total other expenses</b>	<b>18,621.24</b>	<b>16,613.64</b>
<b>Note 28(a): Details of payments to auditors</b>		
<b>Payment to auditors</b>		
Statutory Audit	12.30	18.00
Tax audit	2.00	2.00
Audit of Special Purpose financial information	11.00	11.00
Certifications	-	1.00
Reimbursement of expenses	2.04	1.56
<b>Total payments to auditors</b>	<b>27.34</b>	<b>33.56</b>
<b>29 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the period/year	794.15	120.03
<b>Total current tax expense</b>	<b>794.15</b>	<b>120.03</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	823.89	996.94
(Decrease)/increase in deferred tax liabilities	707.23	(304.43)
<b>Total deferred tax expense</b>	<b>1,531.12</b>	<b>692.51</b>
<b>Total income tax expense</b>	<b>2,325.27</b>	<b>812.54</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit/(Loss) before tax for the year	4,545.26	687
Tax at the rate of 34.944% (March 31, 2023: 33.384%)	<b>1,588.30</b>	<b>229.35</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Utilisation of unrecognised tax credit	(1,588.30)	(229.35)
Tax paid under MAT for which deferred taxes is not created	794.15	120.03
Deferred taxes created on tax losses and temporary timing differences (refer note 6)	1,531.12	692.51
<b>Income tax expense</b>	<b>2,325.27</b>	<b>812.54</b>

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 30 Employee benefit obligations

#### (i) Other long-term employee benefit obligations - Compensated absences

The leave obligations cover the Company's liability for earned leave. The entire amount is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment for such leave within the next 12 months.

	March 31, 2024	March 31, 2023
Leave obligations not expected to be settled within the next 12 months	327.62	264.14

#### (ii) Post employment obligations - Defined contribution plans

##### Provident fund

The Company has defined contribution plan - provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards provident fund contribution plan is INR 204.82 (March 31, 2023: INR 193.74).

##### Superannuation fund

Contribution towards superannuation fund administered by the trustees and managed by Life Insurance Corporation ("LIC") is made in accordance with the terms of employment contracts for eligible employees, where the Company has no further obligations. Such benefits are classified as Defined Contribution Plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The expense recognised during the period towards superannuation fund is INR 31.19 (March 31, 2023: INR 33.37)

#### (iii) Post employment obligations - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC).

#### Post employment benefits - Defined benefit plan - Gratuity

	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening balance as at April 1, 2022</b>	397.13	(196.53)	200.60
Current service cost	54.03	-	54.03
Interest expense/(income)	25.82	(11.82)	14.00
<b>Total amount recognised in profit or loss</b>	79.85	(11.82)	68.03
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(27.75)	(27.75)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(7.38)	-	(7.38)
Experience (gains)/losses	15.93		15.93
<b>Total amount recognised in other comprehensive income</b>	<b>8.55</b>	<b>(27.75)</b>	<b>(19.20)</b>



## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	(1.30)	(1.30)
Benefit payments	(56.55)	56.55	-
<b>Balances as at March 31, 2023</b>	<b>428.98</b>	<b>(180.85)</b>	<b>248.13</b>
Opening balance as at April 1, 2023	428.98	(180.85)	248.13
Current service cost	59.76	-	59.76
Interest expense/(income)	28.87	(20.12)	8.75
<b>Total amount recognised in profit or loss</b>	<b>88.63</b>	<b>(20.12)</b>	<b>68.51</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(8.05)	(8.05)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	8.48	-	8.48
Experience (gains)/losses	32.90	-	32.90
<b>Total amount recognised in other comprehensive income</b>	<b>41.38</b>	<b>(8.05)</b>	<b>33.33</b>
Employer contributions	-	(253.40)	(253.40)
Benefit payments	(56.08)	56.08	-
<b>Balances as at March 31, 2024</b>	<b>502.91</b>	<b>(406.34)</b>	<b>96.57</b>

The net liability disclosed above relates to funded plan is as follows:

