HAVMOR ICE CREAM PRIVATE LIMITED
CIN: U15200GJ2006PTC048016
Registered Office: 2nd Floor, Commerce House - 4 B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad, Gujarat – 380015
Phone: 079-4020-9000 | **E-mail:** havmor@havmor.com | **Website:** www.havmor.com

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF HAVMOR ICE CREAM PRIVATE LIMITED

*Pursuant to the order of Hon'ble National Company Law Tribunal, Ahmedabad Bench (**"Tribunal"**) dated August 30, 2024.*

MEETING DETAILS	
Day	Saturday
Date	October 12, 2024
Time	11:00 A.M. (IST)
Mode of Meeting	As per the directions of the Chairperson appointed by the Tribunal, the Meeting shall be conducted through Video Conferencing (**"VC"**)/ Other Audio-Visual Means ("**OAVM**")
Venue / Mode	Since the Meeting is to be held via VC/OAVM, physical venue is inapplicable. Unsecured Creditors can join the Meeting by logging on to https://www.evoting.nsdl.com and following the steps mentioned in this Notice.
Unsecured Creditors means	Unsecured Creditors, whose name is appearing in the chartered accountant's certificate certifying the list of Unsecured Creditors as on March 31, 2024
Remote e-voting start date and time	Wednesday, October 09, 2024 at 09:00 A.M. (IST)
Remote e-voting end date and time	Friday, October 11, 2024 at 05:00 P.M. (IST)

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The Notice of the Meeting, Explanatory Statement under Section 230(3) read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules and all annexures thereto constitute a single and complete set of documents and should be read together as they form an integral part of this document.

Place: Ahmedabad
Date: September 10, 2024

Sd/-
Jaehyun Kim
Director
DIN: 10047983

FORM NO. CAA. 2

(Pursuant to Section 230 (3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH CA(CAA)/39(AHM)2024

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN HAVMOR ICE CREAM PRIVATE LIMITED AND LOTTE INDIA CORPORATION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

BETWEEN

Havmor Ice Cream Private Limited
CIN: U15200GJ2006PTC048016
A company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at 2nd Floor, Commerce House - 4 B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad, Gujarat – 380015.
Email Id: havmor@havmor.com

------- **Applicant Company - 1/ Transferor Company**

Lotte India Corporation Limited,
CIN: U15419GJ1954PLC153704
A company incorporated under the provisions of the Companies Act, 1913 and having its registered office situated at 22b, 2nd Floor Commerce House – 4, Beside Shell Petrol Pump, Prahaladnagar, Ahmedabad, Gujarat – 380015.
Email Id: compsecy@lotteindia.com

------- **Applicant Company - 2/ Transferee Company**

NOTICE CONVENING MEETING OF UNSECURED CREDITORS OF HAVMOR ICE CREAM PRIVATE LIMITED

To
The Unsecured Creditors of
Havmor Ice Cream Private Limited

1. **NOTICE** is hereby given that pursuant to the Order dated August 30, 2024 (**"Tribunal Order"**), passed by the Hon'ble National Company Law Tribunal, Ahmedabad (**"Tribunal"**), a Meeting of the Unsecured Creditors of the Havmor Ice Cream Private Limited ("**Transferor Company**" or **"Company"**), will be held for the purpose of their considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Transferor Company and Lotte India Corporation Limited ("**Transferee Company**") and their respective Shareholders and Creditors ("**Scheme**") on October 12, 2024 at 11:00 A.M. (IST) at 2nd Floor, Commerce House - 4 B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar,

Ahmedabad, Gujarat – 380015, registered office of the Company (deemed venue) ("**Meeting**"). A copy of the Tribunal Order is annexed hereto and marked as **Annexure 2.**

2. Pursuant to the said Tribunal Order and as directed therein, the Meeting will be held through Video Conferencing ("**VC**")/ other Audio Visual means ("**OAVM**") , in compliance with the applicable provisions of the Companies Act, 2013 ("**Act**") and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ("**SS-2**") to consider, and if thought fit, to pass, with or without modification(s) the following resolution for approval of the Scheme by requisite majority as prescribed under Sections 230(1) and 230(6) read with 232(1) of the Act, as amended:

   *"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), applicable circulars and notifications issued by the Ministry of Corporate Affairs ("MCA"), the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), subject to the provisions of the Memorandum and Articles of Association of Havmor Ice Cream Private Limited ("**Company**") and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**Tribunal**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("**Board**") which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board or any other person authorized by it to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between the Company and Lotte India Corporation Limited and their respective Shareholders and Creditors ("**Scheme**"), be and is hereby approved.*

   ***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.*

   ***RESOLVED FURTHER THAT** the Board may delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this resolution, if required, as it may in its absolute discretion deem fit, necessary, or desirable, without any further approval from the Unsecured Creditors of the Company."*

3. **TAKE FURTHER NOTICE THAT** the Unsecured Creditors shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes (a) through e-voting system available at the Meeting to be held virtually on October 12, 2024 at 11:00 A.M. (IST) till the conclusion of the Meeting ("**E-voting at the Meeting**"); or (b) by remote electronic voting ("**Remote e-voting**") during the period as stated below:

Remote e-voting period	
Commencement of voting	Wednesday, October 09, 2024 at 09:00 A.M. (IST)
End of voting	Friday, October 11, 2024 at 05:00 P.M. (IST)

E-voting at the Meeting and Remote e-voting shall be hereinafter collectively referred to as "E-Voting".

4. Unsecured Creditors, whose name is appearing in the chartered accountant's certificate certifying the list of Unsecured Creditors as of March 31, 2024, shall only be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting.

5. A copy of the Scheme, Explanatory Statement under Section 230 (3) read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**CAA Rules**") along with all annexures to such statement are enclosed herewith.

6. The Tribunal has appointed Mr. S.B. Gautam, Ex. Member, NCLT, (Email Id sbgautam04@gmail.com, Mobile No.- 9871998639) as the Chairperson and Kamil Lokhandwala, Advocate, (Email Id - kamil.lokhandwala@gmail.com, Mobile No.- 9925192212) as the Scrutinizer for the Meeting. The above-mentioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the Tribunal.

7. The Scheme, if approved in the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions, and sanctions of regulatory or other authorities, as may be necessary.

8. The Transferor Company has appointed MAS Services Limited [through National Securities Depository Limited **("NSDL")**], for the purposes of providing e-voting facility for the Meeting so as to enable the Unsecured Creditors of Company to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Unsecured Creditors on the proposed resolution shall be carried out through e-voting facility made available for the Meeting, as stated in the notes herein below.

9. If so desired, Unsecured Creditors may obtain a physical copy of the Notice and the accompanying documents, i.e., Scheme and the statement under Section 230 (3) read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules, free of charge. A request in this regard, may be sent at sonam.jain@havmor.com.

Place: Ahmedabad
Date: September 10, 2024

Sd/-
Jaehyun Kim
Director
DIN: 10047983

Notes for the Meeting:

1. Pursuant to the directions of the Tribunal vide the Tribunal Order, the Meeting is being conducted through VC/ OAVM facility to transact the business set out in this Notice. The deemed venue for the Meeting shall be the registered office of the Company.

2. An Explanatory Statement pursuant to Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 **("Rules") ("Explanatory Statement")** in respect of the business set out in the Notice of the Meeting is annexed hereto. The Meeting will be conducted in compliance with the applicable provisions of the Tribunal Order, Act, SS-2, and other applicable laws.

3. In terms of the Tribunal Order, the Notice, Explanatory Statement under Section 230 (3) read with Section 102 and other applicable provisions of the Act and all annexures thereto are being sent through electronic mode to Unsecured Creditors whose e-mail IDs are registered with the Company. For those Unsecured Creditors whose e-mail IDs are not registered with the Company, the Notice, Explanatory Statement under Section 230 (3) read with Section 102 and other applicable provisions of the Act and all annexures thereto are being dispatched physically.

4. Since, the Meeting is being held through VC/ OAVM, physical attendance of the Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for the Meeting and hence the route map, proxy form and attendance slip are not annexed hereto. Further, a body corporate which is an Unsecured Creditor of the Company is entitled to appoint a representative for the purposes of participating and or voting during the Meeting.The provisions of MCA General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 21, 2021, General Circular No. 20/2021 dated December 08, 2021, 03/2022 dated May 05, 2022, 11/2022 dated December 28, 2022 and General Circular 09/ 2023 dated September 25, 2023, as amended and other applicable circulars issued by MCA and any other regulatory authority, as applicable, from time to time shall apply mutatis mutandis.

5. The authorized representative of a body corporate which is an Unsecured Creditor of the Company may attend and vote at the Meeting provided a copy of the resolution of the Board of Directors or other governing body of the body corporate authorizes such representative to attend and vote at the Meeting, duly certified to be a true copy by a director, manager, secretary or other officer of such body corporate, is e-mailed to the Scrutinizer through email at the registered email address kamil.lokhandwala@gmail.com before the VC/ OAVM Meeting or before the Remote e-voting, as the case may be.

6. MAS Services Limited (through NSDL), the e-voting service provider will provide the facility for voting to the Unsecured Creditors through Remote e-voting, for participation in the Meeting through VC/ OAVM and E-voting at the Meeting.

7. Unsecured Creditors attending the Meeting through VC / OAVM shall be reckoned for the purpose of quorum. In terms of the Tribunal Order, the quorum for the Meeting shall be 20 in number of the Unsecured Creditors of the Company. Further, in terms of the Tribunal Order in case the aforesaid quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by half an hour and thereafter, if the aforesaid quorum is still not present, the persons present and voting at the Meeting shall be deemed to constitute the quorum.

8. Voting rights of the Unsecured Creditors shall be in proportion to such Unsecured Creditor's outstanding value / amount (due to the Unsecured Creditor) as on March 31, 2024.

9. The Unsecured Creditors of the Transferor Company can join the Meeting in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by

following the procedure mentioned in the Notice. The detailed instructions for joining the Meeting through VC/ OAVM forms part of the notes to this Notice.

10. All the documents referred to in the accompanying statement, shall be available for inspection through electronic mode during the proceedings of the Meeting. The Unsecured Creditors seeking to inspect copies of the said documents may send an email at sonam.jain@havmor.com. Further, all the documents referred to in the accompanying Explanatory Statement shall also be open for inspection to the Unsecured Creditors at the registered office of the Company between 10:00 A.M. to 05:00 P.M., on all working days up to the date of the Meeting. In addition to the above, all the documents referred to in the accompanying Explanatory Statement, shall also be placed on the website of the Company at https://www.havmor.com/news-updates.

11. Subject to receipt of requisite majority of votes as per Sections 230 to 232 of the Act, the resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).

12. It is clarified that casting of votes by Remote e-voting (prior to the Meeting) does not disentitle Unsecured Creditors from attending the Meeting. However, after exercising right to vote through Remote e-voting prior to the Meeting, Unsecured Creditors shall not vote again at the Meeting. In case the Unsecured Creditors cast their vote *via* both the modes i.e., Remote e-voting prior to the Meeting as well as E-voting at the Meeting, then voting done through Remote e-voting before the Meeting shall prevail once the vote on a resolution is cast by the Unsecured Creditors, whether partially or otherwise. The Unsecured Creditors shall not be allowed to change it subsequently.

13. As directed by the Tribunal, Kamil Lokhandwala, Advocate, (E-mail Id- kamil.lokhandwala@gmail.com, Mobile No.- 9925192212), has been appointed as Scrutinizer for the said Tribunal convened meeting of the Unsecured Creditors for conducting voting by Remote e-Voting and e-voting during the Meeting in a fair and transparent manner. The scrutinizer will submit his report to the Chairperson after completion of the scrutiny of the votes casted by the Unsecured Creditors through e-voting (both prior to and during the Meeting). The scrutinizer's decision on the validity of the votes shall be final. The results of votes casted through Remote e-voting and E-voting at the Meeting, shall be announced by the Chairperson not later than three (3) days of the conclusion of the Meeting upon receipt of scrutinizer's report and the same shall be displayed on the website of the Company i.e. https://www.havmor.com/news-updates and on the website of NSDL i.e. https://www.evoting.nsdl.com/.

14. As per the Tribunal Order, the Chairperson shall report the result of the Meeting to the Tribunal three (3) days from the date of holding of the meeting with regard to Scheme.

15. Remote e-voting:
The Remote e-voting period shall commence on Wednesday, October 09, 2024, at 09:00 A.M. (IST) and ends on Friday, October 11, 2024 at 05:00 P.M. (IST). During this period, Unsecured Creditors of the Company, may cast their vote by Remote e-voting. The said Remote e-voting module shall be disabled by NSDL for voting immediately thereafter. Unsecured Creditors who have not casted their votes through Remote e-voting will be able to cast their votes through e-voting during the meeting on Saturday, October 12, 2024 from 11:00 A.M. IST till the conclusion of the meeting.

16. Unsecured Creditors of the Company who have not registered their email address with the Company, may complete the email registration process as under to vote on the resolution(s) mentioned therein:

(i) The Unsecured Creditors of the Company who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with the Company by sending email at sonam.jain@havmor.com. The Unsecured Creditors are requested to provide details such as name, PAN, mobile number and e-mail ID.

(ii) It is clarified that for permanent registration of email address, Unsecured Creditors are requested to register their email addresses, with the Transferor Company.

17. In case of any difficulty in e-voting or attending the Meeting through VC/ OAVM, etc., the following persons may be contacted:

Name	Sharwan Mangla
Contact Number	9811742828
E-mail ID	info@masserv.com

18. The instructions for Unsecured Creditors for Remote e-voting and joining Meeting are as under:

The Remote e-voting period begins on Wednesday, October 09, 2024 at 9:00 A.M.(IST) and ends on Friday, October 11, 2024 at 5:00 P.M. (IST). The Remote e-voting module shall be disabled by NSDL for voting thereafter. Unsecured Creditors who have not casted their votes through Remote e-voting will be able to cast their votes through e-voting during the meeting on Saturday, October 12, 2024 from 11:00 A.M. IST till the conclusion of the meeting. The Unsecured Creditors as per the list (as of March 31, 2024) filed with the Tribunal, may cast their vote electronically. The voting rights of the Unsecured Creditors shall be in proportion to their outstanding dues on the Company as on March 31, 2024.

Login method for Unsecured Creditors:

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer/laptop or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon 'Login' available under the 'Shareholder/ Member/ Creditor' section.

3. A new screen will open.

4. Enter User ID as given in email.

5. Enter Password as given in email.

6. Enter Verification Code/ Captcha.

7. Agree to the terms and conditions by clicking on check box next to 'I hereby agree to all Terms and Conditions'.

8. Click on the 'Login' button.

9. After successful login, EVEN of the Company will be visible. Select EVEN of the Transferor Company to cast your vote.

10. Now, the voting page will open.

11. Cast vote by selecting appropriate options i.e., assent or dissent, and click on 'Submit'. Click on 'Confirm' when prompted.

12. Upon confirmation, the message 'Vote casted successfully' will be displayed.

13. Printout of the vote casted may be taken by clicking on the print option on the confirmation page.

14. Once vote is cast, it cannot be modified.

Instructions for Unsecured Creditors for attending the meeting through VC/OAVM:

1. Unsecured Creditors will be provided with a facility to attend the meeting through Video Conferencing through the NSDL e-voting system.

2. Login to NSDL e-voting system (by following the steps mentioned above). Thereafter, link of VC/OAVM link' will be visible under 'Join General Meeting' menu against the name of Transferor Company.

3. Click on 'VC/OAVM link' placed under 'Join General Meeting' menu. The link for VC/OAVM will be available in 'Shareholder/ Member/ Creditor' login where the EVEN of the Transferor Company will be displayed.

4. After clicking on the link, the system will be redirected to Cisco website.

5. Enter first name.

6. Enter last name.

7. Enter email ID.

8. Click on 'Join Now'.

9. If Cisco driver is not available in the system, please click on 'run temporary driver'.

10. Unsecured Creditors are encouraged to join the meeting through laptops or personal computer for better experience.

11. Further, Unsecured Creditors will be required to allow Camera and Microphone and use Internet with a good speed to avoid any disturbance during the meeting.

12. Please note that Unsecured Creditors connecting from mobile devices or tablets, or using internet via mobile hotspot, may experience audio/ video disturbances due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of the aforesaid glitches.

13. Unsecured Creditors who would like to express their views/ have questions may send their questions in advance (up to 7 days before the meeting) mentioning their name, email ID, and mobile number at sonam.jain@havmor.com. The same will be suitably addressed by the Company.

19. Declaration of voting results: The scrutinizer will, after the conclusion of E-voting at the Meeting, scrutinize the vote casted at the Meeting and votes cast through Remote e-voting, make a consolidated scrutinizer's report and submit the same to the Chairperson of the

Meeting. The result of voting for the Meeting will be declared within 3 (three) days of the conclusion of the Meeting and the same, along with the consolidated scrutinizer's report will be displayed on the website of the Company at https://www.havmor.com/news-updates and at the registered office of the Company.

20. Procedure for inspection of documents:

(i) Documents for inspection as referred to in the Notice will be available electronically for inspection without any payment of fee by the Unsecured Creditors of the Company from the date of circulation of this Notice up to the date of Meeting. The Unsecured Creditors of the Company seeking to inspect such documents can write to the Company at sonam.jain@havmor.com..

(ii) The Unsecured Creditors of the Company seeking any information with regard to the Scheme, or the matter proposed to be considered at the Meeting, are requested to write to the Company at least 7 (seven) days before the date of the Meeting through email on sonam.jain@havmor.com. The same will be replied to by the Company, suitably.

(iii) The Unsecured Creditors are requested to carefully read all the notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through Remote e-voting and E-voting at the Meeting.

FORM NO. CAA. 2

(*Pursuant to Section 230 (3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)*

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH
CA (CAA) /39 (AHM) 2024

IN THE MATTER OF SECTIONS 230 TO 232
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN HAVMOR ICE CREAM PRIVATE LIMITED AND LOTTE INDIA CORPORATION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

EXPLANATORY STATEMENT UNDER SECTION 230 (3) READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("CAA RULES") TO THE NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF HAVMOR ICE CREAM PRIVATE LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH ("TRIBUNAL") DATED AUGUST 30, 2024 ("TRIBUNAL ORDER")

1. Meeting for the Scheme:

This is a statement accompanying the Notice convening the Meeting of the Unsecured Creditors of Havmor Ice Cream Private Limited ("**Transferor Company**" or "**Company**"), for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Transferor Company and Lotte India Corporation Limited (**"Transferee Company"**) and their respective shareholders and creditors ("**Scheme**"). The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and reduction of share capital of the Transferee Company in the manner specified in the Scheme and various other matters consequential thereto or otherwise integrally connected therewith.

Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

The salient features of the Scheme are given in Paragraph 3 of this Statement. A copy of the Scheme is annexed hereto and marked as **Annexure 1**.

2. Rationale and benefits of the Scheme:

Amalgamation of the Transferor Company with and into the Transferee Company would inter alia have the following benefits:

1.1 The Transferor Company and Transferee Company are part of the same group i.e. "Lotte Group" based at South Korea and the management of the Lotte Group is contemplating consolidation of Transferor Company with the Transferee Company. Post the above-mentioned business restructuring, the proposed consolidation is expected to realize the benefits of greater business synergies through supply chain optimisation, operational improvements, go-to-market strategies, distribution network optimization, scale efficiencies in cost areas such as marketing and optimization of overlapping infrastructure, reduced administrative and other costs. More particularly, the reasons and circumstances leading to and justifying the proposed Amalgamation (as defined hereinafter) of the Transferor Company with the Transferee Company, which make it beneficial for all the concerned stakeholders, including the shareholders of the Transferor Company and Transferee Company, are as follows:

(i) It will provide synergistic integration of the business operations of the Transferee Company and the Transferor Company, thus enabling better operational management and greater focus.

(ii) Consolidation of the business and simplification of the group structure. It would result in a simple corporate structure, greater efficiency in cash management of the Transferee Company, access to cash flow generated by the combined business thus enabling focus on core competencies.

(iii) The Amalgamation will bring about simplicity in working, reduce various statutory and regulatory compliances (including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc) and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources thus leading to operational effectiveness and cost optimization.

(iv) It will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions presently being carried out in each individual entity within the group such as information technology, human resources, finance, legal and general management, and this will lead to the organization becoming more efficient and capable of responding swiftly to volatile and rapidly changing market scenarios.

(v) The scheme envisages transfer of the entire Undertaking of the Transferor Company as a going concern to the Transferee Company and creation of greater value for shareholders, creditors and all other stakeholders.

(vi) The Amalgamation shall result in enhancing the brand awareness of “Lotte” on account of widening of customer base and consolidation of resources resulting in a wider market reach. It shall also lead to economies of scale, allowing for more efficient use of resources and lower costs per unit. The increased efficiency can be reinvested in brand-building activities, further enhancing brand awareness.

1.2 In view of the aforesaid, the Board (as defined hereinafter) of the Companies have considered and proposed the Amalgamation of the Transferor Company with and into the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the Scheme has been formulated pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act the rules and regulations framed thereunder and also read with Section 2(1B) read with Section 72A of the Income Tax Act, 1961, as applicable, for the Amalgamation.

Reduction of share capital of the Transferee Company will, inter-alia, result in the following benefits:

1.3 The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize or liquidate their shareholding. The Scheme provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner by way of capital reduction.

1.4 The Transferee Company is having sufficient reserves and cash, and intends to reduce its paid-up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.

1.5 The proposed reduction of paid-up share capital of the Transferee Company shall also entail the following additional benefits of the Transferee Company:

i. Savings in administrative and other costs associated with servicing a very small percentage of the shareholding held by the Relevant Shareholders.

ii. Ease of management in undertaking statutory and regulatory compliances related to Relevant Shareholders.

This Scheme would be in the interest of the Transferor Company and Transferee Company, and their respective shareholders, creditors, employees, vendors and other stakeholders and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Background of the companies:

Transferor Company: is a private company which was incorporated on 27th March 2006 under the provisions of the Companies Act, 1956 having CIN U15200GJ2006PTC048016, PAN AABCH6766L and e-mail ID havmor@havmor.com. Presently, the registered office of the Transferor Company is situated at 2nd Floor, Commerce House - 4 B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad - 380015, Gujarat. Transferor Company is primarily engaged in manufacturing various flavors of ice creams sold in different forms of consumer packs like bulk packs, party packs, family packs, sundaes, cups, cones, candies, bars, roll cut slices, etc. The Transferor Company has not changed its name, registered office and objects in last five years.

The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company as per its Memorandum of Association are as follows:

a. *To carry on the business in India or elsewhere the business to manufacture, produce, process, convert, commercialize, extract, cool, boil, collect, raise, pack, repack, grade, prepare, supply, market, import, export, buy, sell, distribute, store and to act as an agent, broker, concessionaires, consultants, consignors or otherwise in all types of milk, cream, butter, dry fruits etc and its derivatives, products, by products, residues including ice creams, milk creams, condensed milk yogurt, curd, confectioneries, cakes, biscuits, pastries, Ice Cream cones, promotional material and protein food including the Raw Material, packing material, semifinished goods related to Ice Cream and related products and Deep Freezes, push cart, tricycles incidental to the Ice Cream Business*

   To provide franchisees and support services related to Ice Cream Business.

Further, Clause 7 of the Memorandum of Association of Transferor Company, permits it "to acquire or amalgamate, absorb or merge with any other company or companies or to form, promote subsidiaries having objects altogether or in part similar to those of this company."

The share capital structure of the Transferor Company as on 31st March 2024, was as follows:

Particulars	INR
Authorised Share Capital	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
1,00,00,000 equity shares of INR 10 each, fully paid-up	10,00,00,000
Total	**10,00,00,000**

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company until the date of approval of the Scheme by the Board of the Transferor Company.

The details of Promoters of the Transferor Company is as follows:

Sl.no.	Name of Promoter	Address
1.	Lotte Wellfood Co. Ltd.	10 Yangpyung-Lo 21-Gil, Youngdeungpo-Gu, Seoul, Korea

The details of Directors of the Transferor Company as on date is mentioned herein below:

Sl.no.	Name of Director	DIN	Address
1.	Youngdong Jin	08948380	201-Ho, 22, Subyeon-Ro, 107Beon-Gil, Bupyeong-gu, Incheon, Metropolitan, 21398
2.	Duraiswamy Gunaseela Rajan	00303060	"Chitra" No. 110, Chamiers Road, Chennai – 600028, Tamil Nadu
3.	Kyungwoon Cho	09048060	301, Third Floor, Tower "V" at Door No.174, Satyadev Avenue Extension, MRC Nagar Main Road, Raja Annamalai Puram, Chennai – 600028, Tamil Nadu
4.	Komal Anand	06693454	352, Mount Kailash Tower-1, 9th Floor East of kailash, New Delhi, South Delhi 110065, India
5.	Jaehyun Kim	10047983	Gangseo Hillstate 134-201, 67, Uhyeon-ro, Gangseo-gu, Seoul Metropolitan, Korea

6.	Jun Yeon Kim	10519756	103-1001, 37, Dokseodang-ro, 40-gil, Seongdong-gu, Seoul, Korea (Oksu-dong, Eoullim Apt.)

The copy of audited financial results as at 31st March 2023 and provisional financial results as at 31st March 2024 of the Transferor Company are annexed hereto and marked as **Annexure 3** and **Annexure 4** respectively.

In compliance with the provisions of section 232(2)(c) of the Act, the Board of Transferor Company, has adopted a report, inter alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of Transferor Company is enclosed as **Annexure 7A**.

Transferee Company: is a public company incorporated on 26th March, 1954 under the provisions of the Companies Act, 1913 having CIN U15419GJ1954PLC153704, PAN AAACP1916F and e-mail ID compsecy@lotteindia.com. Presently, the registered office of the Transferee Company is situated at 22b, 2nd Floor Commerce House – 4, Beside Shell Petrol Pump, Prahaladnagar, Ahmedabad – 380015, Gujarat. The Transferee Company is engaged in the business of manufacturing and marketing of cakes, pies and other confectionery products. The Transferee Company has neither changed its name nor its objects in last five years. However, the Transferee Company had shifted its registered office from the State of Tamil Nadu to the State of Gujarat w.e.f. 23rd July, 2024.

The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company as per its Memorandum of Association are as follows:

1. To carry on the business in India and elsewhere of manufacturers, buyers, sellers, importers and exporters of and dealers in sweets, chocolates, toffees, caramels, confectionery, sugar molasses, gur, saccharine and all sugar and saccharine products and by-products of every description and in bread, flour, biscuits and farinaceous compounds and materials of every description.

2. To carry on and work the business of manufactures, fabricators, processors, producers, makers, importers, exporters of cakes, pastry, biscuits, chocolates, confectionery, sweets, chewing gums, milk cream, ice creams and all kinds of process foods as well as materials required or used for preparation of food products.

3. To carry on the business of producers of and dealers in dairy farm and garden produce of all kinds and in particular milk, cream, butter, cheese, poultry and eggs and to carry on business as cow-keepers, goat-keepers, farmers, millers and market gardeners and manufacturers of all kinds of condensed milk, jam, pickles and preserved provisions of all kinds.

4. To carry on the manufacture of ice cream, frozen foods, snack foods, processed foods, beverages of all kinds, natural / artificial fruit juices, water portable and potable and all other related activities thereto.

5. To carry on the business of manufactures, develop, import, export and dealers in sugar free chocolates, toffees, chewing gum, bubble gum and other sugar free products of all kinds.

Further, Clause 17 of the Ancillary Objects in the Memorandum of Association of the Transferee Company, permits it “to amalgamate with any Company or Companies having objects altogether or in part similar to those of this Company”.

The share capital structure of the Transferee Company as on March 31, 2024 is as follows:

Particulars	INR
Authorised Share Capital	
37,00,00,000 equity shares of INR 10 each	3,70,00,00,000
Total	**3,70,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
1,41,02,363 equity shares of INR 10 each, fully paid-up	14,10,23,630
Total	**14,10,23,630**

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company until the date of approval of the Scheme by the Board of the Transferee Company.

The details of Promoters of the Transferee Company is as follows:

Sl.no.	Name of Promoter	Address
1.	Lotte Wellfood Co. Ltd.	10 Yangpyung-Lo 21-Gil, Youngdeungpo-Gu, Seoul, Korea

The details of Directors of the Transferee Company as on date is mentioned herein below:

Sl.no.	Name of Director	DIN	Address
1.	Kyungwoon Cho	09048060	301, Third Floor, Tower "V" at Door No.174, Satyadev Avenue Extension, MRC Nagar Main Road, Raja Annamalai Puram, Chennai – 600028, Tamil Nadu
2.	Milan Wahi	05242884	Flat No 603, Bridgewood B Block, House of Hiranandani, 5/63, Rajiv Gandhi Salai (OMR Road), Kelambakkam, Chengelpattu – 603103
3.	Jeehye You	07817025	23, Sultanpur Farms, New Delhi – 110074
4.	Jun Yeon Kim	10519756	103-1001, 37, Dokseodang-ro, 40-gil, Seongdong-gu, Seoul, Korea (Oksu-dong, Eoullim Apt.)
5.	N. Ramesh Rajan	01628318	No.12, Tarapore Avenue, Harrington Road, Chetpet, Chennai – 600 031

The copy of audited financial results for the year ended 31st March 2023 and provisional financial results as on 31st March 2024 of the Transferee Company are annexed hereto and marked as **Annexure 5** and **Annexure 6** respectively.

In compliance with the provisions of section 232(2)(c) of the Act, the Board of Transferee Company, has adopted a report, inter alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of Transferee Company is enclosed as **Annexure 7B**.

Both the Transferor Company and Transferee Company are the part of same group and are fellow subsidiaries.

3. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, *inter alia*, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in the Scheme:

a) The Scheme provides for amalgamation of the Transferor Company with the Transferee Company and reduction of share capital of Transferee Company and is presented under Sections 230 to 232 and other applicable provisions of the Act.

b) Upon the Scheme coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company, 1,679 equity share of the Transferee Company of face value INR 10 each, fully paid-up, at par, for every 1,000 equity share of the Transferor Company, shall be issued to the shareholders of the Transferor Company whose name is recorded in the register of members of the Transferor Company as equity shareholder.

c) Upon the Scheme coming into effect, the Relevant Shareholders of the Transferee Company shall be paid for the equity shares held by them in lieu of cancellation and extinguishment of such shares, a sum of INR 882.29 per such equity share.

d) The Appointed Date for the purpose of this Scheme and for IT Act means April 01, 2024.

e) The Effective Date means the later of the dates on which certified copy of the order of the jurisdictional NCLT sanctioning this Scheme is filed with the jurisdictional Registrar of Companies by the Transferor Company and by the Transferee Company, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date”.

f) The Part III of the Scheme shall become effective from the Appointed Date but shall be operative on and from the Effective Date. Part IV of the Scheme shall become operative and effective on and from the Effective Date.

g) Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up and without any further act or deed.

h) Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall be added to and shall form part of the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand increased to the extent of the aggregate authorized share capital of the Transferor Company as on the effective date.

i) The Scheme is conditional upon and subject to conditions precedent as mentioned in Clause 29 of the Scheme.

Note: The above are the salient features of the Scheme. The Unsecured Creditors of the Transferor Company are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

4. BOARD APPROVALS

4.1 The Board of Directors of the Transferor Company at its Meeting held on 29th July, 2024, approved the Scheme as given below:

Name of Director	Voted in favour/ against/ did not participate or vote
Youngdong Jin	Voted in favour
Duraiswamy Gunaseela Rajan	Voted in favour
Kyungwoon Cho	Voted in favour
Komal Anand	Voted in favour
Jaehyun Kim	Voted in favour
Jun Yeon Kim	Voted in favour

4.2 The Board of Directors of the Transferee Company at its Meeting held on 29th July, 2024, approved the Scheme as given below,

Name of Director	Voted in favour/ against/ did not participate or vote
Kyungwoon Cho	Voted in favour
Milan Wahi	Voted in favour
Duraiswamy Gunaseela Rajan	Voted in favour
Jeehye You	Voted in favour
Jun Yeon Kim	Voted in favour

5. MATERIAL INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP") AND THEIR RELATIVES:

None of the Directors, KMPs, if any (as defined under the Act and rules framed thereunder), as applicable, of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder), has any interest in the Scheme except to the extent of their shareholding in the Transferor Company, if any. Save as aforesaid, none of the said Directors or the KMPs, as applicable, or their respective relatives has any material interest in the Scheme.

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their shareholding in the Transferee Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives have any material interest in the Scheme.

Since there are nil debenture holders in Transferor Company and Transferee Company there is no requirement to appoint any debenture trustees.

6. EFFECT OF SCHEME ON STAKEHOLDERS

The effect of Scheme on various stakeholders is summarized below:

a) <u>**Equity shareholders (promoter and non-promoter shareholders)**</u>

Transferor Company:

- Upon the effectiveness of the Scheme, the Transferee Company shall issue equity shares to the equity shareholders of the Transferor Company in the ratio mentioned in the

Scheme. Post amalgamation, shareholders (promoters and non-promoters) of the Transferor Company will become the shareholders of the Transferee Company.

- The effectiveness of the Scheme shall have no adverse impact on the equity shareholders of the Company.

Transferee Company:

- The effectiveness of the Scheme shall have no adverse impact on the equity shareholders of the Company. Accordingly, the equity shareholders of the Company shall continue to be the shareholders of the Company, even after the effectiveness of the Scheme.

b) <u>Key Managerial Personnel ('KMPs') and Board of Directors</u>

Transferor Company:

- Upon effectiveness of the Scheme, the Transferor Company shall stand dissolved without winding up and accordingly, its KMPs, if any, shall cease to be the KMPs of the Transferor Company.
- Upon effectiveness of the Scheme, the Transferor Company shall stand dissolved without winding up and accordingly, its Board of Directors shall cease to exist.

Transferee Company:

- The effectiveness of the Scheme will have no impact on the KMP's of the Transferee Company. The KMP's of the Transferee Company shall continue to be the KMP's, even after the effectiveness of the Scheme.
- The effectiveness of the Scheme will have no impact on the Board of Directors of the Transferee Company. The Board of the Company shall continue to be the Board of the Transferee Company, even after the effectiveness of the Scheme.

c) <u>Employees</u>

Transferor Company:

- All employees of the Transferor Company shall be deemed to have become the employees and staff of the Transferee Company with effect from the Effective Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the Transferor Company as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident fund plans and any other retirement benefits

Transferee Company:

- The Scheme will have no effect on the existing employees of the Transferee Company.

d) <u>Creditors, Debenture holders and Debenture Trustees</u>

Transferor Company:

- On the Scheme becoming effective, the creditors of the Transferor Company will become creditors of the Transferee Company and there will be no reduction in the claims of the creditors of the Transferor Company on account of the Scheme and will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

Transferee Company:

- The proposed Scheme does not involve any compromise or arrangement with the creditors. Creditors of the Transferee Company will continue to be creditors on the same terms and conditions, as before. The rights of the creditors of the Transferee Company shall not be adversely affected by the Scheme.

Neither there are any debenture holders nor there are any debenture trustees of the Transferor Company or the Transferee Company.

e) <u>Depositors and Deposit Trustees</u>

The Transferor Company and the Transferee Company have not taken any term deposits from depositors therefore, no deposit trustees have been appointed.

7. DEBT RESTRUCTURING

The Scheme does not contain or provide for debt restructuring. The Scheme does not in any manner adversely or prejudicially affect the rights of any creditors of the Transferor Company and the Transferee Company or contemplate any compromise or arrangement with the creditors of the Transferor Company and the Transferee Company.

8. REDUCTION OF SHARE CAPITAL

The issued, subscribed, and paid-up share capital of the Transferee Company as held by the Relevant Shareholders shall be cancelled and extinguished to the extent of 1,55,328 equity shares, by paying a sum of INR 882.29 per such equity share.

9. NO INVESTIGATION PROCEEDINGS

There are no proceedings pending under Sections 210 to 227 of the Act against the Transferor Company and the Transferee Company.

10. AMOUNTS DUE TO CREDITORS

The amount due to Secured Creditors of the Transferor Company and the Transferee Company, as on 31st March, 2024 is as follows:

Sl. no.	Name of the company	Amount in INR
1.	Transferor Company	15,34,79,342.84
2.	Transferee Company	Nil

The amount due to Unsecured Creditors of the Transferor Company and the Transferee Company, as on 31st March, 2024 is as follows:

Sl. no.	Name of the company	Amount in INR
1.	Transferor Company	51,84,96,141

2.	Transferee Company	1,11,67,43,001

The Scheme embodies the amalgamation between the Transferor Company and Transferee Company, and their respective shareholders and creditors. No change in value or terms or any compromise or arrangement is proposed under the Scheme with any of the creditors of the Transferor Company and the Transferee Company.

11. PRE-ARRANGEMENT AND POST ARRANGEMENT SHAREHOLDING PATTERN

The pre-Scheme shareholding pattern of the Transferor Company as on 31st March, 2024 is as follows:

Sl. no.	Particulars of Shareholder	No. of shares	% of Holding
(A)	**Shareholding of Promoter and Promoter Group**		
1	**Indian**	-	-
	Individuals/ Hindu Undivided Family	-	-
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions/ Banks	-	-
(e)	Any Others	-	-
	Sub Total(A)(1)	-	-
2	**Foreign**		
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-
(b)	Bodies Corporate	99,99,998	99.99998
(c)	Institutions	-	-
(d)	Any Others	-	-
	Sub Total(A)(2)	**99,99,998**	**99.99998**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**99,99,998**	**99.99998**
(B)	**Public shareholding**		
1	**Institutions**		
(a)	Mutual Funds/ UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Portfolio Investors (Individual & Corporate)	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other (AIF)	-	-
	Sub-Total (B)(1)	-	-
2	**Non-institutions**		
(a)	Bodies Corporate	-	-
(b)	Individuals	2	0.00002
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	-
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-
(c)	Key Managerial Personnel (KMP)	-	-
(d)	Investor Education and Protection Fund (IEPF)	-	-
(e)	Non-Resident Indians (NRIs)	-	-

Sl. no.	Particulars of Shareholder	No. of shares	% of Holding
(f)	Any Other (Trusts, HUF, LLPs, and Clearing Members)	-	-
	Sub-Total (B)(2)	2	0.00002
(B)	Total Public Shareholding (B)= (B)(1) + (B)(2)	2	0.00002
	TOTAL (A)+(B)	**1,00,00,000**	**100**

Upon effectiveness of the Scheme the Transferor Company will be dissolved without winding up.

The pre-Scheme shareholding pattern of the Transferee Company as on 31st March 2024 is as follows:

Sl. no.	Particulars of Shareholder	No. of shares	% of Holding
(A)	**Shareholding of Promoter and Promoter Group**		
1	**Indian**		
	Individuals/ Hindu Undivided Family	-	-
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions/ Banks	-	-
(e)	Any Others	-	-
	Sub Total(A)(1)	-	-
2	**Foreign**		
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-
(b)	Bodies Corporate	1,39,47,035	98.90
(c)	Institutions	-	-
(d)	Any Others	-	-
	Sub Total(A)(2)	**1,39,47,035**	**98.90**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**1,39,47,035**	**98.90**
(B)	**Public shareholding**		
1	**Institutions**		
(a)	Mutual Funds/ UTI	-	-
(b)	Financial Institutions / Banks	1,567	0.01
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Portfolio Investors (Individual & Corporate)	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other (AIF/Provident Fund/NBFC/FDI)	-	-
	Sub-Total (B)(1)	**1,567**	**0.01**
2	**Non-institutions**	-	-
(a)	Bodies Corporate	7,634	0.05
(b)	Individuals	-	-
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	1,42,139	1.01
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-
(c)	Key Managerial Personnel (KMP)	-	-
(d)	Investor Education and Protection Fund (IEPF)	-	-

(e)	Non-Resident Indians (NRIs)	1,723	0.01
(f)	Directors and their relatives (excluding independent directors and nominee directors)	-	-
(g)	Any Other (Trusts, HUF, LLPs and Clearing Members	2,265	0.02
	Sub-Total (B)(2)	**1,53,761**	**1.09**
	Total Public Shareholding (B)= (B)(1) + (B)(2)	1,55,328	1.10
	TOTAL (A)+(B)	**1,41,02,363**	**100**

The post-Scheme shareholding pattern of the Transferee Company will be as follows:

Sl. no.	Particulars of Shareholder	No. of shares	% of Holding
(A)	**Shareholding of Promoter and Promoter Group**		
1	**Indian**		
	Individuals/ Hindu Undivided Family	-	-
(b)	Central Government/ State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions/ Banks	-	-
(e)	Any Others	-	-
	Sub Total(A)(1)	-	-
2	**Foreign**		
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)		
(b)	Bodies Corporate	3,07,37,032	99.99999
(c)	Institutions	-	-
(d)	Any Others		
	Sub Total(A)(2)	**3,07,37,032**	**99.99999**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**3,07,37,032**	**99.99999**
(B)	**Public shareholding**		
1	**Institutions**	-	-
(a)	Mutual Funds/ UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Portfolio Investors (Individual & Corporate)	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other(AIF/Provident Fund/NBFC/FDI)		
	Sub-Total (B)(1)		
2	**Non-institutions**	-	-
(a)	Bodies Corporate		
(b)	Individuals	4	0.00001
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	-
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-
(c)	Key Managerial Personnel (KMP)	-	-
(d)	Investor Education and Protection Fund (IEPF)	-	-
(e)	Non-Resident Indians (NRIs)	-	-

(f)	Directors and their relatives (excluding independent directors and nominee directors)	-	-
(g)	Any Other (Trusts, HUF, LLPs and Clearing Members		
	Sub-Total (B)(2)	4	0.00001
	Total Public Shareholding (B) = (B)(1) + (B)(2)	4	0.00001
	TOTAL (A)+(B)	**3,07,37,036**	**100**

12. AUDITORS CERTIFICATE OF CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS

The Auditors of the Transferee Company, respectively, have confirmed that the accounting treatment specified in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

13. FILING OF SCHEME WITH REGISTRAR OF COMPANIES

The Companies undertake to intimate jurisdictional Registrar of Companies by filing e-forms.

14. INSPECTION OF DOCUMENTS

In addition to the documents annexed hereto, the electronic copy of following documents will be available for inspection by sending an email to the Transferor Company at sonam.jain@havmor.com.

a) Certified copy of the Tribunal Order;
b) Audited financial statements for the year ended 31st March 2023 and provisional financial results as on 31st March 2024 of the Transferor Company;
c) Audited financial results for the year ended 31st March 2023 and provisional financial results as on 31st March 2024 of the Transferee Company;
d) Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
e) Copy of the Scheme; and
f) Certificate of the Statutory Auditor of the Transferor Company confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and applicable accounting standards.

Based on the above and considering the rationale of the Scheme, the Board of Directors of the Transferor Company recommend the Scheme for approval of the Unsecured Creditors.

The Directors and KMPs, as applicable, of the Transferor Company and of the Transferee Company, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general, if any.

Place: Ahmedabad
Date: September 10, 2024

Sd/-
Jaehyun Kim
Director
DIN: 10047983

SCHEME OF ARRANGEMENT

BETWEEN

HAVMOR ICE CREAM PRIVATE LIMITED
("HAVMOR INDIA" OR "TRANSFEROR COMPANY")

AND

LOTTE INDIA CORPORATION LIMITED
("LOTTE INDIA" OR "TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES THEREUNDER

For Havmor Ice Cream Private Limited
김 재 현
Authorised Signatory

For LOTTE INDIA CORPORATION LIMITED
Authorised Signatory

PREAMBLE

This Scheme of Arrangement (hereinafter referred to as "**Scheme**" and more particularly defined hereinafter) is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "**Act**" and more particularly defined hereinafter) read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any amendments, modifications, alterations, etc., thereto from time to time, if any, for the amalgamation of **Havmor Ice Cream Private Limited (**hereinafter referred to as "**Havmor India**" or "**Transferor Company**" and more particularly defined hereinafter) with and into **Lotte India Corporation Limited (**hereinafter referred to as "**Lotte India**" or "**Transferee Company**" and more particularly defined hereinafter) with effect from the Appointed Date (as defined hereinafter) and dissolution of Havmor India without winding up in terms of Part III of the Scheme and for reduction and reorganization of share capital of **Transferee Company** by reducing the equity shares capital of the Transferee Company from 1,41,02,363 shares of INR 10 each to 1,39,47,035 shares if INR 10/- each in terms of Part IV of the Scheme .

1. DESCRIPTION OF COMPANIES

1.1 **Havmor India or the Transferor Company** having corporate identity number: U15200GJ2006PTC048016 was incorporated by the name of "Havmor Ice Cream Limited" on the 27th day of March, 2006, as a public limited company. The name of the Transferor Company was changed from "Havmor Ice Cream Limited" to "Havmor Ice Cream Private Limited" with effect from 18th day of September, 2018.

The registered office of Transferor Company is presently located at 2nd Floor, Commerce House - 4 B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad - 380015 Gujarat. The registered office of the Transferor Company has shifted from 2nd Floor Kashmira Chamber/H Popular House, Navrangpura, Ahmedabad 380009, Gujarat to its present address w.e.f 13th day of January 2015.

Transferor Company is primarily engaged in manufacturing various flavors of ice creams sold in different forms of consumer packs like bulk packs, party packs, family packs, sundaes, cups, cones, candies, bars, roll cut slices, etc.

1.2 **Lotte India or the Transferee Company** having corporate identity number: U15419GJ1954PLC153704 was incorporated by the name of "Parrys Confectionery Limited" on the 26th day of March 1954 as a public limited company. The name of the Transferee Company was changed from "Parrys Confectionery Limited" to "Lotte India Corporation Limited" with effect from 06th day of September, 2004.

The equity shares of the Transferee Company was listed on National Stock Exchange and Bombay Stock Exchange. Thereafter, the Transferee Company was delisted from National Stock Exchange and Bombay Stock Exchange w.e.f. July, 2009.