	March 31, 2024	March 31, 2023
Present value of funded obligations	502.91	428.98
Fair value of plan assets	(406.34)	(180.85)
<b>Deficit of funded plan</b>	<b>96.57</b>	<b>248.13</b>

### (iv) Post-employment benefits

#### Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.20%
Salary growth rate	7.00%	7.00%
Attrition rate	1.5% to 3%	1.5% to 3%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. The estimates of future salary increases, considered in actuarial valuation, take in to account, inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### (v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2024	March 31, 2024	March 31, 2024
Discount rate	1.00%	(39.89)	46.64
Salary growth rate	1.00%	46.19	(40.25)

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2023	March 31, 2023	March 31, 2023
Discount rate	1.00%	(33.73)	39.29
Salary growth rate	1.00%	38.99	(34.10)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

### (vi) Plan assets

The Company has plan assets by way of investment of funds in Life Insurance Corporation of India (LIC) for funding the Company's gratuity liability. The fair value of the plan assets is as follows:

	March 31, 2024	March 31, 2023
Schemes of insurance - conventional products managed by LIC - Unquoted	(406.34)	(180.85)
<b>Total</b>	<b>(406.34)</b>	<b>(180.85)</b>

### (vii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

### (viii) Defined benefit liability

The weighted average duration of the defined benefit obligation is 10 years (31 March 2023 – 10 years).

The expected maturity analysis of undiscounted gratuity is as follows:

	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
March 31, 2024	93.43	115.03	205.88	414.34
March 31, 2023	62.94	146.07	331.96	540.97

"The expected contribution to post employment benefit plan for the year ending March 31, 2024 is NIL (March 31, 2023: NIL)"

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 31 Fair value measurements

#### Financial instruments measured at Amortised cost

	Note	Hierarchy	March 31, 2024	March 31, 2023
<b>Financial assets</b>				
Security deposits	5(b)	3	360.20	304.79
Advances to employees	5(b)	3	31.90	29.79
Interest accrued on deposits with banks	5(b)	3	6.54	99.04
Other receivables	5(b)	3	586.45	553.15
Trade receivables	10	3	1,591.80	1,603.17
Cash and cash equivalents	11		7,466.21	15,514.38
Bank balances other than cash and cash equivalents	5(b), 12		18.03	3,817.85
<b>Total financial assets</b>			<b>10,061.13</b>	<b>21,922.17</b>

	Note	Hierarchy	March 31, 2024	March 31, 2023
<b>Financial liabilities</b>				
Borrowings	15	3	5,754.72	9,064.22
Security deposits	19	3	274.54	211.29
Amount payable to customers	19	3	2,888.43	2,663.51
Employee benefits payable	19	3	972.51	803.93
Capital creditors	19	3	461.65	0.83
Book overdraft	19	3	-	-
Lease Liabilities	16	3	472.38	292.23
Trade payables	18	3	8,333.33	9,797.05
<b>Total financial liabilities</b>			<b>19,157.56</b>	<b>22,833.06</b>

#### Financial instruments measured at FVPL

	Note	Hierarchy	March 31, 2024	March 31, 2023
<b>Financial assets</b>				
Investment in equity shares	5(a)	3	5.00	5.00
<b>Total financial assets</b>			<b>5.00</b>	<b>5.00</b>

#### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between levels 1 and 2 during the year.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

There has been no significant change between the discounting rate used on the date of transaction and as at the end of the period for assets and liabilities measured at amortised cost. Hence, the carrying value is taken as fair value.

## 32 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement
Credit risk (Refer Note A)	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis Credit ratings
Liquidity risk (Refer Note B)	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk - foreign exchange (Refer Note C)	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis

### A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers including outstanding receivables and financial assets measured at amortised cost.

#### Credit risk management

- Credit risk on deposits is mitigated by depositing the funds in reputed private sector banks.
- Credit risk on unsecured deposits is managed based on Company's established policy, procedures and controls. Outstanding deposits are regularly monitored and assessed for their recoverability."

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables.