The registered office of Transferee Company is presently located at 22b, 2nd Floor Commerce House – 4, Beside Shell Petrol Pump, Prahaladnagar, Ahmedabad – 380015, Gujarat. The Registered Office of the Transferee Company was shifted from State of Tamil Nadu situated at No.: 4/111, Mount Poonammallee Road, Manapakkam, Chennai, Tamil Nadu - 600089, India to its present address w.e.f. 23rd day of July 2024.

Transferee Company is primarily engaged in the business of manufacturing and marketing of cakes, pies and other confectionery products.

*(For the sake of brevity, the Transferor Company and Transferee Company are hereinafter collectively referred as "**Companies**".)*

For Havmor Ice Cream Private Limited

김 재 현

Authorised Signatory

For LOTTE INDIA CORPORATION LIMITED

Authorised Signatory

2. PURPOSE AND RATIONALE OF THE SCHEME

Amalgamation of the Transferor Company with and into the Transferee Company would inter alia have the following benefits:

2.1 The Transferor Company and Transferee Company are part of the same group i.e. "Lotte Group" based at South Korea and the management of the Lotte Group is contemplating consolidation of Transferor Company with the Transferee Company. Post the above-mentioned business restructuring, the proposed consolidation is expected to realize the benefits of greater business synergies through supply chain optimisation, operational improvements, go-to-market strategies, distribution network optimization, scale efficiencies in cost areas such as marketing and optimization of overlapping infrastructure, reduced administrative and other costs. More particularly, the reasons and circumstances leading to and justifying the proposed Amalgamation (as defined hereinafter) of the Transferor Company with the Transferee Company, which make it beneficial for all the concerned stakeholders, including the shareholders of the Transferor Company and Transferee Company, are as follows:

(i) It will provide synergistic integration of the business operations of the Transferee Company and the Transferor Company, thus enabling better operational management and greater focus.

(ii) Consolidation of the business and simplification of the group structure. It would result in a simple corporate structure, greater efficiency in cash management of the Transferee Company, access to cash flow generated by the combined business thus enabling focus on core competencies.

(iii) The Amalgamation will bring about simplicity in working, reduce various statutory and regulatory compliances (including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc) and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources thus leading to operational effectiveness and cost optimization.

(iv) It will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions presently being carried out in each individual entity within the group such as information technology, human resources, finance, legal and general management, and this will lead to the organization becoming more efficient and capable of responding swiftly to volatile and rapidly changing market scenarios.

(v) The scheme envisages transfer of the entire Undertaking of the Transferor Company as a going concern to the Transferee Company and creation of greater value for shareholders, creditors and all other stakeholders.

(vi) The Amalgamation shall result in enhancing the brand awareness of "Lotte" on account of widening of customer base and consolidation of resources resulting in a wider market reach. It shall also lead to economies of scale, allowing for more efficient use of resources and lower costs per unit. The increased efficiency can be reinvested in brand-building activities, further enhancing brand awareness.

2.2 In view of the aforesaid, the Board (as defined hereinafter) of the Companies have considered and proposed the Amalgamation of the Transferor Company with and into the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the

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Scheme has been formulated pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act the rules and regulations framed thereunder and also read with Section 2(1B) read with Section 72A of the Income Tax Act, 1961, as applicable, for the Amalgamation.

Reduction of share capital of the Transferee Company will, inter-alia, result in the following benefits:

2.3 The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize or liquidate their shareholding. The Scheme provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner by way of capital reduction.

2.4 The Transferee Company is having sufficient reserves and cash, and intends to reduce its paid-up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.

2.5 The proposed reduction of paid-up share capital of the Transferee Company shall also entail the following additional benefits of the Transferee Company:

i. Savings in administrative and other costs associated with servicing a very small percentage of the shareholding held by the Relevant Shareholders.

ii. Ease of management in undertaking statutory and regulatory compliances related to Relevant Shareholders.

This Scheme would be in the interest of the Transferor Company and Transferee Company, and their respective shareholders, creditors, employees, vendors and other stakeholders and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Further this Scheme is presented under Sections 230 to 232 of the Act and other applicable provisions of the Act, and the rules and regulations framed thereunder.

3. STRUCTURE OF THE SCHEME

The Scheme is divided into the following parts:

Part – I:	Definitions, interpretations of the terms used in the Scheme and the Effective Date of the Scheme.
Part –II:	Share capital structure of the Transferor Company and the Transferee Company.
Part – III:	Amalgamation of the Transferor Company into and with the Transferee Company, as a going concern.
Part – IV:	Reduction of share capital of the Transferee Company.
Part – V:	General terms and conditions applicable to the Scheme.

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<u>**PART – I: DEFINITIONS AND INTERPRETATIONS**</u>

4. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

4.1 **"Act" or "the Act"** means the Companies Act, 2013, including all amendments thereto, and shall include any other statutory re-enactment thereof, read with all surviving and applicable provisions of the Companies Act 1956 and shall include all schedules, rules,regulations, circulars, notifications, guidelines prescribed thereunder and shall include all amendments and modifications or re-enactment thereof for the time being in force and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof;

4.2 **"Amalgamation"** means the amalgamation of the Transferor Company with and into the Transferee Company under this Scheme, pursuant to the provisions of Section 230 to 232, read with other applicable provisions of the Act;

4.3 **"Applicable Law(s)"** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, order, directive, guideline, policy, requirement, or other restriction issued, promulgated or enacted by any governmental/ regulatory/ statutory/ tax authority or any similar form of decision of, or determination by, or any interpretation or adjudication, having the force of law by any of the foregoing authorities having jurisdiction over the matter in question and includes any modifications, re-enactments thereof;

4.4 **"Appointed Date"** means the 1st day of April, 2024 or such other date that is mutually agreed between the Transferor Company and the Transferee Company or such other date as may be fixed by the jurisdictional NCLT (as defined hereinafter) or any other appropriate authority for the purposes of Section 232(6) of the Companies Act, 2013;

4.5 **"Board of Directors" or "Board"** means the Board of Directors of the respective Transferor Company and the Transferee Company, as the case may be and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s) of Directors;

4.6 "**Capital Reduction**" shall mean reduction of share capital of the Transferee Company, under Part IV of this Scheme;

4.7 **"Effective Date"** means the later of the dates on which certified copy of the order of the jurisdictional NCLT sanctioning this Scheme is filed with the jurisdictional Registrar of Companies (as defined hereinafter) by the Transferor Company and by the Transferee Company, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";

4.8 **"Governmental Authority"** or **"Governmental Authorities"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India;

4.9 **"Income Tax Act" or "IT Act"** means the Income Tax Act, 1961 and the rules made thereunder and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;

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4.10 **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal, Ahmedabad Bench at Ahmedabad having jurisdiction in relation to the Companies and shall include, if applicable, such other forum or authority as may be vested with the powers of a Tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;

4.11 **Promoter** means Lotte Wellfood Co. Ltd. presently holding 1,39,47,035 equity shares of INR 10/- each, constituting 98.90% of the issued, subscribed and paid share capital of the Transferee Company

4.12 **"Record Date 1"** means the date to be fixed by the Board of Directors of the Transferee Company for the purposes of determining the shareholders of the Transferor Company to whom shares of the Transferee Company shall be allotted pursuant to Amalgamation under part III of the Scheme;

4.13 **"Record Date 2"** means the date to be fixed by the Board of Directors of the Transferee Company for the purposes of determining the Relevant Shareholders of the Transferee Company (as defined thereinafter) for the purpose of Capital Reduction under part IV of the Scheme;

4.14 **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Act, and other applicable provisions, if any, on the respective Transferor Company and Transferee Company;

4.15 **"Relevant Shareholders"** means all shareholders of the Transferee Company other than Promoters including any changes in the Relevant Shareholders as on Record Date 2;

4.16 **"Scheme of Arrangement "** or **"Scheme"** means this scheme of Arrangement involving the Amalgamation of the Transferor Company into and with the Transferee Company and reduction of share capital of the Transferee Company, with such modifications and amendments as may be made, from time to time, in accordance with appropriate approvals and sanctions of the Tribunal and other relevant Governmental Authorities, as may be required under Applicable Laws;

4.17 **"Tax Laws"** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

4.18 **"Taxation" or "Tax" or "Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, cess, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, Cenvat, withholding tax, self-assessment tax, advance tax, service tax, central goods and services tax, state goods and service tax, integrated goods and service tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto);

4.19 **"Transferor Company" or "Havmor India"** means Havmor Ice Cream Private Limited, a company incorporated by the name of "Havmor Ice Cream Limited" on the 27th day of March, 2006, as a public limited company. The name of the Transferor Company was changed from "Havmor Ice Cream Limited" to "Havmor Ice Cream Private Limited" with effect from 18th day of September, 2018. The registered office of Transferor Company is presently located at 2nd Floor, Commerce House – 4, B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar Ahmedabad – 380015, Gujarat ;

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4.20 **"Transferee Company" or "Lotte India"** means Lotte India Corporation Limited, incorporated by the name of "Parrys Confectionery Limited" on the 26th day of March, 1954 as a public limited company. The name of the Transferee Company was changed from "Parrys Confectionery Limited" to "Lotte India Corporation Limited" with effect from 06th day of September, 2004. The registered office of Transferee Company is presently located at 22b, 2nd Floor Commerce House – 4, Beside Shell Petrol Pump, Prahaladnagar, Ahmedabad – 380015, India.

4.21 "**Undertakings**" means and includes the entire business and undertakings of the Transferor Company, of whatsoever nature and kind, and wherever situated, as a going concern, and all its assets, rights, licenses and powers, and all their debts, outstanding(s), liabilities, duties and obligations as on the Appointed Date, and includes, but not in any way limited to the following:

(a) All the assets and properties (whether moveable, immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent, in possession or reversion whatsoever nature and wherever situated) of the Transferor Company, including the manufacturing facilities / outsourced plant at all locations without limitation, all the properties, plant and machinery, goodwill, technical know-how, electrical equipment, computers and accessories, software, office equipment, leasehold improvements, fixed assets, furniture, fixtures, vehicles, appliances, accessories, deposits, inventories, current assets, actionable claims, cash, balances with banks, financial assets, bills of exchange, loans, advances, deferred tax assets, contingent rights or benefits, receivables, financial assets, leases (including lease rights), rights and benefits of all agreements, registrations, contracts and arrangements, (including but not limited to all customer contracts), memorandum of understanding, expressions of interest whether under agreement or otherwise, tenancies or licenses in relation to the offices and all other interests in connection with or relating to the Transferor Company, investments, books, papers, stationery, product specifications, incentives, fixed and other assets, balances with regulatory authorities, advance tax, tax benefits, taxes deducted at source, amount of tax paid under protest, benefits available under Goods and Services Tax Act (hereinafter referred as "GST"), credits any other benefits/ incentives/ exemptions given under any policy announced/ issued or promulgated by a Governmental Authority, municipal permissions, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, import entitlements, import export licenses, research licenses, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, labels, quality certifications, premises, benefits of assets or properties, privileges, interests and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company;

(b) All debts, if any, including secured and unsecured liabilities, present and future liabilities, contingent liabilities, duties and obligations of the Transferor Company of every kind, nature and description whatsoever and howsoever (including duties/ rights/ obligations under any agreement, contracts, applications, letters of intent or any other contracts), borrowings, bills payable, bank overdrafts, working capital loans, interest accrued and all other debts, duties, undertakings and contractual obligations(whether denominated in rupees or foreign currency, including any postdated cheques or guarantees, letter of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form);

(c) All employees of the Transferor Company, whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company, all provisions and benefits made in relation to such employees including provident funds, registrations and reserves and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff

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welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such employees of the Transferor Company (hereinafter referred to as "Funds"), together with such of the investments made by these Funds, which are preferable to such employees;

(d) All records, files, papers, computer programs, software, manuals, data, catalogues, quotations, lists, sales and advertising materials, customer prototypes and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information, and all other records and documents relating to the business activities and operations of the Transferor Company.

(e) All legal, taxation or other proceedings or investigations of whatsoever nature, if any, (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company, or proceedings or investigations to which the Transferor Company is a party, whether pending as on Appointed Date or which may be instituted at any time in the future;

(f) All agreements, rights, contracts, entitlements, recognition, quality certifications, permits, licenses, approvals, authorizations, concessions, consents, reversions, powers, customer approvals of every kind, nature and description whatsoever, deeds, service agreements or other instruments (including all tenancies, leases and other assurances in favour of the Transferor Company or powers or authorities granted by o to it) whether received from a Governmental Authority, public sector undertaking, government institutions, persons or any other authority and all the past track records, experience certificates, project references, recommendations relating to the business activities and operations of the Transferor Company.

It is intended that the definition of Undertaking under this clause would enable the transfer of all property, assets, liabilities, employees etc. of the Transferor Company to the Transferee Company pursuant to this Scheme.

5. INTERPRETATION & CONSTRUCTION

Unless otherwise expressly specified, or the context otherwise necessarily requires, the following terms shall apply to the interpretation and construction of this Scheme:

5.1 The term 'hereof', 'herein', 'hereby', 'hereto' and derivative or similar words used in this Scheme refers to this entire Scheme.

5.2 The headings and captions in this Scheme are for convenience and identification only and shall not affect the interpretation or construction of this Scheme.

5.3 References to the singular shall include references to the plural and vice versa. Words denoting one grammatical gender shall include all grammatical genders.

5.4 References to "include" or "including" shall mean "include without limitation" and "including without limitation" respectively.

5.5 Reference to persons shall include individuals, firms, trusts, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships.

5.6 References to a clause or paragraph or schedule, as applicable, shall be deemed to be a reference to a clause or paragraph or schedule of this Scheme.

5.7 Any reference to any statute or statutory provision shall include:

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(a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this scheme) to the extent such amendment, modification, re–enactment or consolidation applies or is capable of applying to the matters contemplated under this scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

6. EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other Applicable Law(s), rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

7. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall take effect in the following manner:

a) Part III of the Scheme shall take effect from the Appointed Date, but the same shall become operative on and from the Effective Date.
b) Part IV of the Scheme shall become operative and effective on and from the Effective Date.

All the other parts of the Scheme shall take effect from the Appointed Date, but the same shall become operative on and from the Effective Date.

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PART II : SHARE CAPITAL STRUCTURE

8. SHARE CAPITAL

8.1 The share capital structure of the Transferor Company as on 31st day of March 2024 is as follows:

Particulars	Amount (in INR)
Authorized share capital	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
Total	**10,00,00,000**
Issued, subscribed and paid-up share capital	
1,00,00,000 equity shares of INR 10 each, fully paid-up	10,00,00,000
Total	**10,00,00,000**

There has been no change in the above capital structure of Transferor Company after 31st day of March 2024 till the date of approval of this Scheme by the Board of Transferor Company.

8.2 The share capital structure of the Transferee Company as on 31st day of March 2024 is as follows:

Particulars	Amount (in INR)
Authorized share capital	
37,00,00,000 equity shares of INR 10 each	3,70,00,00,000
Total	**3,70,00,00,000**
Issued, subscribed and fully paid-up share capital	
1,41,02,363 equity shares of INR 10 each, fully paid-up	14,10,23,630
Total	**14,10,23,630**

There has been no change in the above capital structure of Transferee Company after 31st day of March 2024 till the date of approval of this Scheme by the Board of Transferee Company.

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PART – III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

9. TRANSFER AND VESTING OF THE ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANY OR TRANSFER AND VESTING OF THE UNDERTAKING

9.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the entire business where so ever situated and incapable of passing by physical delivery and all other assets, capital work-in-progress, current assets, investments, inventories, deposits, immovable properties, whether free hold, on lease or under a contractual entitlement bookings, manufacturing facilities of the Transferor Company and the underlying movable and immovable properties pertaining to such facilities, current assets, furniture, fixtures, vehicles, computers, appliances, accessories, office equipment, actionable claims, sundry debtors, financial assets and accrued benefits thereon powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, Intellectual Property Rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 230 to 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the business of the Transferor Company without such charges in any way extending to the business of the Transferee Company.

9.2 Without prejudice to the generality of sub-clause 9.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows:

(a) All the tangible (including leasehold immovable property), intangible, movable assets as set out in definition of Undertaking in sub clause 4.21 including cash in hand, bank balances and deposits, if any, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, by actual or constructive delivery, as the case may be, to the Transferee Company along with such other documents as may be necessary and intent that the property therein passes to the Transferee Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.

(b) All debts/deposits, loans and advances recoverable in cash or in kind or for value to be received, if any, from government, local and other authorities and bodies, customers and other persons, outstanding and receivables pertaining to the Transferor Company, shall, on and from the Appointed Date stand transferred to and vested in the Transferee Company without requiring any consent or approval or no objection from the concerned party and without any further act, instrument or deed (although the Transferee Company may, if it so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in the Transferee Company), and the debtors shall be obliged to make payments to the Transferee Company on and after the Effective Date.

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(c) All the licenses, permits, approvals, in general, permissions, registrations, incentives, tax credits (including GST refund and unutilized input tax credit under GST), any future or contingent asset, tax deferrals and benefits under income tax, advance tax, withholding tax receivables, other tax exemptions and/or deferments, amount of tax deposited under protest, concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits all or any refunds, interest due thereon, credits and claims relating thereto that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

(d) All liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also, without any further act, instrument or deed, be transferred to or deemed to be have been transferred to the Transferee Company so as to become as and from the Appointed Date the liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

(e) The transfer and vesting of Undertaking of the Transferor Company, shall be subject to the existing securities, pledge, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company. Provided, however that the securities, pledge, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, pledge, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

(f) All immovable properties of the respective Transferor Company, including land(s) and / or together with the buildings and structures standing thereon, estates and rights and interests in all immovable properties of such Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements, including pending mutation(s) in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company, as successor in interest and / or title to the respective Transferor Company, by operation of law pursuant to the order of the NCLT sanctioning the Scheme. Such assets shall stand vested in the Transferee Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. Transferee Company shall be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and Taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The title to such properties shall be deemed to have been mutated and as regards pending mutation(s) shall be deemed to have been mutated in the name of the Transferee Company and recognised as that of the Transferee Company and the mere filing of necessary documents with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company and shall constitute a deemed mutation. The Transferee Company shall, pursuant to the order of the NCLT be entitled to the delivery and possession of all documents of title to such immovable property. It is hereby clarified that all the rights, title and interest of the Transferor Company in leasehold properties shall, pursuant to Section 232(3) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

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Notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/ or perfected, in the records of the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the respective Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

(g) Obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.

(h) All agreements, rights, contracts, entitlements, recognition, quality certifications, permits, licenses, approvals, authorizations, concessions, consents, reversions, powers, , customer approvals of every kind, nature and description whatsoever, whether received from a Governmental Authority, public sector undertaking, government institutions, persons or any other authority and all the past track records, experience certificates, project references, recommendations relating to the business activities and operations of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

9.3 All assets, of whatsoever nature, acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company, upon the Scheme becoming effective without any further act, instrument or deed.

9.4 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operation after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to the Transferee Company and shall become its liabilities and obligations from such date.

9.5 For avoidance of doubt, it is clarified that all the rights and benefits of the Transferor Company through its approvals, titles, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys etc. and all certifications, trademarks, licenses, patents, domain names, copyrights and other intellectual property and all other interests shall remain preserved and in full force and effect without any further act, instrument or deed and shall not be adversely affected in any manner on account of this Scheme or any consequential steps.

10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

10.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company are a party, subsisting or having effect immediately before or after the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of the Transferor Company, the Transferee Company had been a party thereto.

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10.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee

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Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.

10.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/behalf of the Transferor Company to be carried out or performed.

11. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

11.1 With effect from the date when the Transferor Company adopt the Scheme in their Board meeting and upto and including the Effective Date:

(a) The Transferor Company shall carry on their business with reasonable diligence and commercial prudence and in the same manner as they had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment, either for themselves or their group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with any asset, except:

i. When the same is expressly provided in this Scheme; or
ii. When the same is in the ordinary course of business, as carried on by them as on the Appointed Date; or
iii. When the financial commitment or borrowing or incurring of liabilities is to or from or creation of charge, pledge, mortgage or encumbrance on assets is in favor of the Transferee Company; or
iv. When a written consent of the Transferee Company has been obtained in this regard.

(b) The Transferor Company shall carry on and shall be deemed to have carried on all their business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of the said assets, rights, title, interests, authorities, contracts, investments and decisions, for and on account of and in trust for the Transferee Company and accordingly, the Transferor Company shall not, without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of the properties, except in the ordinary course of business.

(c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust of the Transferee Company.

(d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by it shall, for all purposes, be treated and deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.

(e) All assets acquired, leased or licensed, licenses obtained, benefits, entitlements, incentives and concessions granted, contracts entered into, intellectual property developed or registered, or applications made thereto, liabilities incurred, and

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proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred to and vested in the Transferee Company without any further act, instrument or deed.

(f) On the Effective Date but with effect from the Appointed Date, the Transferee Company shall be authorized to carry on the businesses carried on by the Transferor Company.

(g) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occur by virtue of Part III of this Scheme itself, the Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under Applicable Law or otherwise, give notice in such form, as may be required or as it may deem fit and proper and enter into or execute deeds (including deeds of adherence), confirmations, novation, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favor of and required by (i) any party to the contract to which the Transferor Company are a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving of effect to this Scheme from the Effective Date.

12. LEGAL PROCEEDINGS

12.1 All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the business of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

12.2 In the event that the legal proceedings referred to herein require the Transferor Company and/or the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company.

12.3 Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company undertakes to have such proceedings relating to or in connection with the Transferor Company, whether initiated by or against the Transferor Company, transferred in its name as soon as possible and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company is entitled to receive all benefits, amounts, rights, etc. that Transferor Company is directed to receive through the proceedings in the litigations, as well as it also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and if such amounts are outstanding/unpaid as on Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relatable to the period from the Appointed Date up to the Effective Date and if such amounts are outstanding/unpaid as on Effective Date.

12.4 Upon the Scheme coming into effect on the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

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13. EMPLOYEES AND STAFF

13.1 All the employees of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the Transferor Company on the said date.

13.2 Upon the Scheme coming into effect and with effect from the Appointed Date , in respect of any contributions made towards provident fund, gratuity fund, superannuation fund, employee state insurance contributions, leave encashment scheme, staff welfare scheme or any other schemes, funds or benefits (the "Funds"), created or existing for the benefit of the employees of the Transferor Company, together with such of the investments made by these Funds which relate to such employees, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed of the Transferee Company or Transferor Company, for all purposes whatsoever relating to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and all such contributions made by the Transferor Company on behalf of the transferred employees shall be transferred to the Transferee Company. Without prejudice to above, where necessary under the Applicable Laws, the Transferee Company shall take all steps necessary for the transfer of balances of the Funds, to the Transferee Company. All obligations of the Transferor Company with regard to the said fund or funds as defined in the relevant rules shall be taken over by the Transferee Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the Transferor Company under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

13.3 The Board of Directors of the Transferor Company and Transferee Company, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

14. AMENDMENT TO THE OBJECTS OF THE TRANSFEREE COMPANY

14.1 Upon Part III of the Scheme becoming effective and from the Effective Date, the following sub-clause shall be deemed to have been automatically added to Clause III (A) (Main Objects) of the Memorandum of Association of the Transferee Company immediately after the existing sub-clauses of Clause III (A) and the "Objects Clause" in the Memorandum of Association of the Transferee Company shall be deemed to have been amended to that extent by inserting below clauses in the main objects of the Transferee Company:-

" *6 To carry on the business in India or elsewhere the business to manufacture, produce, process, convert, commercialize, extract, cool, boil, collect, raise, pack, repack, grade, prepare, supply, market, import, export, buy, sell, distribute, store and to act as an agent, broker, concessionaires, consultants, consignors or otherwise in all types of milk, cream, butter, dry fruits etc. and its derivatives, products, by products, residues including ice creams, milk creams, condensed milk yogurt, curd, confectioneries, cakes, biscuits, pastries, Ice Cream cones, promotional material and protein food including the Raw Material, packing material, semifinished goods related to Ice Cream and related products and Deep Freezes, push cart, tricycles incidental to the Ice Cream Business.*

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7. To provide franchisees and support services related to Ice Cream Business."

14.2 It is hereby clarified that the consent of the shareholders of the Transferee Company and shareholders of the Transferor Company to Part III of this Scheme shall be sufficient for the purposes of effecting the aforesaid amendments in the "Objects Clause" in the Memorandum of Association of the Transferee Company and that no further resolutions, under the applicable provisions of the Act, shall be required to be separately passed.

15. INTER COMPANY TRANSACTIONS

15.1 Without prejudice to the above provisions, upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company transactions, inter-se between the Transferor Company and the Transferee Company, including but not limited to:

a) any loans, advances, payables, investments and other obligations *(including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form)* which are due or outstanding or which may become due at any time in future; or

b) any agreement/memorandum of understanding, executed amongst the aforesaid Companies which are due or outstanding or which may become due at any time in future,

shall stand cancelled as on the Effective Date and shall be of no effect and the Transferor Company and the Transferee Company shall have no further obligation outstanding in that behalf.

16. TREATMENT OF TAXES

16.1 Any tax liabilities under the IT Act, GST, Service Tax laws, Customs Act or other Applicable Laws/ regulations dealing with Taxes/ duties/ levies (hereinafter in this clause referred to as "Tax Laws") related to the business of the Transferor Company to the extent provided for or not provided for or covered by tax provision in the accounts made as on the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, GST, as on the Appointed Date will also be transferred to the account of the Transferee Company. Any refund under the Tax Laws including any interest due thereon, credits and claims relating to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on Appointed Date.

16.2 All Taxes (including income tax, GST, VAT, Customs Act etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, minimum alternate tax, GST, etc.), whether by way of deduction at source, advance tax, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

16.3 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all deductions otherwise admissible to Transferor Company including payment admissible on actual payment or on deduction of appropriate Taxes or on payment of tax deducted at source shall be eligible for deduction to the Transferee Company upon fulfilment of the required conditions under the IT Act.

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16.4 Without prejudice to the generality of the above, all exemptions, deductions, benefits, entitlements, incentives, drawbacks, licenses and credits (including but not limited to unutilized input tax credit under GST and Taxes withheld/ paid in India and foreign country, all un-availed tax credits and exemptions, and other statutory benefits, etc.) under the income tax, GST, any central government/ state government incentive schemes etc., to which the Transferor Company would be entitled to in terms of the applicable Tax Laws of the union and state governments as well as any foreign jurisdiction, shall be available to and vest in the Transferee Company notwithstanding the certificates/ challans or other documents for payment of such Taxes/duties, as the case may be, being in the name of the Transferor Company.

16.5 The Transferee Company is expressly permitted to file/ revise its income tax, GST, service tax, and other indirect taxes, and other statutory returns under Tax Laws, consequent to this Scheme becoming effective. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed. The Transferee Company is also expressly permitted to amend TDS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the Taxes/ duties paid by the Transferor Company shall be deemed to be the Taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such Taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such Taxes/ duties are in the name of the Transferor Company.

16.6 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

16.7 Upon the coming into effect of this Scheme, all tax compliances under any Tax Laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

17. TAX NEUTRALITY

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the income-tax laws, specifically Section 2(1B) of the IT Act, which provides for the following:

(a) all the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;

(b) all the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;

(c) shareholders holding not less than three-fourths in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company

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or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation.

If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme.

18. ISSUE OF SHARES BY TRANSFEREE COMPANY FOR AMALGAMATION

18.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot equity shares(s) (hereinafter referred to as the "New Equity Shares") to the shareholders of the Transferor Company, whose names appear in the register of members as on the Record Date 1, including register and index of beneficial owners maintained by the depositories under Section 11 of the Depositories Act, 1996, as the case may be, of the Transferor Company on the Record Date 1 or to their respective heirs, executors, administrators or other legal representative or other successors in title, as determined by valuation report dated June 30, 2024, carried out by Samarth Valuation Advisory LLP, a registered valuer entity, registered with Insolvency and Bankruptcy Board of India ("IBBI") and having IBBI registration number IBBI/RV-E/06/2021/157 in the following ratio:

"1,679 equity share of the Transferee Company of face value INR 10 each, fully paid-up, at par for every 1,000 equity share of the Transferor Company, whose name is recorded in the register of members of the Transferor Company as equity shareholder, as on the Record Date 1"

18.2 New Equity Shares to be issued in terms of the aforesaid clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing equity shares of the Transferee Company.

18.3 If, any of the shareholders of the Transferor Company become entitled to receive fraction of such New Equity Share in the capital of the Transferee Company, then such fraction shall be rounded up to the nearest whole number.

18.4 The issue and allotment of New Equity Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 and 62 of the Act, and other applicable provisions, if any, for issue of New Equity Shares in terms of this Scheme.

18.5 Upon the Scheme becoming effective and upon issue of New Equity Shares, the equity shares of Transferor Company, both in demat form and in physical form (if any), shall be deemed to have cancelled and be of no effect on and from the Effective Date. .

19. COMBINATION OF AUTHORIZED SHARE CAPITAL:

19.1 The authorized share capital of the Transferor Company shall be added to and shall form part of the authorized share capital of the Transferee Company after giving effect to the Clause 18 of the Scheme. Accordingly, the authorized share capital of the Transferee Company shall stand increased to the extent of the aggregate authorized share capital of the Transferor Company as on the Effective Date. In terms of the provisions of Section 232(3)(i) of the Act, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on their respective authorized capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorized share capital as mentioned above. It is

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hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorized share capital after deducting the aggregate fees paid by the Transferor Company on their respective pre-amalgamation authorized share capital.

19.2 Clause V/ Capital clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorized share capital of the Transferee Company. Approval of the present Scheme by the Shareholders of the Companies will be sufficient for the aforesaid modification in clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

20. ACCOUNTING TREATMENT FOR AMALGAMATION

20.1 Notwithstanding anything to the contrary contained herein, the Transferee Company shall account for the amalgamation of the Transferor Company, in its books of accounts, on the date determined as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') and in accordance with Appendix C of Ind AS-103 Business Combinations, other applicable IND AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended), and relevant clarifications issued by the Institute of Chartered Accountants of India, such that:

a) The Transferee Company shall record the assets and liabilities, of the Transferor Company at its respective carrying values.

b) The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of Transferor Company.

c) The inter-company balances between the Transferee Company and the Transferor Company, if any, shall stand cancelled.

d) In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

e) The equity shares issued as consideration for the amalgamation shall be recorded at nominal value by the transferee company.

f) The surplus/ deficit, if any arising after taking the effect of clauses (a) to (e), shall be recognised in Equity as "Capital reserve" in the financial statements of the Transferee Company.

g) Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the preceding period.

20.2 Notwithstanding the accounting treatment specified in Clause 20.1 and its sub-clauses, if any amendments are made to the Companies (Indian Accounting Standards) Rules 2015 are notified prior to the approval of the Scheme which affect the accounting treatment specified in clause 20.1, the Transferee Company shall make necessary adjustments, as required, to comply with the revised Indian Accounting Standards

21. SAVING OF CONCLUDED TRANSACTIONS

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The transfer and vesting of the Transferor Company with and into the Transferee Company under Part III of the Scheme, shall not affect any transaction or proceedings relating to the

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Transferor Company, already concluded or liabilities incurred by the Transferor Company, on or before the Effective Date, and after the date of such adoption till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

22. DISSOLUTION OF TRANSFEROR COMPANY

22.1 Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up and without any further act or deed. The name of the Transferor Company shall be struck off from the records of the Registrar of Companies and the Transferee Company shall make necessary filings, if any in this regard.

22.2 Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Company to the Transferee Company under this scheme is formally affected by the parties concerned.

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PART – IV

REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

23. REDUCTION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY

23.1 This Scheme seeks to reduce or otherwise alter the issued, subscribed and paid-up share capital of the Transferee Company and the same will therefore remain altered as a result of the Scheme.

23.2 As on March 31, 2024, as per the unaudited financial statements of the Transferee Company, the paid-up share capital held by the Relevant Shareholders is INR 15,53,280 consisting of 1,55,328 equity shares of face value of INR 10 each, fully paid up. The total issued, subscribed and paid-up share capital of the Transferee Company after giving effect to Clause 18 shall be cancelled and extinguished with regard to the shares held by the Relevant Shareholders as on the Record Date 2, by paying back the requisite consideration mentioned in Clause 23.3 below.

It is hereby clarified that in the event there is any change in the number of equity shares held by the Relevant Shareholders between March 31, 2024 and the Record Date 2, the addition or reduction of equity shares, as the case maybe, shall be deemed to have been affected for the number of equity shares held by the Relevant Shareholders as on the Record Date 2.

23.3 Upon the Scheme becoming effective and pursuant to the Clause 23.2 above, the Relevant Shareholders of the Transferee Company as on Record Date 2 shall be paid for the equity shares held by them in lieu of cancellation and extinguishment of such shares, a sum of INR 882.29 per such equity share, as per the valuation report dated June 30, 2024, carried out by an independent registered valuer. The Transferee Company shall withhold appropriate tax from the consideration payable to the Relevant Shareholders as per the Tax Laws then in force.

23.4 Upon the Scheme becoming effective and payment to Relevant Shareholders under 23.3, and without any further act or deed by the Relevant Shareholders or their nominees (including but not limited to surrendering of share certificates and / or sending appropriate instructions to the Depository Participants), the shares held by the Relevant Shareholders shall stand cancelled, extinguished and rendered invalid.

23.5 Upon the Scheme becoming effective, the payment for the Capital Reduction to the Relevant Shareholders as on Record Date 2 shall be discharged by issue of cheque, pay order/warrant or demand draft, electronic transfer of funds, NEFT/RTGS/IMPS to the last known details of such Relevant Shareholders, as available with the Transferee Company/Registrar and Share Transfer Agent of the Transferee Company.

23.6 To the extent of the Capital Reduction is payable to non-resident Relevant Shareholders as on the Record Date 2, the Transferee Company shall comply with the provisions (including necessary filings, if any) of Foreign Exchange Management Act, 1999 and the regulations therein and may seek any information from non-resident Relevant Shareholders as on the Record Date 2 to comply with the said provisions.

23.7 In case of transfer requests pending as on the Record Date 2, the Transferee Company shall dispatch to shareholders (transferor) and to such person (transferee) from whom the Transferee Company has received any communication with respect to pending transfer of shares, a form to be duly filled in by the transferor and the transferee. Upon receipt of duly filled in form completed in all respects, the Transferee Company shall discharge the consideration to the transferee or transferor, as the case may be. Pending receipt of duly filled

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in form, the consideration towards such shares shall be dealt in manner provided for in the Clause 23.8 below.

23.8 Where the payment pursuant to the Clause 23.3 and Clause 23.5 above, has not been claimed by and thus resulting in unpaid amount to the Relevant Shareholders, on account of cheques returned and/or undelivered, cheques not deposited, bank account details not provided by the Relevant Shareholders, consideration in respect of shares pending transfer as on the Record Date 2, or for any other reason, for a period of 7 (seven) years, such unclaimed consideration after the said period shall be utilized in a manner as may be permitted under any law then in force or shall be transferred to the Investor Education and Protection Fund.

23.9 The reduction of capital shall not cause any shareholder to hold any fractional shares in the Company.

23.10 The reduction of share capital does not envisage transfer or vesting of any properties and/ or liabilities to or in favor of the Transferee Company.

23.11 Notwithstanding the reduction of paid-up value of equity shares, the Transferee Company shall not be required to add "and reduced" as a suffix to its name and the Transferee Company shall continue in its existing name.

24. IMPACT OF THE REDUCTION OF SHARE CAPITAL

24.1 The proposed capital reduction will not cause any prejudice to the interest of the creditors of the Transferee Company as there will not be any reduction in the amount payable to the respective creditors.

24.2 The reduction of capital shall not have any adverse impact on the employees/workers of the Transferee Company.

24.3 Further the proposed reduction of capital would not in any way adversely affect the ordinary operations of the Transferee Company or the ability of the Transferee Company to honor its commitments or to pay its debts in the ordinary course of business.

25. ACCOUNTING TREATMENT

25.1 Notwithstanding anything to the contrary contained herein, Transferee Company shall record the reduction of the share capital, pursuant to this Scheme, on the date determined as per IND AS and in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) by recognizing a financial liability for the amount to be paid in cash with a corresponding debit to -

(i) equity share capital with the face value of shares proposed to be reduced from the share capital and

(ii) general reserve for the remaining amount. No gain / loss shall be recognized on reduction of share capital.

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PART – V

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

26. VALIDITY OF EXISTING RESOLUTIONS, ETC. IN RESPECT OF THE PRIOR ACTS

Upon coming into effect of this Scheme, the resolution(s) of the Transferor Company, as are considered necessary by the Board of the Transferee Company and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting in respect of the relative acts performed / steps taken prior to the Effective Date and be considered as resolutions of the Transferee Company, as the case may be, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

27. APPLICATIONS TO THE TRIBUNAL

The Companies shall, make the requisite company applications/ petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT for seeking sanction of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.

28. CONVERSION OF TRANSFEREE COMPANY FROM PUBLIC COMPANY TO PRIVATE COMPANY

28.1 As an integral part of the Scheme and upon the Scheme coming into effect on the Effective Date and payment to Relevant Shareholders under Clause 23.3, the Transferee Company shall stand converted into a 'private company' in terms of the Act and rules made thereunder. As the conversion of the Transferee Company into a 'Private Company' is an integral part of the Scheme, the consent of the Board and members of the Companies shall be deemed to be their consent for such conversion as required under the Act and rules made thereunder, including in terms of Section 13 and 18 of the Act and any other applicable provisions of the Act and rules made thereunder and provisions of the Articles.

28.2 The Memorandum and Articles of the Transferee Company shall be amended (to the extent required) to reflect the conversion contemplated in Clause 28.1 above as required in terms of the Act and rules made thereunder. Upon the Scheme becoming effective, the Transferee Company's name shall stand changed to add the word 'Private' to its name.

28.3 The Transferee Company will comply with the applicable provisions of the Act, and other applicable provisions, if any, in connection with the abovementioned clause. Further, the Transferee Company will make necessary application(s) and file the requisite form(s) in this regard.

29. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

(a) this Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the Tribunal;

(b) receipt of the Tribunal order approving the Scheme; and

For Havmor Ice Cream Private Limited

Authorised Signatory

For LOTTE INDIA CORPORATION LIMITED

Authorised Signatory

(c) filing of the certified copies of the order of the abovementioned jurisdictional Tribunal sanctioning the Scheme, by the Transferor Company and the Transferee Company, under the applicable provisions of the Act with the jurisdictional Registrar of Companies.

30. EFFECT OF NON-RECEIPT OF APPROVALS

30.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented or made effective, the Scheme shall become null and void and shall be of no effect and in that event no rights and / or liabilities shall accrue to or be incurred *inter-se* by the Transferor Company and Transferee Company, and each company shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

30.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and the Scheme with the remaining component(s) shall be implemented.

31. MODIFICATION OR AMENDMENT TO THE SCHEME

31.1 Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorized representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they may deem necessary and expedient or beneficial to the interests of the stakeholders, of the Transferor Company, the Transferee Company and/ or the jurisdictional NCLT may recommend or impose.

31.2 The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorized representatives) and after the dissolution of the Transferor Companies, the Board of Directors of the Transferee Company, shall be authorized to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in this regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the jurisdictional NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and or do and execute all acts, deeds, matters and things necessary for giving effect to the Scheme.

31.3 For the purposes of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of the Transferor Company and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

31.4 The Board of Directors of the Transferor Company and/or the Transferee Company shall be at liberty to withdraw this Scheme any time prior to the effectiveness of the Scheme.

31.5 In the event of any inconsistency between any of the terms and conditions of an earlier arrangement between the Transferor Companies and the Transferee Company and their respective shareholders and/or Creditors, and the terms and conditions of the Scheme, the latter shall prevail.

For Havmor Ice Cream Private Limited

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For LOTTE INDIA CORPORATION LIMITED

Authorised Signatory

32. REVOCATION AND WITHDRAWAL OF THE SCHEME

32.1 The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw (in full or part) and declare this Scheme to be of no effect at any stage and where applicable, re-file at any stage in case:

(a) This Scheme is not approved by the shareholders of either of the Transferor Company and/ or the Transferee Company and/ or the jurisdictional NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received, or delayed; or

(b) Any condition or modification imposed by the shareholders of either of the Transferor Company and/ or the Transferee Company and/ or the jurisdictional NCLT and/ or any other authority is not acceptable; or

(c) The coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn-up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/ or the Transferee Company; or

(d) for any other reason whatsoever,

and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue or be incurred inter-se between the Transferor Company, Transferee Company or their respective shareholders or employees or any other person, save and except in respect of any deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto.

33. SEVERABILITY

If any part of this Scheme is held invalid, ruled illegal or rejected by any court/ NCLT of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of the Transferor Company, the Transferee Company that such part of the Scheme shall be severable from the remainder and this Scheme shall not be affected thereby, unless deletion of such part of the Scheme causes the Scheme to become materially adverse to either the Transferor Company or the Transferee Company, in which case the Transferor Company, the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

34. COSTS, CHARGES AND EXPENSES

All costs, charges, Taxes including duties (including the stamp duty and / or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Companies arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

35. GOVERNING LAWS AND JURISDICTION

This Scheme shall be governed by and interpreted in accordance with the laws of India and the civil courts at Ahmedabad, shall have exclusive Jurisdiction to determine any question, issue, dispute or claim between the Transferor Company and the Transferee Company and/or any of their shareholders, directors, Creditors, employees and/or any other person concerned.

For Havmor Ice Cream Private Limited

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Authorised Signatory

For LOTTE INDIA CORPORATION LIMITED

Authorised Signatory

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.301
C.A.(CAA)/39(AHM)2024

Order under Section 230-232

IN THE MATTER OF:

Havmor Ice Cream Pvt. Ltd ....**Applicant**
Lotte India Corporation Limited ....**Respondent**

Order delivered on: 30/08/2024

Coram:
Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:
For the Applicant :
For the Respondent :

ORDER

(Hybrid Mode)

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-Sd- -Sd-

SAMEER KAKAR
MEMBER (TECHNICAL)

SHAMMI KHAN
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, COURT-I, AHMEDABAD

C.A.(CAA)/39(AHM)2024

[Application under Sections 230-232 and read with other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Under the Companies Act, 2013]

In the matter of **Scheme of Arrangement in the nature of Amalgamation** amongst

HAVMOR ICE CREAM PRIVATE LIMITED
(CIN NO: U15200GJ2006PTC048016),
Having its registered office at
2nd Floor, Commerce House- 4B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar,
Ahmedabad – 380015, Gujarat.

Transferor Company / Applicant Company No. 1...

And

LOTTE INDIA CORPORATION LIMITED
(CIN NO: U15419GJ1954PLC153704),
Having its registered office at
22b, 2nd Floor Commerce House-4
Beside Shell Petrol Pump, Prahaladnagar,
Ahmedabad- 380015, Gujarat.

Transferor Company / Applicant Company No. 2...

And

Their Respective Shareholders and Creditors

Order delivered on: 30.08.2024

CORAM:
MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
MR. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For Applicant: Mr. Ravi Pahwa, Advocate

ORDER

1. This is a Company Application Viz., C.A.(CAA)/39(AHM)2024 filed by the Applicant Companies, namely **Havmor Ice Cream Private Limited** (hereinafter referred to "Havmore India" or **Transferor Company**) with **Lotte India Corporation Limited** (hereinafter referred to as "Lottee India" or **Transferee Company**') under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Applicant Companies. The said Scheme is also appended as ***"Annexure – H"*** to the typed set filed along with the Application.

2. It is stated that the registered offices of the Applicant Companies are situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad,

Gujarat, which is falling under the jurisdiction of this Tribunal.

3. The rationale of the Scheme of Merger by Amalgamation stated in the proposed Scheme is as under: -

The Transferor Company and Transferee Company are part of the same group i.e. "Lotte Group" based at South Korea and the management of the Lotte Group is contemplating consolidation of Transferor Company with the Transferee Company. Post the abovementioned business restructuring, the proposed consolidation is expected to realize the benefits of greater business synergies through supply chain optimisation, operational improvements, go-to-market strategies, distribution network optimization, scale efficiencies in cost areas such as marketing and optimization of overlapping infrastructure, reduced administrative and other costs. More particularly, the reasons and circumstances leading to and justifying the proposed Amalgamation (as defined hereinafter) of the Transferor Company with the Transferee Company, which make it beneficial for all the concerned stakeholders, including the shareholders of the Transferor Company and Transferee Company, are as follows:

I. It will provide synergistic integration of the business operations of the Transferee Company and the Transferor Company, thus enabling better operational management and greater focus.

II. Consolidation of the business and simplification of the group structure. It would result in a simple corporate structure, greater efficiency in cash management of the Transferee Company, access to cash How generated by the combined business thus enabling focus on core competencies.

III. The Amalgamation will bring about simplicity in working, reduce various statutory and regulatory compliances (including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc) and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources thus leading to operational effectiveness and cost optimization.

IV. It will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficieney due to integration of various similar functions presently being carried out in each individual entity within the group such as information technology, human resources, finance, legal and general management, and this will lead to the organization becoming more efficient and capable of responding swiftly to volatile and rapidly changing market scenarios.

V. The scheme envisages transfer of the entire Undertaking of the Transferor Company as a going concern to the Transferee Company and creation of greater value for shareholders, creditors and all other stakeholders.

VI. The Amalgamation shall result in enhancing the brand awareness of "Lotte" on account of widening of customer base and consolidation of resources resulting in a wider market reach. It shall also lead to economies of scale, allowing for more efficient use of resources and lower costs per unit. The increased efficiency can be reinvested in brand building activities, further enhancing brand awareness.

4. In view of the aforesaid advantages, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the Scheme of Amalgamation under provisions of Sections

230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 for the sanction of this Scheme.

5. The Merger of the Transferor Companies with Transferee Company shall be pursuant to and in accordance with this Scheme which will be operative and effective from the Appointed Date. The Scheme shall take place with effect from the Appointed Date.