#### Expected credit loss for financial assets other than trade receivables

There has been no significant increase in credit risk for financial assets other than trade receivables. Thus, no expected credit losses have been recognised.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

Customer credit risk is managed by the Company based on established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on prior experience. Outstanding customer receivables are regularly monitored and assessed for its recoverability. Default is said to occur when the amount remains outstanding beyond the agreed credit period. An impairment analysis is performed at each reporting date on an individual basis for major clients. This is done by taking into account the financial position, past experience and other industry-wide factors. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Of the trade receivable balance, INR 712.12 (March 31, 2023: 559.50) is due from a single customer.

Refer Note No. 10 for the ageing of trade receivables

### Reconciliation of loss allowance provision - Trade receivables

<b>Loss allowance on March 31, 2022</b>	136.07
Changes in loss allowance	
- Provision made during the year	-
- Written off	-
<b>Loss allowance on March 31, 2023</b>	136.07
Changes in loss allowance	
- Provision made during the year	41.89
- Written off	-
<b>Loss allowance on March 31, 2024</b>	177.96

### B. Liquidity risk

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Management monitors the Company's liquidity requirements on the basis of monthly and yearly projections. The Company's principal source of liquidity are cash flows that are generated from operations and surplus cash is deposited in the banks which are liquidated based on working capital requirements. The amounts disclosed in the table are the maturity profile of contractual undiscounted cash flows of the Company's financial liabilities:

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2024</b>			
Employee benefits payable	972.51	-	972.51
Borrowings	5,754.72	-	5,754.72
Security deposits	274.54	-	274.54
Capital creditors	461.65	-	461.65
Trade payables	8,333.33	-	8,333.33
Amount payable to customers	2,888.43	-	2,888.43
Lease liabilities	199.39	356.14	555.53
<b>Total</b>	<b>18,884.57</b>	<b>356.14</b>	<b>19,240.71</b>

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2023</b>			
Employee benefits payable	803.93	-	803.93
Borrowings	3,797.72	5,885.13	9,682.85
Security deposits	211.29	-	211.29
Capital creditors	0.83	-	0.83
Book overdraft	-	-	-
Trade payables	9,797.05	-	9,797.05
Amount payable to customers	2,663.51	-	2,663.51
Lease liabilities	149.35	199.13	348.48
<b>Total</b>	<b>17,423.68</b>	<b>6,084.26</b>	<b>23,507.94</b>

### Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at March 31, 2023	As at March 31, 2024
Expiring within one year	4,600.00	4,600.00

The credit facility sanctioned by the banks are subject to renewal every year.

### C. Market risk - foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, BDT, KES, ARW and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

With respect to balance loan, trade receivables and trade payables in foreign currency, the Company manages its risk through constant monitoring of foreign exchange rate fluctuations and natural hedge of payable and receivable.

	Borrowings	Trade payables	Trade receivables	Net exposure to foreign currency risk
<b>As at March 31, 2024</b>				
US Dollars	5,754.72	221.20	(148.77)	5,827.15
KRW	-	53.05	-	53.05
EUR	-	58.69	-	58.69
KES	-	-	-	-
AUD	-	-	(6.35)	(6.35)
<b>As at March 31, 2023</b>				
US Dollars	9,064.22	178.67	(214.04)	9,028.85
KRW	-	67.35	-	67.35
BDT	-	1.60	-	1.60
KES	-	-	-	-
AUD	-	-	-	-

#### Sensitivity Analysis:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

	Impact on profit before tax	
	March 31, 2024	March 31, 2023
<b>USD sensitivity</b>		
USD appreciates by 5% vs INR	(291.36)	(451.44)
USD depreciates by 5% vs INR	291.36	451.44
<b>KRW Sensitivity</b>		
KRW appreciates by 5% vs INR	(2.65)	(3.37)
KRW depreciates by 5% vs INR	2.65	3.37
<b>BDT Sensitivity</b>		
BDT appreciates by 5% vs INR	(2.93)	(0.08 )
BDT depreciates by 5% vs INR	2.93	0.08
<b>KES Sensitivity</b>		
KES appreciates by 5% vs INR	-	-
KES depreciates by 5% vs INR	-	-
<b>AUD Sensitivity</b>		
AUD appreciates by 5% vs INR	0.32	-
AUD depreciates by 5% vs INR	(0.32)	-

\*Holding all other variables constant

### D. Market Risk - Interest Rate

The Company's interest rate risk arises from its long-term and short-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

#### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings (incl. current maturities)	5,688.40	8,982.20

#### (b) Sensitivity

	Impact on Profit after tax	
	March 31, 2024	March 31, 2023
Interest rates - Increase by 100 base points *	(56.88)	(89.82)
Interest rates - Decrease by 100 base points *	56.88	89.82

\*Holding all other variables constant

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 33 Capital management

The Company's objectives when managing capital are to

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

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings (including current maturities of long-term borrowings and interest accrued) as reduced by cash and cash equivalents.

Particulars		As at March 31, 2024	As at March 31, 2023
<b>Net debt</b>			
Debt *		6,227.10	9,356.45
Cash and cash equivalents		7,466.21	15,514.38
		(1,239.11)	(6,157.93)
<b>Equity</b>		66,215.32	64,028.65
<b>Net debt - equity ratio (percentage)</b>		<b>-2%</b>	<b>-10%</b>

\* Includes lease liabilities

### 34 Related party transactions

#### A. Name of related parties and nature of relationship

##### (i) Where control exists

Ultimate Holding company	Lotte Corporation Limited, South Korea
Holding company	Lotte Wellfood Company Limited, South Korea

##### (ii) Other related parties with whom transactions have taken place during the year

<b>Fellow subsidiaries</b>	Lotte Data Communication R&D India LLP Havmor Icecream Private Limited Lotte Fine Chemicals Co Limited, South Korea Lotte Chemical Engineering Plastics Private Limited
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<b>Key management personnel (KMP)</b>	Mr. Milan Wahi, Managing Director Mr. Kyung Woon Cho, Chairman cum Executive Director Mr. Heo Jeongkwan, Whole Time Director and Chief Financial Officer (resigned as Director on 28.06.2024)
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<b>Post-employment benefit plans*</b>	Lotte India Corporation Limited Employees Gratuity Trust Lotte India Corporation Limited Superannuation Trust
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**Notes forming part of the Financial Statements (Contd.)**

(All amounts are in INR lakhs, unless otherwise stated )

**(iii) Transactions with related parties**

The following transactions occurred with related parties:

Description	Year ended March 31, 2024			Year ended March 31, 2023		
	Holding company	Fellow subsidiaries	Entities where significant influence exist	Holding company	Fellow subsidiaries	Entities where significant influence exist
<b>Transactions during the period</b>						
<b>Purchases of goods</b>						
Lotte Wellfood Company Limited, South Korea	-	-	-	72.37	-	-
Lotte Fine Chemicals Co Limited, South Korea	-	180.01	-	-	97.66	-
<b>Sales</b>						
Lotte Wellfood Company Limited, South Korea	1,008.95	-	-	2,165.59	-	-
Lotte Chemical Engineering Plastics Private Limited	-	0.53	-	-	-	-
<b>Receiving of Services</b>						
Rental income from Lotte Data Communication R&D LLP	-	-	-	-	0.57	-
<b>Royalty expenses</b>						
Lotte Wellfood Company Limited, South Korea	817.53	-	-	724.83	-	-
<b>Software usage fee</b>						
Lotte Wellfood Company Limited, South Korea	59.71	-	-	58.54	-	-
<b>Guarantee commission</b>						
Lotte Wellfood Company Limited, South Korea	36.04	-	-	52.00	-	-
<b>Employee benefits</b>						
Gratuity Trust	-	-	-	-	-	-
Lotte India Corporation Limited Superannuation Trust	31.19	-	-	33.37	-	-
<b>Rental Expenses</b>						
Havmor Icecream Pvt Ltd	-	0.69	-	-	-	-

**Remuneration to KMP**

	Year ended March 31, 2024	Year ended March 31, 2023
- Mr. Milan Wahi	159.39	142.84
- Mr. Kyung Woon Cho	170.70	149.25
- Mr. Jeong Kwan Heo	97.92	42.47

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

Managerial remuneration above does not include gratuity and leave encashment benefit, since the same is computed actuarially for all the employee and the amount attributable to the managerial person cannot be ascertained separately.