6. The Applicant Companies in this Company Application have sought for the following reliefs:-

	EQUITY SHAREHOLDERS	**PREFERENCE SHAREHOLDERS**	**SECURED CREDITORS**	**UNSECURED CREDITORS**
TRANSFEROR COMPANY	To Convene Meeting	N.A.	To Dispense with	To Convene Meeting
TRANSFEROR COMPANY	To Convene Meeting	N.A.	N.A.	To Convene Meeting

7. The authorized, issued subscribed and paid-up share capital of the Transferor Company No. 1 as on 30.03.2024 is as under:

AUTHORIZED SHARE CAPITAL	**AMOUNT (IN RS.)**

1,00,00,000 Equity Shares of INR 10 each	10,00,00,000
Total	**10,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	**AMOUNT (IN RS.)**
1,00,00,000 equity shares of INR 10 each, fully paid-up	10,00,00,000
Total	**10,00,00,000/-**

8. From the certificate of incorporation filed, it is evident that the Transferor Company No. 1 was incorporated as Private Limited Company under Companies Act, 1956 on 27.03.2006, with Registrar of Companies, Gujarat, bearing CIN NO: U15200GJ2006PTC048016 under the name and style of "**HAVMOR ICE CREAM PRIVATE LIMITED**".

9. The authorized, issued subscribed and paid-up share capital of the Transferee Company No. 2 as on 31.03.2024 is as under:

AUTHORIZED SHARE CAPITAL	**RS.**
37,00,00,000 Equity Shares of INR 10 each	3,70,00,00,000
Total	**3,70,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	**AMOUNT (IN RS.)**

1,41,02,363 Equity Shares of INR 10 each, fully paid-up	14,10,23,630
Total	**14,10,23,630**

10. From the certificate of incorporation filed, it is evident that the Transferor Company No. 2 was incorporated as Private Limited Company under Companies Act, 1956 on 26.03.1954, with Registrar of Companies, Gujarat, bearing CIN NO: U15419GJ1954PLC153704 under the name and style of " **LOTTE INDIA CORPORATION LIMITED**".

11. Affidavit in support of the above applications was sworn on behalf of the Transferor Company Nos. 1 by the one Mr. Jaehyun Kim, son of Daehoi Kim, having registered office of Transferor Company No.1 at 2nd Floor, Commerce House- 4B/S Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad- 380015. Affidavit in support of the above applications i.e. Transferee Company Nos. 2 have been sworn by one Mr. Youngdong Jin, sone of Daeyoon Jin, having registered address of the Transferor Company No.2 at 22b, 2nd Floor Commerce House-4, Beside Shell Petrol Pump, Prahaladnagar, Ahmedabad-380015, within the territorial jurisdiction of the Bench of this Tribunal and falling within the purview of Registrar of Companies, Ahmedabad.

12. **HAVMORE ICE CREAM PRIVATE LIMITED**

TRANSFEROR COMPANY NO. 1

i. There are **3 (Three)** Equity Shareholders of the Transferor Company as per the certificate issued by the Chartered Accountant and the certificate issued by the Chartered Accountant to this effect is placed at **Annexure-I** of the Application and sought for convening, holding and conducting of the meeting.

ii. There is no Preference Shareholders of the Transferor Company.

iii. There is **1 (One)** Secured Creditor of the Transferor Company and the consent Affidavits of the Secured Creditor placed at "**Annexure-J**". The certificate issued by Chartered Accountant certifying list of Equity shareholders is placed at "**Annexure K**" of the Application and therefore, sought for Dispensation withholding of meeting.

iv. There are **547 (Five Thousand Four Hundred and Seven)** Unsecured Creditors of the Transferor Company as per the certificate issued by the Chartered Accountant and the certificate issued by the Chartered Accountant to this effect is placed at **Annexure-L** of the Application and sought for convening, holding and conducting of the meeting.

13. **LOTTE INDIA CORPORATION LIMITED**

TRANSFEROR COMPANY NO. 2

I. There are **2826 (Two Thousand Eight Hundred Twenty Six)** Equity Shareholders of the Transferee Company as per the certificate issued by the Chartered Accountant and the certificate issued by the Chartered Accountant to this effect is placed at **Annexure-M** of the Application and sought for convening, holding and conducting of the meeting.

II. There is no Preference Shareholders of the Transferor Company.

III. There is no Secured Creditors of the Transferee Company.

IV. There are **647 (Six Thousand Four Hundred and Seven)** Unsecured Creditors of the Transferor Company as per the certificate issued by the Chartered Accountant and the certificate issued by the Chartered Accountant to this effect is placed at **Annexure-O** of the Application and sought for convening, holding and conducting of the meeting.

14. We have perused the application and the connected documents / papers filed therewith including the Scheme contemplated by the applicant companies.

15. The Applicant Companies has filed its Memorandum and Articles of Association *inter alia* delineating its object clauses as well as their last available Audited Annual Accounts for the year ended **31.03.2023** and Provisional/ Unaudited Financial Statements for the period ended on **31.03.2024**.

16. The Board of Directors of the Applicant Companies vide meeting held on **29.07.2024** had unanimously approved the proposed Scheme as contemplated above and copies of resolutions passed thereon have been placed on record by the applicant companies.

17. The Appointed date as specified in the Scheme is **01.04.2024**, and this Application was filed on **07.08.2024**.

18. The Statutory Auditors of the Transferor and Transferee Companies have examined the Scheme in terms of provisions of Sec. 232 of the Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013. The said Certificates of the Statutory Auditors in this regard is

placed at ***"Annexure P (Colly)"*** of the Applicant Companies typed set of Documents filed along with the application.

19. The copy of the valuation report dated **30.06.2024** by the Registered Valuer is annexed at "***Annexure- Q***" with the Company Application.

20. Taking into consideration the application filed by the Applicant Companies and the documents filed therewith as well as the position of law, this Tribunal propose to issue the following directions: -

A. IN RELATION TO THE TRANSFEROR COMPANY:

(i) **With respect to Equity shareholders:**

The meeting of Equity Shareholders of the Transferor Company shall be convened and held on **12.10.2024 at 10.00 A.M**. at the Registered Office address of the Transferor Company No.4 or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification, the Scheme of Amalgamation.

(ii) **With respect to Preference shareholders:**

Since it is represented by the Transferor Company No.1 that there are **NIL** Preferential shareholders in the Company, the necessity of Convening, holding and conducting a meeting does not arise.

(iii) **With respect to Secured Creditor:**

Since it is represented by the Transferor Company No.3 that there are **1 (One)** Secured Creditor in the Company whose consents by way of Affidavits have been obtained and is placed on record, the necessity of convening, holding and conducting the meeting is ***dispensed with***.

(iii) **With respect to Unsecured Creditors:**

The meeting of Unsecured Creditors of the Transferor Company shall be convened and held on **12.10.2024 at 11.00 A.M**. at the Registered Office address of the Transferor Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification, the Scheme of Amalgamation.

B. IN RELATION TO THE TRANSFEREE COMPANY :

(i) **With respect to Equity shareholders:**

The meeting of Equity Shareholders of the Transferee Company shall be convened and held on **12.10.2024 at 2.00 P.M**. at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification, the Scheme of Amalgamation.

(ii) **With respect to Preference shareholders:**

Since it is represented by the Transferee Company that there are **NIL** Preferential shareholders in the Company, the necessity of Convening, holding and conducting a meeting does not arise.

(iii) **With respect to Secured Creditor:**

Since it is represented by the Transferee Company that there are **NIL** Secured Creditors in the

Company, the necessity of Convening, holding and conducting a meeting does not arise.

(iii) **With respect to Unsecured Creditors:**

The meeting of Unsecured Creditors of the Transferee Company shall be convened and held on **12.10.2024 at 3.00 P.M** at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification, the Scheme of Amalgamation.

21. The quorum for the meeting of the Applicant Transferor Companies and Transferee Company shall be as per section 103 of the Companies Act, 2013 as follows:-

For the Transferor Company:-

S.No.	Class	Quorum
1	Equity Shareholders	2
2	Unsecured Creditors	20

For the Transferee Company:

S.No.	Class	Quorum
1	Equity Shareholders	15
2	Unsecured Creditors	20

22. The Chairperson appointed for the above-mentioned meetings shall be **Mr. S.B. Gautam, Ex. Member, NCLT, (Mobile No. 98179-98639).** The Fee of the Chairperson for the aforesaid meeting shall be *Rs.1,00,000/- (Rupees One Lakh only)* in addition to meeting his incidental expenses. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above-said meetings.

23. **Mr. Kamil Lokahdnwala**, **Advocate, (Mobile No. 9925192212)** is appointed as a Scrutinizer and would be entitled to a fee of *Rs.50,000/-* (Rupees Fifty Thousand only) for services in addition to meeting incidental expenses.

24. In case the quorum as noted above, for the above meeting of the Applicant Companies, is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the

prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson appointed herein along with the Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

25. The meetings shall be conducted as per the applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);

26. That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.

27. That the Applicant Company shall publish advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily ***"Times of India" (National Edition)***, and ***"Gujarat Samachar" (Ahmedabad Edition)*** in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.

28. The Chairperson shall as fore stated be responsible for reporting the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.

29. In compliance with sub-section (5) of Section 230 of the Act and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant companies shall individually send notice to the concerned **(i) Regional Director**, **MCA (ii) Registrar of Companies Ahmedabad**, **(iii) Official Liquidator (for Transferor Companies)**, **(iv) the Income Tax Authorities (v) Reserve Bank of India** as well as **other Sectoral regulators** if applicable, who may have significant bearing on the operation of the

applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016. The aforesaid authorities, who desire to make any representation under sub-section (5) of Section 230 of the Act, shall send the same to this Tribunal with a copy of the same to be supplied to the Applicant Companies.

30. The Applicant Companies are required to serve notice pursuant to Section 230(5) of the Companies Act, 2013 to the regulatory authorities which are likely to be affected.

31. The applicant companies shall further furnish a copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.

32. The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.

33. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including

forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

34. The Registry and the Applicant Companies are directed to communicate a copy of this order to the Chairperson and Scrutinizer, within three working days after the pronouncement of the order.

35. The Application stands **allowed** on the aforesaid terms.

-Sd-	-Sd-
SAMEER KAKAR	**SHAMMI KHAN**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

VP/Steno

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Havmor Ice Cream Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Havmor Ice Cream Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 a summary of significant accounting policies 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, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 Board's report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Price Waterhouse Chartered Accountants LLP, 1701, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway
Ahmedabad - 380 051, Gujarat, India
T: +91 (79) 6924 7000, F: +91 (79) 6924 7082

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.

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

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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

10. 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.

11. 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.

    (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 March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (i) to the financial statements;

ii. The Company was not required to recognise a provision as at March 31, 2023 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, 2023.

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, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 entities, 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 (Refer Note 50 (ix) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 50 (ix) to the financial statements); 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

Viren Shah
Partner
Membership Number: 046521

UDIN: 23046521BGYDEC3236
Place: Ahmedabad
Date: September 26, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Havmor Ice Cream Private Limited on the financial statements for the year ended March 31, 2023

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 Havmor Ice Cream Private Limited ("the Company") as of March 31, 2023 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.

Auditor's 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 auditor's 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.

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Havmor Ice Cream Private Limited on the financial statements for the year ended March 31, 2023

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, 2023, 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

Viren Shah

Viren Shah
Partner
Membership Number: 046521

UDIN : 23046521BGYDEC3236
Place: Ahmedabad
Date: September 26, 2023

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Havmor Ice Cream Private Limited on the financial statements as of and for the year ended March 31, 2023
Page 1 of 6

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment (including Freezers, Deep Freezers, Push Carts, Canopy and Freezer on wheels amounting to Rs. 6,086.75 lakhs lying with third parties) 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 4 and 5 on Property, Plant and Equipment and Right-of -Use assets respectively to the financial statements, are held in the name of the Company, except for the following:

Description of property	**Gross carrying value**	**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	130.89	Havmor Ice Cream Limited	No	16 Years	Held in the name of the erstwhile name of the company
Building	27.23		No	17 Years	
Right of Use asset	1054.16		No	4- 11 Years	
Right of Use asset	130.22		No	11 Years	The company has filed an application for name change

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) 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 its 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 in agreement with the unaudited books of account (Also refer Note 50 (x) to the financial statements).

iii. (a) The Company has granted unsecured loans, to its 52 employees during the year. The company has not made any investments in, nor granted any other secured/unsecured loans or advance in nature of loans, or stood guarantee, or provided security to any parties to companies, firms, Limited Liability Partnerships or any other parties during the year.

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties.

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 to the extent notified.

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.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opivnion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employee state insurance, duty of customs, cess, goods and services tax and professional tax 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, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Involved (Rs. in Lakhs)	Amount unpaid (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	206.44	206.44	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	261.91	261.91	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	311.69	311.69	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	418.23	418.23	2020-21	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, 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) According to the information and explanations given to us and 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) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(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, we report that no funds raised on short-term basis have been used for long-term purposes by 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, the reporting under clause 3(ix)(e) of the Order is not applicable to the company.

(f) 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, the reporting under clause 3(ix)(f) of the Order is 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.

(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, and according to the information and explanations given to us, 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.

(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, and according to the information and explanations given to us, 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.

(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 according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

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 188 of the Act. The details of such 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. Further, this party being holding company, Section 188 shall not apply as the company is a private company, as per Ministry of Corporate Affairs "Notification number G.S.R. 464 (E) dated June 05, 2015 and the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanation given to us, 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. 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 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 48 to the financial statements), 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 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

Viren Shah
Partner
Membership Number: 046521

UDIN : 23046521BGYDEC3236
Place: Ahmedabad
Date: September 26, 2023

Havmor Ice Cream Private Limited

Balance Sheet

As at 31 March 2023

(All amounts in INR lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	4	11,373.99	10,899.70
(b) Right-of-use assets	5	12,379.58	5,399.75
(c) Capital work-in-progress	6	2,496.28	35.49
(d) Goodwill	7	421.40	421.40
(e) Other intangible assets	8	116.73	217.87
(f) Financial assets			
(i) Other financial assets	10	428.05	341.84
		428.05	341.84
(g) Non Current tax assets (net)	14	215.20	108.21
(h) Deferred tax assets (net)	11	668.41	598.87
(i) Other non-current assets	12	953.13	26.79
Total Non- current assets		29,052.77	18,049.92
Current assets			
(a) Inventories	13	12,566.44	5,538.53
(b) Financial assets			
(i) Trade receivables	15	905.15	795.61
(ii) Cash and cash equivalents	16A	1,962.79	6,779.82
(iii) Bank balances other than (ii) above	16B	6.90	257.15
(iv) Loans	9	22.21	32.01
(v) Other financial assets	10	9,382.08	10,948.95
		12,279.13	18,813.54
(c) Other current assets	12	2,968.42	983.78
Total Current assets		27,813.99	25,335.85
Total assets		56,866.76	43,385.77
Equity and liabilities			
Equity			
(a) Equity share capital	17	1,000.00	1,000.00
(b) Other equity	18	30,173.28	22,927.44
Total Equity		31,173.28	23,927.44
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	6,537.40	4,215.87
Total Non-current liabilities		6,537.40	4,215.87
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	2,385.02	1,327.42
(ii) Trade payables - total outstanding dues of	23		
(a) micro enterprises and small enterprises		1,787.19	1,695.31
(b) creditors other than micro enterprises and small enterprises		5,190.95	3,270.03
(iii) Other financial liabilities	20	8,697.24	6,784.00
		18,060.40	13,076.76
(b) Other current liabilities	22	875.15	1,490.84
(c) Provisions	21	220.26	577.64
(d) Current tax liabilities (net)	24	0.27	97.22
Total Current liabilities		19,156.08	15,242.46
		25,693.48	19,458.33
Total equity and liabilities		56,866.76	43,385.77

See accompanying notes forming part of the financial statements

In terms of our report attached

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

Viren Shah
Partner
Membership No: 046521

Ahmedabad
September 26, 2023

For and on behalf of the Board of Directors of
Havmor Ice Cream Private Limited
CIN : U15200GJ2006PTC048016

김재현

Komal Anand
Managing Director
DIN: 06693454

Jaehyun Kim
Whole Time Director
DIN: 10047983

Jaimin Trivedi
Head - Finance

Sonam Jain
Company Secretary
ICSI Memb. No.: A37095

Ahmedabad, September 26, 2023

Havmor Ice Cream Private Limited

Statement of Profit and Loss

For the year ended 31 March 2023

(All amounts in INR lakhs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	25	97,290.47	67,364.09
Other income	26	1,412.10	830.94
Total income		98,702.57	68,195.03
Expenses			
Cost of materials consumed	27	58,506.08	33,949.54
Purchase of stock-in-trade		817.24	320.14
Changes in inventories of finished goods, semi finished goods and stock-in-trade	28	(2,368.49)	(73.33)
Employee benefits expense	29	6,145.29	5,646.83
Finance costs	30	578.21	626.29
Depreciation and amortisation expense	31	4,733.92	4,742.40
Other expenses	32	20,588.97	14,787.18
Total expenses		89,001.22	59,999.05
Profit before tax		9,701.35	8,195.98
Tax expense:			
Current tax	11	2,579.98	2,365.04
Excess provision of tax relating to earlier years	11	(3.17)	(9.66)
Deferred tax	11	(82.57)	(257.19)
		2,494.24	2,098.19
Profit for the year		7,207.11	6,097.79
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit plan	38	51.76	(80.72)
Income tax relating to above	11	(13.03)	20.32
Other comprehensive income for the year, net of tax		38.73	(60.40)
Total comprehensive income for the year		7,245.84	6,037.39
Earnings per share (Face value Rs. 10 per share)	37		
Basic and Diluted (INR) per share		72.07	60.98

See accompanying notes forming part of the financial statements

In terms of our report attached

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

Viren Shah
Partner
Membership No: 046521

Ahmedabad
September 26, 2023

For and on behalf of the Board of Directors of
Havmor Ice Cream Private Limited
CIN : U15200GJ2006PTC048016

Havmor Ice Cream Private Limited * Ahmedabad *

Komal Anand
Managing Director
DIN: 06693454

Jaehyun Kim
Whole Time Director
DIN: 10047983

Jaimin Trivedi
Head - Finance

Sonam Jain
Company Secretary
ICSI Memb. No.: A37095

Ahmedabad, September 26, 2023

Havmor Ice Cream Private Limited

Statement of Changes in Equity

For the year ended 31 March 2023

(All amounts in INR lakhs unless otherwise stated)

[A] Equity share capital	Note	Number of shares	Amount
Issued, Subscribed and Paid up capital	17		
Equity shares of Rs. 10/- each fully paid up			
Balance as at 1 April 2021		10,000,000	1,000.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2022		10,000,000	1,000.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2023		10,000,000	1,000.00

[B] Other equity (Refer Note 18)	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2021	73.47	16,816.58	16,890.05
Profit for the year	-	6,097.79	6,097.79
Other comprehensive income for the year, net of tax of Rs. 20.32 lakhs	-	(60.40)	(60.40)
Total comprehensive income for the year	-	6,037.39	6,037.39
Balance at 31 March 2022	73.47	22,853.97	22,927.44
Profit for the year	-	7,207.11	7,207.11
Other comprehensive income for the year, net of tax of Rs. (13.03) lakhs	-	38.73	38.73
Total comprehensive income for the year	-	7,245.84	7,245.84
Balance at 31 March 2023	73.47	30,099.81	30,173.28

See accompanying notes forming part of the financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Viren Shah

Partner

Membership No: 046521

Ahmedabad

September 26, 2023

For and on behalf of the Board of Directors of

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CIN : U15200GJ2006PTC048016

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ICSI Memb. No.: A37095

Ahmedabad, September 26, 2023

Havmor Ice Cream Private Limited

Statement of Cash Flows

For the year ended 31 March 2023

(All amounts in INR lakhs unless otherwise stated)

Particulars	Notes	Year Ended 31 March 2023	Year Ended 31 March 2022
Cash flows from operating activities			
Profit before tax		9,701.35	8,195.98
Adjustments for :			
Depreciation and amortisation expense	31	4,733.92	4,742.40
Finance costs	30	578.21	626.29
Provision for expected credit loss	32	-	22.35
Excess Provision written back for doubtful debts and advances		(42.45)	-
Interest income on unwinding of discount on security deposits	26	(9.65)	(5.25)
Interest income	26	(1,037.74)	(599.35)
Profit on sale of property, plant and equipment (net)	26	(86.51)	(54.35)
Gain on cancellation of lease	26	(33.31)	(16.31)
Loss on retirement of property, plant and equipment	32	16.97	68.73
Liabilities no longer payable written back	26	-	(18.01)
Sundry balances written off	32	4.17	
Unrealised foreign exchange loss/(gain) (net)	26	(4.61)	2.02
Operating profit before working capital changes		13,820.35	12,964.50
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(7,027.91)	438.73
Trade receivables		(95.93)	267.61
Loans		9.80	(12.23)
Other Financial and Current assets		(2,062.15)	(70.33)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		2,012.80	677.43
Other Financial and Current liabilities		286.94	803.14
Provisions		(305.62)	89.21
Cash generated from operations		6,638.28	15,158.06
Income taxes paid (net)		(2,780.75)	(2,489.01)
Net cash flow generated from operating activities	(A)	3,857.53	12,669.05
Cash flows from investing activities			
Payments for purchase of property, plant and equipment and other intangible assets		(9,741.90)	(2,273.43)
Proceeds from sale of property, plant and equipment and other intangible assets		184.44	244.64
(Investments) / redemption in deposits with bank and financial institutions (net)		1,943.25	(2,900.91)
Interest received		918.42	537.85
Net cash used in investing activities	(B)	(6,695.79)	(4,391.85)
Cash flows from financing activities			
Proceeds / (Repayment) of current borrowings (net)		-	(1,512.33)
Repayment of lease liability (including interest)		(1,954.40)	(1,864.59)
Interest paid		(24.37)	(47.48)
Net cash (used in) financing activities	(C)	(1,978.77)	(3,424.40)
Net increase in cash and cash equivalents	(A + B + C)	(4,817.03)	4,852.80
Cash and cash equivalents at the beginning of the year		6,779.82	1,927.02
Cash and cash equivalents at the end of the year		1,962.79	6,779.82

...r Ice Cream Private Limited ★ Ahmedabad ★

Statement of Cash Flows *(Continued)*
For the year ended 31 March 2023
(All amounts in INR lakhs unless otherwise stated)

Notes :

1. The above Statement of Cash flow has been prepared under the "Indirect Method" set out in Indian Accounting Standard 7 - *Statement of Cash Flows*.

2. **Non-Cash financing and investing activities**	**Year Ended 31 March 2023**	Year Ended 31 March 2022
Acquisition of Right of use assets	**4,972.92**	414.19

3. **Cash and cash equivalents include:**	**As at 31 March 2023**	As at 31 March 2022
Cash on Hand	**10.63**	12.15
Balances with banks:		
In current accounts	**439.62**	656.48
Fixed Demand with Original maturity less than 3 months	-	4,102.77
Fixed deposits with financial institutions:		
Housing Development Finance Corporation Limited (Original maturity less than 3 months)	**1,512.54**	2,008.42
	1,962.79	6,779.82

See accompanying notes forming part of the financial statements
In terms of our report attached

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

Viren Shah
Partner
Membership No: 046521

Ahmedabad
September 26, 2023

For and on behalf of the Board of Directors of
Havmor Ice Cream Private Limited
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Head - Finance

Sonam Jain
Company Secretary
ICSI Memb. No.: A37095

Ahmedabad, September 26, 2023

1. Reporting entity

Havmor Ice Cream Private Limited (Formerly, Havmor Ice Cream Limited) ('the Company') is a privately held limited Company domiciled in India, with its registered office situated at 2nd floor, Commerce House 4, besides shell petrol pump, Prahladnagar Anandnagar road, Ahmedabad-380051. The Company has been incorporated under the provisions of the Companies Act, 1956 (earlier Act of 2013). The Company manufactures various flavors of ice creams sold in different forms of consumer packs like bulk packs, party packs, family packs, sundaes, cups, cones, candies, bars, roll cut slices, etc.

With effect from 18 September 2018, on conversion of public limited company to private limited company, the name of the Company has been changed from Havmor Ice Cream Limited to Havmor Ice Cream Private Limited.

1(A). New standards or interpretations adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, which amended certain accounting standards, and are effective 1 April 2022. 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.

1(B). New standards or interpretations issued but not yet effective

The Company will apply the following standard for the first time for its annual reporting period commencing April 01, 2023:

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), which amend certain accounting standards, and are effective 1 April 2023.
The Rules predominantly amend Ind AS 12, Income Taxes and Ind AS 1, Presentation of Financial Statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

2. Basis of preparation

a. Compliance with Ind AS

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

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

Havmor Ice Cream Private Limited * Ahmedabad *

Details of the Company's accounting policies are included in Note 3.

b. ***Functional and presentation currency***

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts in the financial statements and notes have been presented in INR Lakhs (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

c. ***Basis of measurement***

The Financial statements have been prepared on an accrual basis under the historical cost convention except for following:

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

d. ***Use of estimates and judgments***

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 4 and 8	**Estimates of useful lives and residual value of Property, plant and equipment and other intangible assets**
Note 15	Allowance for doubtful debts / expected credit losses
Note 11	Current / Deferred tax expense and evaluation of recoverability of deferred tax assets
Note 38	Measurement of employee defined benefit obligations; key actuarial assumptions
Note 33 (i)	Contingent Liabilities
Note 35	Lease Liabilities

e. ***Measurement of fair values***

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

(i) In the principal market for the asset or liability, or

Havmor Ice Cream Private Limited ★ Ahmedabad ★

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 38	**Employee benefits**

f. Operating cycle

All the 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 to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and their realization 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.

Havmor Ice Cream Private Limited * Ahmedabad *

3. **Significant accounting polices**

a. ***Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i ***Recognition and initial measurement***

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction cost that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediate in profit or loss. These includes trade and other receivables, loans, cash and cash equivalents and bank balances.

Financial liabilities are classified, at initial recognition, as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loan and borrowings including bank overdrafts.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii ***Classification and subsequent measurement***

Financial assets: classification

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

- Amortized cost;
- FVTPL (fair value through profit or loss); and
- FVOCI (fair value through other comprehensive income).

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

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

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

Havmor Ice Cream Private Limited
★ Ahmedabad ★

3. Significant accounting polices *(Continued)*

a. Financial instruments (Continued)

Interest income from these financial assets is included in finance income using the effective interest rate method.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent SPPI.

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 gains / (losses). 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 gains and losses and impairment expenses in other expenses.

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

At present, the Company does not have any financial asset accounted at FVTPL or FVOCI.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

Havmor Ice Cream Private Limited * Ahmedabad *

3. Significant accounting polices *(Continued)*

a. ***Financial instruments (Continued)***

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

Financial liabilities

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

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

iv. ***Offsetting***

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

b. ***Property, plant and equipment***

i. ***Recognition and measurement***

Items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located but after deducting trade discounts and rebates.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Havmor Ice Cream Private Limited * Ahmedabad *

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii ***Subsequent expenditure***

Subsequent cost 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. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

iii ***Depreciation***

Depreciation commences when the assets are ready for their intended use. Depreciation is provided on a pro rata basis on the straight line method over the useful life of the assets based on technical evaluation done by management's expert which are different than those prescribed by Schedule II of the Companies Act, 2013, in order to reflect the actual usage of assets.

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectation differs from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimated useful lives of items of property, plant and equipment are as follows:

Class of assets	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Buildings	30 to 50 years	30 to 60 years
Plant and machinery	5 to 10 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	4 years	10 years
Vehicles	4 to 5 years	8 to 10 years
Computers	3 years	3 to 6 years

The useful life of following class of property, plant and equipment is based on internal technical reassessment from 1 January 2018:

Description of the asset	Estimated life	Useful life as per Schedule II of the Companies Act, 2013
Office building	50 years	60 years
Furniture	4 years	10 years
Plant and machineries	10 years	15 years
Cars	4 years	8 to 10 years

iv ***Derecognition***

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss.

Havmor Ice Cream Private Limited * Ahmedabad *

c. ***Capital work in progress***

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as other non-current assets.

d. ***Intangible assets***

i. ***Recognition and measurement***
Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

ii. ***Subsequent expenditure***
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. ***Amortization***
Intangible assets are amortized over their estimated useful life as follows:

Asset	Management estimate of useful life
Patent and trademark	10 years
Software	5 years

The useful life of computer software have been reassessed from 1 January 2018 as 5 years from 10 years.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. ***Derecognition***

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognized.

Havmor Ice Cream Private Limited ★ Ahmedabad ★

*e. **Goodwill***

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is not amortised; however it is tested annually for impairment and carried at cost less accumulated impairment losses, if any.

*f. **Foreign currency translation***

Initial recognition

Initial recognition of foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

*g. **Inventories***

Inventories which comprise raw materials, packing material, semi-finished goods, finished goods, stock-in-trade and Store, spares and consumables are carried at the lower of cost and net realizable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

For determining cost, weighted average cost method is used. Cost of raw materials comprises cost of purchases. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure computed on normal capacity.

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

h. *Impairment*

i. *Impairment of financial instruments*

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Havmor Ice Cream Private Limited * Ahmedabad *

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Company uses a provision matrix to determine impairment loss allowance of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Presentation of allowance for expected credit losses in the Balance Sheet

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

ii *Impairment of non-financial assets*

Non-financial assets of the Company, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have

Havmor Ice Cream Private Limited * Ahmedabad been determined, net of depreciation or amortization, if no impairment loss had been recognised.

iii. ***Goodwill:***

Goodwill is tested for impairment, at least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the Goodwill is allocated to a CGU or group of CGUs, which are expected to benefit from the synergies arising from the business combination in which the said Goodwill arose. If the estimated recoverable amount of the CGU including the Goodwill is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the unit.

i. ***Employee benefits***

i ***Short-term employee benefits***
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii ***Defined contribution plans***

The Company has defined contribution plans for post-employment benefits namely Provident Fund and Employees state insurance scheme. Under the Provident Fund Plan and Employees state insurance scheme, the Company contributes to a Government administered fund on behalf of its employees and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are charged to Statement of Profit and Loss every year.

iii ***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv ***Other long-term employee benefits***

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits such as sick leave and leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in profit or loss in the period in which they arise.

The said 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 twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

j. Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in Financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

k. ***Revenue***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer net of discounts and other similar allowances. The Company assesses promises in the contract to identify separate performance obligations to which a portion of transaction price is allocated.

Revenue from the sale of products is recognised at the point in time when control is transferred to the customer i.e. generally on the delivery of the goods.

Revenue for sale of services is recognised when the services are rendered and there are no uncertainties involved to its ultimate realization.

Revenue is measured based on the transaction price, which is the consideration, adjusted for customer discounts and incentives, if any, as specified in the contract with the customer. In determining the transaction price, the Company estimates the variable consideration to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer.

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Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

l. ***Leases***

Company as a lessee:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

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Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.

m. *Recognition of interest income or expense*

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

n. Income tax

i. Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted under the Indian tax law.

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Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

*ii. **Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

*iii. **Presentation of current and deferred tax:***

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI, in which case, the current and deferred tax income/expense are recognised in OCI.

o. ***Borrowing cost***

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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*p. **Earnings per share***

Basic earnings per share is computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

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

*q. **Segments reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

*r. **Cash and cash equivalents***

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise of cash, Bank overdrafts and cheques in hand, bank balances, unencumbered demand deposits with banks where the original maturity is three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of Statement of Cash Flows.

*s. **Events occurring after the reporting date***

Adjusting events (that provides evidence of condition that existed at the Balance Sheet date) occurring after the Balance Sheet date are recognized in the Financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the Balance Sheet date) occurring after the Balance Sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

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(All amounts in INR lakhs unless otherwise stated)

4 Property, plant and equipment

Reconciliation of carrying amount

	Building	Plant and Machinery	Office Equipment	Furniture and Fixture	Vehicles	Computers	Total
Gross Block (At cost)							
Balance as at 1 April 2021	**1,484.11**	**18,054.33**	**333.54**	**492.14**	**1,502.66**	**315.86**	**22,182.64**
Additions	-	2,735.87	4.73	-	148.18	36.69	2,925.47
Deductions	-	(1,038.69)	(11.29)	(24.31)	(136.83)	(20.21)	(1,231.33)
Balance as at 31 March 2022	**1,484.11**	**19,751.51**	**326.98**	**467.83**	**1,514.01**	**332.34**	**23,876.78**
Balance as at 1 April 2022	1,484.11	19,751.51	326.98	467.83	1,514.01	332.34	23,876.78
Additions	17.99	3,364.00	25.29	7.70	204.59	112.92	3,732.49
Deductions	-	(632.14)	-	-	(61.56)	(43.19)	(736.89)
Balance as at 31 March 2023	**1,502.10**	**22,483.37**	**352.27**	**475.53**	**1,657.04**	**402.07**	**26,872.38**
Accumulated depreciation							
Balance as at 1 April 2021	**235.61**	**8,739.25**	**205.07**	**403.96**	**881.06**	**210.19**	**10,675.14**
Depreciation for the year	59.27	2,762.27	47.99	55.37	278.30	70.81	3,274.01
Deductions	-	(798.62)	(11.16)	(15.84)	(126.24)	(20.21)	(972.07)
Balance as at 31 March 2022	**294.88**	**10,702.90**	**241.90**	**443.49**	**1,033.12**	**260.79**	**12,977.08**
Balance as at 1 April 2022	294.88	10,702.90	241.90	443.49	1,033.12	260.79	12,977.08
Depreciation for the year	59.61	2,760.82	41.23	20.16	198.74	64.14	3,144.70
Deductions	-	(521.12)	-	-	(59.11)	(43.16)	(623.39)
Balance as at 31 March 2023	**354.49**	**12,942.60**	**283.13**	**463.65**	**1,172.75**	**281.77**	**15,498.39**
Carrying amounts (net)							
Balance as at 31 March 2022	1,189.23	9,048.61	85.08	24.34	480.89	71.55	10,899.70
Balance as at 31 March 2023	**1,147.61**	**9,540.77**	**69.14**	**11.88**	**484.29**	**120.30**	**11,373.99**

Footnotes :

(i) The above property, plant and equipment have been mortgaged to secure borrowings of the company (Refer Note 50(x)).
(ii) Capital Commitments - Refer Note 33(ii) for disclosure of contractual commitment for the acquisition of property, plant and equipment.
(iii) The company has not revalued its property, plant and equipment during the current or previous year as it follows cost model.
(iv) Refer note 49 for title deeds of immovable property not held in the name of the company.

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(All amounts in INR lakhs unless otherwise stated)

5 Right-of-use assets

Reconciliation of carrying amount

	Leasehold Land	Building	Plant and Machinery	Total
Gross Block (At cost)				
Balance as at 1 April 2021	**130.22**	**4,411.51**	**4,601.84**	**9,143.57**
Additions	-	285.42	128.77	414.19
(Deductions)	-	(458.73)	-	(458.73)
Balance as at 31 March 2022	**130.22**	**4,238.20**	**4,730.61**	**9,099.03**
Balance as at 1 April 2022	130.22	4,238.20	4,730.61	9,099.03
Additions	3,619.62	1,545.50	3,427.42	8,592.54
(Deductions)	-	(646.91)	-	(646.91)
Balance as at 31 March 2023	**3,749.84**	**5,136.79**	**8,158.03**	**17,044.66**
Accumulated depreciation				
Balance as at 1 April 2021	9.32	1,460.38	1,187.22	**2,656.92**
Depreciation for the year	2.33	782.73	575.24	1,360.30
(Deductions)	-	(317.94)	-	(317.94)
Balance as at 31 March 2022	**11.65**	**1,925.17**	**1,762.46**	**3,699.28**
Balance as at 1 April 2022	11.65	1,925.17	1,762.46	**3,699.28**
Depreciation for the year	24.46	822.17	663.58	1,510.21
(Deductions)	-	(544.41)	-	(544.41)
Balance as at 31 March 2023	**36.11**	**2,202.93**	**2,426.04**	**4,665.08**
Carrying amounts (net)				
Balance as at 31 March 2022	118.57	2,313.03	2,968.15	5,399.75
Balance as at 31 March 2023	**3,713.73**	**2,933.86**	**5,731.99**	**12,379.58**

Footnotes :

(i) Refer note 49 for Title Deeds of Right of Use assets not held in the name of the Company.

(ii) The company has not revalued its Right of Use assets during the current or previous year as it follows cost model.

6 Capital work-in-progress

Reconciliation of carrying amount

	Amount
Cost (gross carrying amount)	
Balance as at 1 April 2021	**1,140.22**
Additions	1,820.74
Assets capitalised during the year	(2,925.47)
Balance as at 31 March 2022	**35.49**
Balance as at 1 April 2022	35.49
Additions	6,193.28
Assets capitalised during the year	(3,732.49)
Balance as at 31 March 2023	**2,496.28**
Carrying amounts*	
Balance as at 31 March 2022	35.49
Balance as at 31 March 2023	**2,496.28**

* It majorly pertains to Building and Plant and Machinery.

Footnotes :

(i) Refer note 40 for Aging Schedule of Capital work-in-progress.

(ii) Additions to capital work in progress includes capitalisation of directly attributable cost incurred by the company under various headings.

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Notes to the financial statements ***(continued)***

For the year ended 31 March 2023

(All amounts in INR lakhs unless otherwise stated)

7 Goodwill

Reconciliation of carrying amount

	Amount
Balance as at 1 April 2021	**421.40**
Additions	-
Deductions	-
Balance as at 31 March 2022	**421.40**
Balance as at 1 April 2022	421.40
Additions	-
Deductions	-
Balance as at 31 March 2023	**421.40**

8 Other Intangible assets

Reconciliation of carrying amount

	Patents and trademark	Software	Total
Gross Block (At cost)			
Balance as at 1 April 2021	**5.72**	**636.88**	**642.60**
Additions	-	14.50	14.50
Deductions	-	(29.23)	(29.23)
Balance as at 31 March 2022	**5.72**	**622.15**	**627.87**
Balance as at 1 April 2022	5.72	622.15	627.87
Additions	-	-	-
Deductions	-	-	-
Balance as at 31 March 2023	**5.72**	**622.15**	**627.87**
Accumulated amortisation			
Balance as at 1 April 2021	3.18	327.92	**331.10**
Amortisation for the year	0.67	107.42	108.09
Deductions	-	(29.19)	(29.19)
Balance as at 31 March 2022	**3.85**	**406.15**	**410.00**
Balance as at 1 April 2022	3.85	406.15	**410.00**
Amortisation for the year	0.67	100.47	101.14
Deductions	-	-	-
Balance as at 31 March 2023	**4.52**	**506.62**	**511.14**
Carrying amounts (net)			
Balance as at 31 March 2022	1.87	216.00	217.87
Balance as at 31 March 2023	**1.20**	**115.53**	**116.73**

Footnotes :

(i) The company has not revalued its intangible assets during the current or previous year as it follows cost model.

(All amounts in INR lakhs unless otherwise stated)

9 Loans*

(Unsecured considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Loans to employees	22.21	32.01
	22.21	32.01

* No loans are credit impaired and there is no significant increase in credit risk of loans.

10 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Security deposits	428.05	341.84
	428.05	341.84
Current		
Fixed Deposit with financial institutions *		
Housing Development Finance Corporation Limited (Deposit amount Rs. 7,901 Lakhs (31 March 2022 - Rs. 9,300 Lakhs)	8,065.80	9,374.00
PNB Housing Finance Limited (Deposit amount Rs. 1000 Lakhs (31 March 2022 - Rs. 500 Lakhs)	1,048.63	500.00
LIC Housing Finance Limited (Deposit amount Rs. 200 Lakhs (31 March 2022 - Rs. 1,000 Lakhs)	205.42	1,028.22
	9,319.85	10,902.22
Security deposits	44.54	37.73
Interest accrued on deposits	17.69	9.00
	9,382.08	10,948.95
Aggregate amount of impairment in value of investments	-	-

*Including accrued interest of Rs. 218.85 Lakhs (31 March 2022 - Rs. 102.22 Lakhs).

11 Deferred tax Assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets:		
Difference between WDV of property, plant and equipment and intangible assets as per books and income tax	539.12	330.89
Expenses allowable for tax purpose on payment basis	15.47	58.98
Allowance for doubtful debts and advances	39.53	133.33
Others	74.29	75.67
	668.41	598.87

(i) Income tax expense recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
Current tax on profit for the year	2,579.98	2,365.04
Excess provision of tax relating to earlier years	(3.17)	(9.66)
Deferred tax (Other than that disclosed under OCI)		
(Increase) in Deferred Tax Assets	(82.57)	(257.19)
(Decrease) in Deferred Tax Liabilities	-	-
	2,494.24	2,098.19

(ii) Income tax expense recognised in other comprehensive income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax [refer note 11(i) above]		
Deferred tax (Credit)/Charge on remeasurements of defined benefit plan	(13.03)	20.32
	(13.03)	20.32

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(All amounts in INR lakhs unless otherwise stated)

11 **Deferred tax Assets (net) (continued)**

(iii) Reconciliation of tax expenses and the accounting profit multiplied by India's statutory tax rate:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**9,701.35**	8,195.98
Tax using the Company's statutory tax rate of 25.168% (Previous Year - 25.168%)	**2,441.64**	2,062.76
Effect of		
Non deductible expenses	**41.09**	36.25
Tax holiday incentive	-	-
Change in tax rate	-	-
Excess provisions of earlier years	**(3.17)**	(9.66)
Others	**14.68**	8.84
Tax expense at effective tax rate	**2,494.24**	2,098.19

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax la

(iv) Movements in deferred tax assets / (liabilities) (net)

Particulars	Balance as at 1 April 2022	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2023
Deferred tax assets				
Difference between WDV of property, plant and equipment and intangible assets as per books and income tax	330.89	208.23	-	**539.12**
Expenses allowable for tax purpose on payment basis	58.98	(30.48)	(13.03)	**15.47**
Allowance for doubtful debts and advances	133.33	(93.80)	-	**39.53**
Others	75.67	(1.38)	-	**74.29**
	598.87	**82.57**	**(13.03)**	**668.41**

Particulars	Balance as at 1 April 2021	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2022
Deferred tax assets				
Difference between WDV of property, plant and equipment and intangible assets as per books and income tax	24.73	306.16	-	330.89
Expenses allowable for tax purpose on payment basis	90.05	(51.39)	20.32	58.98
Allowance for doubtful debts and advances	127.71	5.62	-	133.33
Others	78.87	(3.20)	-	75.67
	321.36	**257.19**	**20.32**	**598.87**

12 **Other assets**

(Unsecured considered good, unless stated otherwise)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Prepaid expenses	**19.92**	1.42
Capital advances	**933.06**	23.99
Balance with government authorities	**0.15**	1.38
	953.13	26.79
Current		
Balance with government authorities	**450.84**	134.33
Prepaid expenses	**137.09**	158.93
	587.93	293.26
Advances to employees	**8.72**	8.15
Advances to vendors		
Unsecured, considered good	**2,371.77**	682.37
Unsecured, considered doubtful	-	359.08
Total	**2,371.77**	1,041.45
Less : Provision for expected credit losses	-	(359.08)
	2,371.77	682.37
	2,968.42	983.78

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Notes to the financial statements *(continued)*
For the year ended 31 March 2023

(All amounts in INR lakhs unless otherwise stated)

13 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	**7,236.95**	3,130.79
Packing materials	**812.80**	647.96
Semi finished goods	**129.24**	121.23
Finished goods	**3,486.46**	1,296.94
Stock-in-trade	**197.14**	26.18
Stores, spares and consumables	**703.85**	315.43
	12,566.44	5,538.53

Notes:

(i) Carrying amount of inventories (included above) have been mortgaged to secure borrowings of the company.

(ii) Write-downs of inventories to net realisable value amounted to INR 54.36 lakhs (31 March 2022 – Nil). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

14 Non Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current tax assets (net) (Net of Provision for taxation of Rs. 6,796.95 Lakhs (31 March 2022 - Rs. 4,216.97 Lakhs)	**215.20**	108.21
	215.20	108.21

15 Trade receivables

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		**905.15**	795.61
Unsecured, Credit impaired		**157.08**	170.69
		1,062.23	966.30
Less: Provision for expected credit losses	44	**(157.08)**	(170.69)
		905.15	795.61

Notes:

(i) The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 44.

(ii) Trade Receivables have been mortgaged to secure borrowings of the company.

(ii) Refer note 41 for aging of trade receivables.

16 Cash and other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
A] Cash and cash equivalents		
Cash on Hand	**10.63**	12.15
Balance with banks:		
In current accounts	**439.62**	656.48
Fixed deposit with original maturity of less than 3 months*	-	4,102.77
Fixed deposit with financial institutions:		
Housing Development Finance Corporation Limited (Original maturity less than 3 months)**	**1,512.54**	2,008.42
	1,962.79	6,779.82

*Including accrued interest of Rs. NIL (31 March 2022 Rs. 2.77 Lakhs)

**Including accrued interest of Rs. 12.54 Lakhs. (31 March 2022 Rs. 8.42 Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
B] Bank balances other than (A)		
Fixed deposits with remaining maturity less than 12 Months#	**6.90**	257.15
	6.90	257.15

Rs. 5.43 Lakhs (As at 31 March 2022 Rs. 50.30 Lakhs) pledged with bank as security against non fund based facilities obtained from Bankers. Including accrued interest of Rs. 0.10 Lakhs (31 March 2022- Rs. 5.92 Lakhs).