Sitting Fees paid to Independent Directors amounts to INR 11.50 lakhs (March 31, 2023: INR 10.50 lakhs)

“During the year, the Company has paid remuneration to the management personnel within the limits of Section 197 of the Companies Act 2013. However, the remuneration is in excess of the approvals as specified in the resolutions in the general meeting to the extent of Rs.12.77 Lakhs. The Company has proposed to obtain the shareholders’ approval for the payments made in excess of the resolutions in their ensuing Annual General Meeting.

Description	As at March 31, 2024		As at March 31, 2023	
	Holding company	Fellow subsidiaries	Holding company	Fellow subsidiaries
Balances outstanding at the period/year end				
Trade payables				
Lotte Wellfood Company Limited, South Korea	926.45		1,301.59	
Trade receivables				
Lotte Wellfood Company Limited, South Korea	148.77		214.04	

\*(Refer note 30 for transactions with post-employment benefit plans)

### 35 Segment reporting

#### a) Description of segments

The board of directors as chief operating decision maker (CODM) of the Company for the purpose of resource allocation and segment performance focuses on single business segment of manufacture and trading of confectionery and related products and hence, there is only one reportable business segment in terms of Ind AS 108: Operating Segment.

#### Entity wide disclosures

The Company is domiciled in India

Particulars	March 31, 2024			March 31, 2023		
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue by Geographical area	64,766.73	3,269.74	68,036.47	55,872.54	4,042.88	59,915.42
Carrying amount of Segment assets	83,860.68	4,050.92	87,911.60	85,313.94	3,288.75	88,602.70
Capital expenditure	15.31	-	15.31	2,079.11	-	2,079.11

#### Information about revenue from major customers

During the year, there is no revenue from a single customer which is more than 10% of the Company’s total revenue.

### 36 Commitments

#### (a) Capital Commitments

	March 31, 2024	March 31, 2023
Estimated value of contracts in capital account remaining to be executed	5,506.00	7,487.59

#### (b) Export obligations

In respect of capital goods imported at concessional rate of duties and under Export Promotion Capital Goods scheme, as at the balance sheet date, the Company has Nil export obligation (March 31, 2023 : INR Nil).

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 37 Contingent liabilities

	March 31, 2024	March 31, 2023
<b>Claims against the company not acknowledged as debts</b>		
Disputes relating to Service tax/ Excise duty/ VAT/ Income tax	75.42	765.14

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities. There are employee and trade mark related litigations that are pending with various authorities. The financial impact of such matters will depend upon the outcome of the matter. The management does not expect any material liability in this regard.

The Company evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the Management the aforesaid matter is not likely to have a significant impact.

### 38 CSR Expenditure

The below are the obligations & spend amount towards CSR:

Particulars	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year	14.34	-
Amount of expenditure incurred	15.59	-
Amount of shortfall for the year	-	-
<b>Amount of cumulative shortfall spent at the end of the year</b>	<b>-</b>	<b>-</b>

\*The provisions of CSR expenditure as set out in Section 135 of the Companies Act were not applicable to the Company during the previous year.

### 39 Financial Ratios

Ratios	FY 2023-24	FY 2022-23	Variance %	Reasons
(a) Current Ratio	0.95	1.57	-39%	Primarily attributable to decrease in Cash and Cash Equivalent balance as compared to the previous year on account of capital expenditures incurred during the year.
(b) Debt-Equity Ratio	0.09	0.14	-39%	Primarily attributable repayment of borrowings.
(c) Debt Service Coverage Ratio	2.16	1.53	41%	Primarily attributable to the decrease in interest and principal repayments (including leases)
(d) Return on Equity Ratio	0.03	0.00	-1602%	Primarily attributable to increase in Profit After Tax on a year on year basis.
(e) Inventory turnover ratio	4.43	5.81	-24%	
(f) Trade Receivables turnover ratio	20.86	15.64	33%	Primarily attributable to decrease in Trade Receivables due to better collections.
(g) Trade payables turnover ratio	3.82	3.88	-1%	
(h) Net capital turnover ratio	(73.22)	5.63	-1402%	Primarily attributable to decrease in current assets arising from decrease in Cash & Cash Equivalents.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