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(All amounts in INR lakhs unless otherwise stated)

17 Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised Share capital		
10,000,000 (31 March 2022: 10,000,000) equity shares of Rs. 10 each	**1,000.00**	1,000.00
Issued, Subscribed and Paid up capital		
10,000,000 (31 March 2022: 10,000,000) equity shares of Rs. 10 each	**1,000.00**	1,000.00

Reconciliation of share outstanding at the beginning and at the end of the year

Particulars	31 March 2023		31 March 2022	
	No. of Shares	**Amount**	No. of Shares	Amount
At the beginning and at the end of the year	**10,000,000**	**1,000.00**	10,000,000	1,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**10,000,000**	**1,000.00**	10,000,000	1,000.00

Note: There is no movement in equity share during the year.

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the Holding Company

Particulars	31 March 2023		31 March 2022	
	% holding	**Amount**	% holding	Amount
99,99,998 shares (31 March 2021 : 99,99,998) held by Lotte Confectionery Co. Ltd., Korea	**99.99%**	**1,000.00**	99.99%	1,000.00

Details of Share holders holding more than 5% of Shares

Name of shareholder	31 March 2023		31 March 2022	
	No. of Shares	**% holding**	No. of Shares	% holding
Lotte Confectionery Co. Ltd., Korea	**9,999,998**	**99.99%**	9,999,998	99.99%

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

There are no shares allotted either as fully paid up by way of bonus shares or under any contract without payment received in cash during 5 years immediately preceding 31 March 2023.

Details of shareholding of Promoters in the Company

Particulars	31 March 2023			31 March 2022		
	No. of shares	**% of total shares**	**% changes during the year**	No. of shares	% of total shares	% changes during the year
Lotte Confectionery Co. Ltd., Korea	**9,999,998**	**99.99%**	-	9,999,998	99.99%	-

18 Other equity

Particulars	Reserves and surplus		
	General reserve	**Retained earnings**	**Total**
Balance as at 1 April 2021	73.47	**16,816.58**	**16,890.05**
Profit for the year	-	6,097.79	6,097.79
Other comprehensive income for the year, net of tax of Rs. 20.32 lakhs	-	(60.40)	(60.40)
Total comprehensive income for the year	-	**6,037.39**	**6,037.39**
Balance at 31 March 2022	73.47	**22,853.97**	**22,927.44**
Profit for the year	-	7,207.11	7,207.11
Other comprehensive income for the year, net of tax of Rs. (13.03) lakhs	-	38.73	38.73
Total comprehensive income for the year	-	**7,245.84**	**7,245.84**
Balance at 31 March 2023	73.47	**30,099.81**	**30,173.28**

Note: Remeasurement of Defined Benefit Plans

	Amount
Balance as at 1 April 2021	**(40.08)**
Re-measurements of defined benefit plans	(80.72)
Income tax effect	20.32
Balance as at 31 March 2022	**(100.48)**
Re-measurements of defined benefit plans	51.76
Income tax effect	(13.03)
Balance as at 31 March 2023	**(61.75)**

General reserve:

General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Retained earnings :

The retained earnings reflect the profit of the company earned till date. The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

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(All amounts in INR lakhs unless otherwise stated)

19 Lease liabilities

Particulars	As at 31 March 2023 Non-current	As at 31 March 2023 Current	As at 31 March 2022 Non-current	As at 31 March 2022 Current
Lease liability (Refer note 35)	**6,537.40**	**2,385.02**	4,215.87	1,327.42
	6,537.40	**2,385.02**	4,215.87	1,327.42

20 Other financial liabilities

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Current			
Deposits from customer and others		**5,225.05**	4,791.50
Security deposit from vendors		**1.70**	1.00
Capital creditors	46	**1,862.07**	911.07
Employee benefits payable		**939.41**	518.11
Discount payable		**669.01**	562.32
		8,697.24	6,784.00

21 Provisions

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Current			
Provision for employee benefits	38		
Provision for leave entitlement		**59.96**	233.40
Provision for gratuity		**52.85**	236.79
Provision for contingencies (Refer note below)		**107.45**	107.45
		220.26	577.64

Note :

Movement in provision for contingencies :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
As at beginning of the year	**107.45**	-
Additions during the year	-	107.45
Utilisation during the year	-	-
Payment during the year	-	-
Provision written back during the year	-	-
As at end of the year	**107.45**	107.45

Provision for contingencies represents estimates made for probable liabilities arising out of pending assessment or disputes / litigations with various regulatory authorities. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under relevant laws and hence the Company is not able to reasonably ascertain the timing of the outflow.

22 Other liabilities

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Current			
Customer advances	47	**67.27**	71.79
Interest payable to MSME Vendors	46	**127.23**	69.02
Statutory liability		**680.65**	1,279.75
Payable towards Corporate Social Responsibility	32(ii)	-	70.28
		875.15	1,490.84

23 Trade payables

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of			
Micro enterprises and small enterprises	46	**1,787.19**	1,695.31
Creditors other than micro enterprises and small enterprises		**5,190.95**	3,270.03
		6,978.14	4,965.34

Footnotes:
(i) The Company's exposure to liquidity risks related to trade payables is disclosed in Note 44.
(ii) Refer note 42 for aging of trade payables.

24 Current tax liability (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for taxation (Net of advance tax of Rs. 2,956.80 Lakhs (31 March 2022 - Rs. 2,862.03 Lakhs)	**0.27**	97.22
	0.27	97.22

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(All amounts in INR lakhs unless otherwise stated)

25 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customers		
Sale of finished goods	**96,667.01**	66,996.82
Sale of traded goods	**522.74**	297.55
Sale of services (Net)	**100.72**	69.72
	97,290.47	67,364.09

Footnotes:
(i) Refer Note 47 for disclosure under Ind AS 115- Revenue from Contract with customers.
(ii)Timing of revenue recognition (from contract with customers) : Revenue from Sale of finished goods, traded goods and services is recognised at a point in time.

26 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income:		
on deposits with banks	**1,026.85**	586.81
from others	**10.89**	12.54
	1,037.74	**599.35**
unwinding of discount on security deposits	**9.65**	5.25
Sale of Scrap	**144.14**	63.97
Profit on sale of property, plant and equipment (Net)	**86.51**	54.35
Excess Provision written back for doubtful debts and advances	**42.45**	-
Gain on Cancellation of leases (Net)	**33.31**	16.31
Rent concession	**23.98**	49.69
Insurance Claim	**16.82**	-
Rent income	**2.27**	6.87
Liabilities no longer payable written back	-	18.01
Others	**15.23**	17.14
	1,412.10	830.94

27 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Raw material consumed	**52,055.97**	29,371.34
Packing material consumed	**6,450.11**	4,578.20
	58,506.08	33,949.54

The Value of consumption disclosed is on the basis of derived figures.

28 Changes in inventories of finished goods, semi finished goods and stock-in-trade

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Inventory at the beginning of the year			
Finished goods		**1,296.94**	1,135.39
Semi finished goods		**121.23**	190.40
Stock-in-trade		**26.18**	45.23
		1,444.35	1,371.02
Inventory at the end of the year	13		
Finished goods		**3,486.46**	1,296.94
Semi finished goods		**129.24**	121.23
Stock-in-trade		**197.14**	26.18
		3,812.84	1,444.35
		(2,368.49)	(73.33)

29 Employee benefits expense

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus		**5,729.54**	5,312.71
Contribution to gratuity, provident and other funds	38	**311.74**	283.99
Staff welfare expenses		**109.38**	50.13
		6,150.66	**5,646.83**
Less: Allocated to capital work in progress		**5.37**	-
		6,145.29	**5,646.83**

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(All amounts in INR lakhs unless otherwise stated)

30 Finance costs

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings		**1.23**	5.06
Interest on lease liability	35	**495.63**	545.76
Interest to others		**72.53**	62.19
Other borrowing costs		**8.82**	13.28
		578.21	626.29

31 Depreciation and amortisation expense

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	4	**3,144.70**	3,274.01
Depreciation of right of use assets	5	**1,510.21**	1,360.30
Amortisation of intangible assets	8	**101.14**	108.09
		4,756.05	**4,742.40**
Less: Allocated to capital work in progress		**22.13**	-
		4,733.92	**4,742.40**

32 Other expenses

Particulars		Note	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores, spares and consumables			**441.94**	308.16
Power and fuel			**2,364.65**	1,606.31
Rent		35	**128.97**	190.44
Repairs - Buildings			**76.89**	54.88
- Plant & Machinery			**358.70**	271.55
- Others			**1,650.79**	895.34
Rates and taxes			**29.78**	67.92
Insurance			**206.70**	181.80
Travelling expense			**787.12**	593.05
Contract labour charges			**1,820.73**	1,451.24
Freight and handling expenses			**5,402.17**	3,769.20
Advertisement expenses			**4,321.21**	2,858.60
Selling and distribution expenses			**1,900.09**	1,411.21
Legal and professional fees			**273.19**	210.12
Management Consultancy Charges			**100.00**	100.00
Royalty			**140.28**	43.57
Printing, stationery and communications expenses			**68.55**	62.33
Auditors' remuneration (refer note (i) below)			**21.85**	20.95
Provision for expected credit loss		44	**-**	22.35
Director Sitting Fees		39	**1.20**	0.80
Expenditure towards Corporate Social Responsibility (refer note (ii) below)			**88.47**	79.51
Loss on Retirement of property, plant and equipment			**16.97**	68.73
Loss on foreign currency transaction and translation (net)			**18.64**	4.39
Sundry balances written off			**4.17**	-
Advances written off	**330.23**			
Less: Provision for expected credit losses	**(330.23)**		**-**	
Miscellaneous expenses			**494.08**	514.73
			20,717.14	**14,787.18**
Less: Allocated to capital work in progress			**128.17**	-
			20,588.97	**14,787.18**

(All amounts in INR lakhs unless otherwise stated)

32 **Other expenses (continued)**

Note :

i **Payment to Statutory Auditors**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Payment to auditors (exclusive of goods and service tax)		
- as auditor		
- Statutory audit	**10.80**	10.80
- Tax audit	**1.20**	1.20
- Certificate	-	0.50
- Other services	**9.60**	8.20
- Reimbursement of expenses	**0.25**	0.25
Total	**21.85**	20.95

ii **Expenditure towards Corporate Social Responsibility (CSR) activities**

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
A. Amount required to be spent by the company during the year		**88.37**	79.51
B. Amount of expenditure incurred		**88.47**	9.23
(a) Construction/accquisition of an asset		-	-
(b) On purposes other than (a) above		**88.47**	9.23
C. Unspent at the end of the year	**22**		
(a) Unspent at the end of the year pertaining to ongoing projects		-	70.28
(b) Unspent at the end of the year pertaining to other than ongoing projects		-	-
D. Amount of expenditure incurred for the year pertaining to shortfall in earlier years not provided earlier		-	-
E. Total expense recognised in the Statement of Profit and Loss		**88.47**	79.51
F. Nature of CSR activities-		Environmental sustainability	Environmental sustainability and eradicating hunger

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at 1 April 2022		Amount required to be spent during the year	Amount Spent during the year		Balance as at 31 March 2023	
With the Company	In separate CSR Unspent account		From the Company's account	From separate CSR Unspent account	With the Company	In separate CSR Unspent account
-	70.28	88.37	88.47	70.28	-	-

(All amounts in INR lakhs unless otherwise stated)

33 Contingent liabilities and Commitments

(i)

Contingent liabilities	**As at**	As at
Particulars	**31 March 2023**	31 March 2022
Claims against the Company not acknowledged as debts:		
- Income tax matters in dispute	**1,239.04**	502.01
- Labour law matters in dispute	**29.21**	24.67
- Disputed demand of Rajasthan Commercial Tax Department (VAT)	-	3.00
	1,268.25	529.68

Notes

i. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii)

Capital commitments	**As at**	As at
Particulars	**31 March 2023**	31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8,789.73	694.34

34 Segment reporting

A. **Basis for segmentation**
In accordance with the requirements of Ind AS 108, *Segment Reporting*, the Company primarily operates in the segment of manufacturing and sale of Ice cream and related products. The Board of Director of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

B. **Information about geographical areas**
As the Company operates in India only, hence no separate geographical segment is disclosed.

C. **Information about major customers**
None of the customers account for more than 10% of the revenue of the Company.

35 Leases

(i) Lease Liability

Lease liabilities included in Balance Sheet	**As at 31 March 2023**	As at **31 March 2022**
- Current	2,385.02	1,327.42
- Non-current	6,537.40	4,215.87
Total	**8,922.42**	**5,543.29**

(ii) Movement of Lease Liability

Particulars	**Year ended 31 March 2023**	Year ended **31 March 2022**
Opening Balance	5,543.29	6,598.80
Finance costs incurred during the year	495.63	545.76
Payment of lease liabilities	(1,954.40)	(1,864.59)
Addition on account of new lease agreements	4,972.94	411.77
Cancellation of lease	(135.04)	(148.45)
Closing Balance	**8,922.42**	**5,543.29**

(iii) Maturity Analysis of Lease Liabilities

Particulars	**As at 31 March 2023**	As at **31 March 2022**
Maturity Analysis - Undiscounted		
Less than one year	3,141.83	1,828.29
One to five years	7,341.31	4,935.72
More than five years	138.55	238.85

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(All amounts in INR lakhs unless otherwise stated)

35 **Leases (Continued)**

(iv) Amounts recognised in the statement of profit and loss:

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of right of use assets	31	1,510.21	1,360.30
Interest on Lease Liability	30	495.63	545.76
Expense relating to short-term leases	32	113.97	176.83
Expense relating to leases of low-value assets	32	15.00	13.61
Total		**2,134.81**	**2,096.50**

(v) **The total cash outflow for leases:**

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Principal elements of lease payments (disclosed in Cash flow statement)		1,954.40	1,864.59
Expense relating to short-term leases (included in other expenses)	32	15.00	13.61
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	32	113.97	176.83

36 Net debt reconciliation: (reconciliation of movements of cash flows arising from financing activities)

	Other Assets		Liabilities		Total
	Cash & Cash Equivalents	Fixed deposits with financial institutions and other bank balances	Current borrowings	Lease Liability	
Net balance as on April 01, 2021	1,927.02	8,149.84	(1,512.33)	(6,598.80)	1,965.73
Cash flows (net)	4,852.80	2,900.91	1,512.33	1,864.59	11,130.63
Adjustment	-	0.48	-	-	0.48
New Lease	-	-	-	(411.77)	(411.77)
Interest expenses	-	-	(47.48)	(545.76)	(593.24)
Interest paid	-	-	47.48	-	47.48
Deletion of liability	-	-	-	148.45	148.45
Closing balance as on March 31, 2022	**6,779.82**	**11,051.23**	-	**(5,543.29)**	**12,287.76**
Net balance as on April 01, 2022	6,779.82	11,051.23	-	(5,543.29)	**12,287.76**
Cash flows (net)	(4,817.03)	(1,943.24)	-	1,954.40	**(4,805.87)**
Adjustment	-	(0.19)	-	-	**(0.19)**
New Lease	-	-	-	(4,972.94)	**(4,972.94)**
Interest expenses	-	-	(24.37)	(495.63)	**(520.00)**
Interest paid	-	-	24.37	-	**24.37**
Deletion of liability	-	-	-	135.04	**135.04**
Closing balance as on March 31, 2023	**1,962.79**	**9,107.80**	-	**(8,922.42)**	**2,148.17**

37 Earnings per share

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Face value per equity share (in Rs.)	**10.00**	10.00
(a) Profit for the year attributable to equity shareholders (Rs in Lakhs)	**7,207.11**	6,097.79
(b) Number of equity shares at the beginning and end of the year	**10,000,000**	10,000,000
(c) Weighted average number of equity shares for calculating basic and diluted earnings per share	**10,000,000**	10,000,000
Earnings per share (in Rs.):		
- Basic and Diluted earnings per share	**72.07**	60.98

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

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(All amounts in INR lakhs unless otherwise stated)

38 Employee benefits

A. Defined contribution plan

The Company makes defined contribution to provident and pension fund and employee state insurance scheme.

Amount recognised as expense in the Statement of Profit and Loss		**Year ended**	Year ended
Particulars	**Notes**	**31 March 2023**	31 March 2022
Employer's contribution to Provident fund and pension scheme	29	184.84	175.48
Employer's contribution to Employees state insurance scheme	29	28.35	24.65
		213.19	200.13

B. Defined Benefit plan

(i) Gratuity

The Company has defined benefit plans for Gratuity to eligible employees. Valuation in respect of gratuity has been carried out by an independent actuary, as at Balance sheet date. The Plan Assets are administered by Life Insurance Corporation of India ("LIC") and Aditya Birla Sun Life Insurance Company Limited as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations.

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements :

Particulars		**Year ended 31 March 2023**	Year ended 31 March 2022
Reconciliation of Opening and Closing Balances of defined benefit obligation			
Benefit obligations at the beginning		**733.00**	573.45
Current service cost		**82.93**	76.29
Interest cost		**48.34**	35.53
Benefits paid		**(68.06)**	(37.22)
Net actuarial loss / (gain) recognised		**(44.54)**	84.95
Benefit obligations at the end		**751.67**	733.00
Reconciliation of Opening and Closing Balances of the Fair value of plan assets			
Fair value of plan assets at the beginning		**496.21**	451.24
Expected return on plan assets		**32.72**	27.96
Contributions by the employer		**230.74**	50.00
Benefit paid		**(68.06)**	(37.22)
Actuarial gain/(loss) on plan assets		**7.21**	4.23
Plan assets at the end of the Year		**698.82**	496.21
Reconciliation of fair value of assets and obligation			
Present value of obligation as at the end of the year		**751.67**	733.00
Fair value of plan assets as at the end of the year		**698.82**	496.21
(Liability) recognised in balance sheet		**(52.85)**	(236.79)
Current	**21**	**(52.85)**	(236.79)
Expense recognised in profit or loss			
Current service cost		**82.93**	76.29
Interest cost		**48.34**	35.53
Expected return on plan assets		**(32.72)**	(27.96)
	29	**98.55**	83.86
Remeasurements recognised in other comprehensive income			
Due to change in Demographic assumptions		**13.29**	-
Due to change in financial assumptions		**(11.89)**	43.22
Due to experience adjustments		**(45.94)**	41.73
Return on plan assets excluding amounts included in interest income		**(7.21)**	(4.23)
		(51.75)	**80.72**

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

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(All amounts in INR lakhs unless otherwise stated)

38 Employee benefits (continued)

B. Defined Benefit plan *(Continued)*

(i) **Gratuity *(Continued)***

Particulars	31 March 2023	31 March 2022
Expected contribution during the next financial year	**139.82**	320.13
Average outstanding term of the obligations (Years)	**7.42**	6.13
Funds managed by insurer	**100%**	100%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand and the employment market.

Particulars	31 March 2023	31 March 2022
Actuarial assumptions		
[A] Financial assumptions		
Discount Rate (per annum)	**7.30%**	6.60%
Salary growth rate (per annum)	**9.00%**	8.50%
[B] Demographic assumptions		
Withdrawal rates (per annum)	**10.00%**	13.00%
Mortality	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation / asset by the amount shown below:

Particulars	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**704.39**	**804.99**	693.44	777.07
Salary growth rate (1% movement)	**802.39**	**705.55**	774.17	695.01
Attrition rate (0.50% movement)	**731.24**	**784.73**	709.74	773.74

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

Expected cash flows over the next (valued on undiscounted basis):	31 March 2023	31 March 2022
1 year	96.34	126.86
2 to 5 years	378.87	369.05
6 to 10 years	334.94	305.59
More than 10 years	562.41	349.61

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38 Employee benefits *(Continued)*

B. Defined Benefit plan *(Continued)*

(i) Gratuity *(Continued)*

(ii) Risk exposure to defined benefit plans

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate Risk
The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk:
This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk:
The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

Regulatory Risk:
Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset Liability Mismatching or Market Risk:
The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk:
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(ii) Other long term employee benefits

Leave benefits

The Leave obligation covers the Company's liability for sick and earned leave. The Company has long term employee benefit plans for leave encashment and compensated absences to eligible employees. Valuation in respect of leave encashment and compensated absences have been carried out by an independent actuary, as at Balance sheet date. The Plan Assets are administered by Life Insurance Corporation of India ("LIC") and Aditya Birla Sun Life Insurance Company Limited as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations. Refer Note 22 for the leave encashment provision in the balance sheet. Charge to Profit and Loss Account is Rs. 26.56 Lakhs for the year ended 31 March, 2023 and Rs. 122.90 Lakhs for the year ended 31 March, 2022.

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39 Related party transactions

A. List of related parties

(i) Holding Company
Lotte Confectionery Co. Ltd., Korea

(iii) Key management personnel

Mr. Park Byung Chan	Whole Time Director	(W.e.f 08 January 2018 to 15 February 2023)
Mr. Myeongrim Choi	Non Executive Director	
Mr. Youngdong Jin	Executive Director	
Mr. Kyungwoon Cho	Chairman & Non Executive Director	
Mr. Komal Anand	Managing Director	
Mr. D.G. Rajan	Non Executive Director	
Mr. Jaehyun Kim	Whole Time Director	(W.e.f. 02 March 2023)

B. Transactions with related parties

Nature of Transaction	**Year ended 31 March 2023**	Year ended 31 March 2022
Lotte Confectionery Co. Ltd., Korea		
Purchase of materials	**453.70**	146.13
Management consultancy charges	**100.00**	100.00
Royalty for brand usage	**140.28**	43.56
Lotte India Corporation Limited		
Purchase of Trading Goods (including taxes)	-	39.04

C. Compensation to Key managerial personnel

Particulars	**Year ended 31 March 2023**	Year ended 31 March 2022
Salaries, wages and bonus#	**361.68**	240.86
Director Sitting Fees	**1.20**	0.80

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19, *Employee Benefits* in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

D. Balances with related parties

	As at 31 March 2023	As at 31 March 2022
Other Financial Liability		
Lotte India Corporation Limited	-	-
Trade payables		
Lotte Confectionery Co. Ltd., Korea	453.22	150.33

E. Note

The Company has carried out an independent review for assessing compliance up to March 31, 2022 with the "Transfer Pricing Rules, 2001" issued by the Central Board of Direct Taxes of India and no deviations were observed from the requirements of the aforesaid Transfer Pricing Rules. The Company is yet to commission an independent review for assessing compliance for the year April 1, 2022 to March 31, 2023 with the aforesaid Transfer Pricing Rules. However, on the basis of self-assessment of the operations during the year, and the conclusion drawn on independent review of its operations in the previous financial year, the Management does not expect any significant deviations from the requirements of the aforesaid Transfer Pricing Rules.

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(All amounts in INR lakhs unless otherwise stated)

40 Aging Schedule for Capital Work-in-Progress (CWIP)

As at March 31, 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,496.28	-	-	-	2,496.28
Projects temporarily suspended	-	-	-	-	-
Gross Total	**2,496.28**	**-**	**-**	**-**	**2,496.28**

As at March 31, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	35.49	-	-	-	35.49
Projects temporarily suspended	-	-	-	-	-
Gross Total	**35.49**	**-**	**-**	**-**	**35.49**

Note:
There is no capital work in progress whose cost has exceeded or completion is overdue as compared to its original plan as at March 31, 2023 and March 31, 2022.