Ratios	FY 2023-24	FY 2022-23	Variance %	Reasons
(i) Net profit ratio	0.03	0.00	-1657%	Primarily attributable to the increase in profit, on account of improved business performances.
(j) Return on Capital employed	0.07	0.02	328%	Primarily attributable to increase in profits
(k) Return on investment	0.11	0.04	166%	Primarily attributable to increase in interest income and investments during the CY

The reason for change in ratios by more than 25% is mainly due to higher volumes and profitability achieved during year ended March 31, 2024 in comparison with year ended March 31, 2023.

Ratios	Numerator	Denominator
(a) Current Ratio	Current assets	Current Liabilities
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity
(c) Debt Service Coverage Ratio	Net profit after taxes + Non-cash operating expenses	Interest & Lease Payments + Principal Repayments
(d) Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity
(e) Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory
(f) Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable
(g) Trade payables turnover ratio	Net Credit Purchases	Average Accounts Payable
(h) Net capital turnover ratio	Total sales - sales return	Working Capital
(i) Net profit ratio	Net Profit	Total sales - sales return
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed
(k) Return on investment	Interest (Finance Income)	Bank Deposits

### 40 Additional regulatory information required by Schedule III

#### i. Transactions with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### ii. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### iii. Borrowing secured against current assets

The Company has borrowing facilities from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out below.

Quarter Ended	Amount as per Return	Amount as per books	Difference	Reasons for difference
30-Jun-23	9,632.87	9,597.60	35.27	Difference is on account of Loss allowance on Debtors which was finalised subsequent to the filings.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### iv. Willful defaulter

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

### v. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

### vi. Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### vii. Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

### viii. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### ix. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

## 41 Earnings per share

	March 31, 2024	March 31, 2023
<b>Basic earnings per share</b>		
Profit after tax (A)	2,219.99	(125.54)
Number of equity shares of INR 10 each at the end of the period/year	14,102,363	14,102,363
Weighted average number of equity shares of INR 10 each outstanding during the year (B)	14,102,363	12,682,705
Basic earnings per share - (in INR) (A/B)	15.74	(0.99)

There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

## Notes forming part of the Financial Statements (Contd.)

(All amounts are in INR lakhs, unless otherwise stated )

### 42 Assets pledged as security

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
(a) Charge on entire stocks and receivables, both present and future	10,299.62	9,316.69
	10,299.62	9,316.69

### 43 Transfer pricing

The independent review for assessing compliance with Transfer Pricing Rules issued by the Central Board of Direct Taxes under the provisions of the Income Tax Act, 1961 for the year ended March 31, 2024 is in progress. However, on the basis of self assessment of the operations during the year, the Management does not expect any significant deviation from the requirements of the aforesaid Transfer Pricing Rules.

### 44 Events after the reporting period

The Board of Directors in the meeting held on 29th July, 2024 has accorded its approval for the merger of Havmor Ice Cream Private Limited (Transferor Company) with Lotte India Corporation Limited (Transferee Company) which is subject to the approval of shareholders and National Company Law Tribunal (NCLT). The Company has filed the necessary application with NCLT in this regard.

### 45 Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on August 16, 2024.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Gauthami N**

Partner

Membership Number: 216759

**Kyung Woon Cho**

Chairman cum Executive Director

DIN : 09048060

**Jeong Kwan Heo**

Chief Financial Officer

Place: Chennai

Date: August 16, 2024

For and on behalf of Board of Directors

**Lotte India Corporation Limited**

**Milan Wahi**

Managing Director

DIN : 05242884

**D.G. Rajan**

Independent Director

DIN : 00303060

**T.G. Karthikeyan**

Company Secretary

Place: Chennai

Date: August 16, 2024





Head office:  
LOTTE India Corporation Limited,  
4/169, Rajiv Gandhi Salai (OMR),  
Kandanchavadi, Chennai 600 096, TN, India.