41 Aging schedule of trade receivables

Particulars	As at 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
Undisputed Trade receivables							
- Considered good	768.11	131.94	4.60	-	-	-	**904.65**
- Credit impaired	0.03	-	10.56	31.44	21.47	21.51	**85.01**
Disputed Trade receivables							
- Considered good	-	-	-	-	-	0.50	**0.50**
- Credit impaired	-	-	0.99	4.31	9.17	57.60	**72.07**
Total	**768.14**	**131.94**	**16.15**	**35.75**	**30.64**	**79.61**	**1,062.23**

Particulars	As at March 31, 2022 - 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
Undisputed Trade receivables							
- Considered good	743.40	51.76	-	-	-	-	**795.16**
- Credit impaired	-	-	20.56	54.40	13.81	11.57	**100.34**
Disputed Trade receivables							
- Considered good	-	-	-	0.25	0.20	-	**0.45**
- Credit impaired	-	4.30	2.02	7.38	3.13	53.52	**70.35**
Total	**743.40**	**56.06**	**22.58**	**62.03**	**17.14**	**65.09**	**966.30**

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(All amounts in INR lakhs unless otherwise stated)

d **Aging schedule of trade payables:**

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
- MSME	629.96	245.64	888.44	23.15	-	-	**1,787.19**
- Others	2,121.33	1,030.94	1,995.05	4.94	-	38.69	**5,190.95**
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**2,751.29**	**1,276.58**	**2,883.49**	**28.09**	**-**	**38.69**	**6,978.14**

Particulars	As at March 31, 2022						
			Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
- MSME	485.01	1,053.26	157.04	-	-	-	**1,695.31**
- Others	1,684.73	1,254.32	277.54	11.57	6.23	35.64	**3,270.03**
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**2,169.74**	**2,307.58**	**434.58**	**11.57**	**6.23**	**35.64**	**4,965.34**

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(All amounts in INR lakhs unless otherwise stated)

43 Fair Value Measurements

A. Financial instruments by category and their fair value

As at 31 March 2023

Particulars	Carrying amount FVTPL	FVOCI	Amortised Cost	Total	Fair value Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Loans	-	-	22.21	22.21	-	-	-	-
Trade receivables	-	-	905.15	905.15	-	-	-	-
Cash and cash equivalents	-	-	1,962.79	1,962.79	-	-	-	-
Other bank balances	-	-	6.90	6.90	-	-	-	-
Other financial assets	-	-	9,810.13	9,810.13	-	-	-	-
Total financial assets	-	-	**12,707.18**	**12,707.18**	-	-	-	-
Financial liabilities								
Trade payables	-	-	6,978.14	6,978.14	-	-	-	-
Other financial liabilities	-	-	8,697.24	8,697.24	-	-	-	-
Total financial liabilities	-	-	**15,675.38**	**15,675.38**	-	-	-	-

As at 31 March 2022

Particulars	Carrying amount FVTPL	FVOCI	Amortised Cost	Total	Fair value Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Loans	-	-	32.01	32.01	-	-	-	-
Trade receivables	-	-	795.61	795.61	-	-	-	-
Cash and cash equivalents	-	-	6,779.82	6,779.82	-	-	-	-
Other bank balances	-	-	257.15	257.15	-	-	-	-
Other financial assets	-	-	11,290.79	11,290.79	-	-	-	-
Total financial assets	-	-	**19,155.38**	**19,155.38**	-	-	-	-
Financial liabilities								
Trade payables	-	-	4,965.34	4,965.34	-	-	-	-
Other financial liabilities	-	-	6,784.00	6,784.00	-	-	-	-
Total financial liabilities	-	-	**11,749.34**	**11,749.34**	-	-	-	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately. The carrying amounts of loans, trade receivables, cash and cash equivalents, trade payables, other financial assets and liabilities, are considered to be the same as their fair values, due to their short-term nature.

B. Measurement of fair values

Types of inputs for determining fair value are as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
Level 2: The fair value of financial instruments that are not traded in an active market 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.

Level 3 : These instruments are valued based on significant unobservable inputs whereby future cash flows are discounted using appropriate discount rate.

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and capital expenditure. The Company's principal financial assets includes loans, trade and other receivables, investments and cash and cash equivalents, bank balances that derive directly from its operations. The Company has exposure to the following risks arising from financial instruments:

• Foreign currency risk ; and
• Credit risk ; and
• Liquidity risk

(i) Foreign currency risk
The Company is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Company's exposure with regards to foreign currency risk which are not hedged are given below. However, these risks are not significant to the company's operation and accordingly sensitivity analysis is not given.

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(All amounts in INR lakhs unless otherwise stated)

44 Financial instruments risk management objectives and policies *(Continued)*

Unhedged foreign currency exposures:

Nature of transactions	Currency	Rs. in Lakhs 31 March 2023	Rs. in Lakhs 31 March 2022
Capital creditors	USD		44.96
Trade Payables	USD	453.22	

Foreign Currency Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant.

Nature of transactions	Currency	Rs. in Lakhs 31 March 2023	Rs. in Lakhs 31 March 2022
Impact on Profit before Tax - Rupee depreciate by Re. 1 against USD		(5.62)	(0.64)
Impact on Profit before Tax - Rupee appreciate by Re. 1 against USD		5.62	0.64

(ii) **Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company. The potential activities where credit risks may arise include from cash and cash equivalents, security deposits or other deposits, loans and advances to employees and customer receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods supplied to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. All receivables are reviewed and assessed for default on a quarterly basis. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2023 and March 31, 2022. The Company is dependent on the domestic market for its business and revenues.

The Company's credit policies and practices are designed to limit exposure by collecting security deposits.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. In case any specific instance is identified which requires a provision, the company also provides for the same.The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.(Refer note 41 for Ageing schedule for Trade Receivables)

Movements in Expected Credit Loss allowance

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	170.69	148.34
Movements in allowance	(13.61)	22.35
Closing balance	157.08	170.69

Aging of Receivables	Expected Credit Loss % 31 March 2023	Expected Credit Loss % 31 March 2022
Not Due	13.00%	21.00%
0 to 90 days	3.00%	2.00%
91 to 182 days	1.00%	7.00%
More than 182 days past due	83.00%	70.00%

Other financial assets

Other financial assets includes investments, cash and cash equivalents, security deposits or other deposits, loans and advances to employees etc.

- Cash and cash equivalents, Bank deposits and Investments are placed with banks and financial institutions having good reputation and past track record with adequate credit rating.
- Loan and advances to employees are unsecured in nature. Based on historical ternds, the management does not forsee any credit risk.
- The Company has given security deposits to various government authorities and other parties. Based on historical trends, the management does not foresee any credit risk.

(iii) **Liquidity risk**

Financing arrangement

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

Particulars	31 March 2023	31 March 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	3,900.00	3,900.00
Total	3,900.00	3,900.00

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

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(All amounts in INR lakhs unless otherwise stated)

44 Financial instruments risk management objectives and policies *(Continued)*

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31 March 2023	Carrying amount	Contractual maturities		
		Less than 12 months	More than 12 months	Total
Non-derivative financial liabilities				
Lease liabilities	10,621.69	3,141.83	7,479.86	10,621.69
Trade payables	6,978.14	6,978.14	-	6,978.14
Other financial liabilities	8,697.24	8,697.24	-	8,697.24
Total	**26,297.07**	**18,817.21**	**7,479.86**	**26,297.07**

As at 31 March 2022	Carrying amount	Contractual maturities		
		Less than 12 months	More than 12 months	Total
Non-derivative financial liabilities				
Borrowings	-	-	-	-
Lease liabilities	7,002.86	1,828.29	5,174.57	7,002.86
Trade payables	4,965.34	4,965.34	-	4,965.34
Other financial liabilities	6,784.00	6,784.00	-	6,784.00
Total	**18,752.20**	**13,577.63**	**5,174.57**	**18,752.20**

45 Capital management

The Company defines capital as total equity including issued equity share capital and all other equity reserves of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

The Company monitors capital using a ratio of 'net debt' to 'total equity'. For this purpose, net debt it is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Total equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

Particulars	Note	31 March 2023	31 March 2022
Total borrowings	19	**8,922.42**	5,543.29
Less: cash and bank balances	16	**1,969.69**	7,036.97
Less:Fixed deposits with financial institutions	10	**9,319.85**	10,902.22
Adjusted net debt		**(2,367.12)**	(12,395.90)
Equity share capital	17	**1,000.00**	1,000.00
Other equity	18	**30,173.28**	22,927.44
Total equity		**31,173.28**	23,927.44
Adjusted net debt to adjusted equity ratio		**(0.08)**	(0.52)

46 Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

Particulars	31 March 2023		31 March 2022	
	Trade payables	Capital creditors	Trade payables	Capital creditors
The principal amount remaining unpaid to any supplier at the end of each accounting year;	**1,787.19**	**145.40**	1,695.31	47.62
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	**8.71**	**3.24**	3.17	0.02
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
Principal amounts paid to the suppliers beyond the appointed day during the year	**8,852.28**	**540.84**	5,322.68	429.22
Interest paid under section 16 of the MSMED Act, to the suppliers beyond the appointed day during the year	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**41.89**	**4.37**	24.66	5.20
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	**50.60**	**7.61**	27.83	5.22
The 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 Micro, Small and Medium Enterprises Development Act, 2006.	**60.09**	**8.93**	32.26	3.71

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at the reporting date based on the information received and available with the Company.

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47 Disclosures under Ind AS 115, *Revenue from contracts with customers*

(i) Reconciliation the amount of revenue recognised in the Statement of Profit and Loss with the contracted price:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	**101,620.19**	70,018.66
Less: Discounts given to customers	**(4,329.72)**	(2,654.57)
Revenue from contract with customers	**97,290.47**	67,364.09

(ii) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars		As at 31 March 2023	As at 31 March 2022
Trade receivables		**905.15**	795.61
Contract liabilities - deferred revenue / customer advances			
Current	22	**67.27**	71.79

The contract liabilities primarily relate to the advance consideration received from the customers. Revenue recognised that was included in the contract liability balance at the beginning of the period are Rs. 71.79 lakhs for the year ended 31 March 2023 (31 March 2022: Rs. 120.06 lakhs).

(iii) Disaggregation of revenue

Disclosure given above presents disaggregated revenue from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

48 Accounting Ratios:

The following table sets forth key financial ratios based on financials:

Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Difference	Explanation in case of deviation of > 25%
Current Ratio	Current assets	Current liabilities	**1.45**	1.66	-12.65%	Not applicable
Debt-Equity Ratio	Total debt	Total Equity	**-**	-	0.00%	Not applicable
Debt Service Coverage Ratio	Earnings Available for Debt Service - (EBIT+Loss on Sale of PPE-Profit on	Debt Service (Interest + Lease payments+Principal	**7.51**	3.94	90.47%	Due to no repayment of borrowing during the year
Return on Equity Ratio	Profit for the year	Average shareholder's equity	**26%**	29%	-11.13%	Not applicable
Inventory Turnover Ratio	Revenue from operations	Average Inventories	**10.75**	11.70	-8.14%	Not applicable
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	**114.41**	71.62	59.75%	Due to increase in operations as compared to pervious year.
Trade Payables Turnover Ratio	Cost of materials consumed+Purchase of stock-in-trade+Changes in inventories of finished goods, semi finished goods and stock-in-trade	Average Trade Payables	**9.54**	7.39	29.04%	Due to increase in operations as compared to pervious year.
Net Capital Turnover Ratio	Revenue from operations	Current assets - Current liabilities	**11.24**	6.67	68.37%	Increase in revenue during the current year.
Net Profit Ratio	Profit after tax	Revenue from operations	**7%**	9%	-18.16%	Not applicable
Return on Capital Employed	Profit before tax + Finance costs	Total Equity	**33%**	37%	-10.56%	Not applicable
Return on Investment	Profit before tax + Finance costs	Average Total assets	**0.21**	0.21	-4.52%	Not applicable

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(All amounts in INR lakhs unless otherwise stated)

49 Title Deeds not held in the Name of the Company

As at March 31, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (INR in Lakhs)	Title deeds held in the name of	Title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Period held - range	Reason for not being held in the name of the company
(i) Immovable Properties						
Property, plant and equipment	Building	130.89	Havmor Ice Cream Limited	No	16 Years	In name of erstwhile name of the company
Property, plant and equipment	Building	27.23	Havmor Ice Cream Limited	No	17 Years	
		158.12				
(ii) Properties where the Company is the lessee and the lease agreement not duly executed in favour of the Company						
Right of Use	Leasehold Land	130.22	Havmor Ice Cream Limited	No	11 Years	The company has filed an application for name change
Right of Use	Building	1,054.16	Havmor Ice Cream Limited	No	4 - 11 years	In name of erstwhile name of the company
		1,184.38				

As at March 31, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (INR in Lakhs)	Title deeds held in the name of	Title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Period held - range	Reason for not being held in the name of the company
(i) Immovable Properties						
Property, plant and equipment	Buidling	130.89	Havmor Ice Cream Limited	No	15 Years	In name of erstwhile name of the company
Property, plant and equipment	Buidling	27.23	Havmor Ice Cream Limited	No	16 Years	
		158.12				
(ii) Properties where the Company is the lessee and the lease agreement not duly executed in favour of the Company						
Right of Use	Leasehold Land	130.22	Havmor Ice Cream Limited	No	10 Years	In name of erstwhile name of the company
Right of Use	Building	2,104.54	Havmor Ice Cream Limited	No	3 - 9 years	
Right of Use	Plant and Machinery	4,730.61	Havmor Ice Cream Limited	No	5 Years	
		6,965.37				

50 Additional regulatory information required by Schedule III

(i) 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 during the year ended March 31, 2023 and March 31, 2022.

(ii) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2023 and March 31, 2022.

(iii) The Company does not have any investment in subsidiaries hence the disclosure clause is not applicable during the year ended March 31, 2023 and March 31, 2022.

(iv) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

(v) The Company has not entered into any scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended March 31, 2023 and March 31, 2022.

(vi) During the year ended March 31, 2023 and March 31, 2022, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) During the year ended March 31, 2023 and March 31, 2022, the Company has not granted loans or advances in nature of loans, repayable on demand or without specifying any terms for period of repayment, to promoters/directors/KMPs/Related parties (as defined under the Companies Act, 2013).

(viii) There are no charges or satisfactions of charges required to be registered with the Registrar of Companies during the year ended March 31, 2023 and March 31, 2022.

Havmor Ice Cream Private Limited
Ahmedabad

(All amounts in INR lakhs unless otherwise stated)

50 Additional regulatory information required by Schedule III (continued)

(ix) During the year ended March 31, 2023 and March 31, 2022, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.

Further, during the year ended March 31, 2023 and March 31, 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

(x) Working capital facilities from banks are secured by first charge on hypothecation of stocks, book debts, other movables, both present and future and further secured by first charge by way of mortgage on all immovable properties. The company had borrowings from banks on the basis of security of current assets and quarterly returns of statements of current assets filed are in agreement with the books of accounts.The undrawn working capital facility from Banks based on approved facilities, were Rs 3,900 Lakhs as at 31 March, 2022 (Rs 3,900 Lakhs as at 31 March 2022). During the current and previous year, the company has used the loan for the purpose for which it was obtained.

51 Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31 March 2023	Balance outstanding as on 31 March 2022	Relationship with the Struck off company
Agbro Foods Fmcg Limited	Sales	-	-	Customer
Creamy Que Ventuers Pvt. Ltd.	Sales	-	-	Customer
Firstgo India Retail Private Limite	Sales	-	-	Customer
Gokulam Grand Hotel And Spa Bangalo	Sales	-	-	Customer
Ichiban Tabemono Food And Beverage	Sales	-	-	Customer
Oryzaa Foods India Pvt Ltd	Sales	-	-	Customer
Twamev Hospitality Pvt	Sales	-	-	Customer
Squared Monitoring Information And	Purchases	-	-	Vendor
Buckets And Brooms Pvt Ltd	Purchases	-	-	Vendor
Seven Oaks Engineering Pvt. Ltd.	Purchases	-	-	Vendor
Shan Holiday Inn Private Limited	Purchases	-	-	Vendor
Sakha Global Private Limited	Purchases	-	-	Vendor
Leela Trade Links Private Limited	Sales	-	-	Customer
Vivanta Hotels And Resorts Private Limited	Sales	-	-	Customer
Cosmopolitan Hotels Private Limited	Sales	-	-	Customer
Sadbhavana Hospitality Services Private Limited	Sales	-	-	Customer
Paradigm Motels Private Limited	Sales	-	-	Customer
Beyond Infotainment Private Limited	Purchases	-	-	Vendor
Buckets And Brooms Private Limited	Purchases	-	-	Vendor

52 Approval of financial statements

The financial statements were approved for issue by the board of directors on September 26, 2023.

Signature to Note 1 to 52

In terms of our report attached

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

Viren Shah

Viren Shah
Partner
Membership No: 046521

Ahmedabad
September 26, 2023

Havmor Ice Cream Private Limited ★ Ahmedabad ★

For and on behalf of the Board of Directors of
Havmor Ice Cream Private Limited
CIN : U15200GJ2006PTC048016

Komal Anand
Managing Director
DIN: 06693454

Jaehyun Kim
Whole Time Director
DIN: 10047983

Jaimin Trivedi
Head - Finance

Sonam Jain
Company Secretary
ICSI Memb. No.: A37095

Ahmedabad, September 26, 2023

Havmor ICE CREAM

Havmor Ice Cream Private Limited

Balance Sheet
As at 31 March 2024

(All amounts in INR lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Assets		
Non-current assets		
(a) Property, plant and equipment	**12,532.53**	11,373.99
(b) Right-of-use assets	**11,070.44**	12,379.58
(c) Capital work-in-progress	**20,418.96**	2,496.28
(d) Goodwill	**421.40**	421.40
(e) Other intangible assets	**91.94**	116.73
(f) Financial assets		
(i) Other financial assets	**1,176.42**	428.05
	1,176.42	**428.05**
(g) Non Current tax assets (net)	**214.50**	215.20
(h) Deferred tax assets (net)	**909.04**	668.41
(i) Other non-current assets	**1,705.32**	953.13
Total Non- current assets	**48,540.55**	**29,052.77**
Current assets		
(a) Inventories	**7,932.56**	12,566.44
(b) Financial assets		
(i) Trade receivables	**912.52**	905.15
(ii) Cash and cash equivalents	**1,689.14**	1,962.79
(iii) Bank balances other than (ii) above	**4,189.47**	6.90
(iv) Loans	**18.44**	22.21
(v) Other financial assets	**42.40**	9,382.08
	6,851.97	**12,279.13**
(c) Other current assets	**3,010.62**	2,968.42
Total Current assets	**17,795.15**	**27,813.99**
Total assets	**66,335.70**	**56,866.76**
Equity and liabilities		
Equity		
(a) Equity share capital	**1,000.00**	1,000.00
(b) Other equity	**38,988.17**	30,173.28
Total Equity	**39,988.17**	**31,173.28**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	**4,903.24**	6,537.40
Total Non-current liabilities	**4,903.24**	**6,537.40**
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	**2,737.58**	2,385.02
(ii) Trade payables - total outstanding dues of		
(a) micro enterprises and small enterprises	**1,787.19**	1,787.19
(b) creditors other than micro enterprises and small enterprises	**5,301.25**	5,190.95
(iii) Other financial liabilities	**9,457.12**	8,697.24
	20,817.93	**18,060.40**
(b) Other current liabilities	**131.43**	875.15
(c) Provisions	**421.03**	220.26
(d) Current tax liabilities (net)	**73.89**	0.27
Total Current liabilities	**21,444.28**	**19,156.08**
	26,347.52	**25,693.48**
Total equity and liabilities	**66,335.69**	**56,866.76**

For and on behalf of the Board of Directors of
Havmor Ice Cream Private Limited
CIN : U15200GJ2006PTC048016

Havmor Ice Cream Private Limited * Ahmedabad *

강재현

Director

Place AHMEDABAD
Date 29.07.2024

HAVMOR ICE CREAM PRIVATE LIMITED
(Formerly known as Havmor Ice Cream Limited)
Regd. Office : 2nd Floor, Commerce House - 4, Beside Shell Petrol Pump, 100 Ft. Road, Prahlad Nagar, Ahmedabad - 380 015.
079-4020 9000 havmor@havmor.com www.havmor.com | CIN No. U15200GJ2006PTC048016

CERTIFIED TRUE COPY
For Havmor Ice Cream Private Limited

강 재 현

Authorised Signatory

Havmor ICE CREAM

Havmor Ice Cream Private Limited
Statement of Profit and Loss
For the year ended 31 March 2024

(All amounts in INR lakhs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Income		
Revenue from operations	1,03,473.42	97,290.47
Other income	1,058.72	1,412.10
Total income	1,04,532.14	98,702.57
Expenses		
Cost of materials consumed	55,165.15	58,506.08
Purchase of stock-in-trade	225.48	817.24
Changes in inventories of finished goods, semi finished goods and stock-in-trade	979.62	(2,368.49)
Employee benefits expense	6,261.71	6,145.29
Finance costs	725.00	578.21
Depreciation and amortisation expense	6,055.49	4,733.92
Other expenses	23,299.03	20,588.97
Total expenses	92,711.48	89,001.22
Profit before tax	11,820.66	9,701.35
Tax expense:		
Current tax	3,216.11	2,579.98
Excess provision of tax relating to earlier years	-	(3.17)
Deferred tax	(233.00)	(82.57)
	2,983.11	2,494.24
Profit for the year	8,837.55	7,207.11
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plan	(30.28)	51.76
Income tax relating to above	7.62	(13.03)
Other comprehensive income for the year, net of tax	(22.66)	38.73
Total comprehensive income for the year	8,814.89	7,245.84
Earnings per share (Face value Rs. 10 per share)		
Basic and Diluted (INR) per share	88.38	72.07

For and on behalf of the Board of Directors of
Havmor Ice Cream Private Limited
CIN : U15200GJ2006PTC048016

김 재 현

Director
Place AHMEDABAD
Date 29.07.2024

CERTIFIED TRUE COPY

For Havmor Ice Cream Private Limited

김 재 현

Authorised Signatory

HAVMOR ICE CREAM PRIVATE LIMITED
(Formerly known as Havmor Ice Cream Limited)
Regd. Office : 2nd Floor, Commerce House - 4, Beside Shell Petrol Pump, 100 Ft. Road, Prahlad Nagar, Ahmedabad - 380 015.
079-4020 9000 havmor@havmor.com www.havmor.com | CIN No. U15200GJ2006PTC048016

LOTTE INDIA

ANNUAL REPORT
2022-2023

CONTENTS

CORPORATE INFORMATION

Board of Directors	**KYUNGWOON CHO** Chairman cum ED
	MILAN WAHI Managing Director
	JEONGKWAN HEO Whole Time Director & CFO (from 30-08-2022)
	MYEONGRIM CHOI Director
	D.G.RAJAN Independent Director
	JEEHYE YOU Independent Director
Company Secretary	**T.G.KARTHIKEYAN**
Registered office	No.4/111, Mount Poonamallee Road Manapakkam, Chennai – 600 089.
Head 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

TEN YEARS AT A GLANCE

Rs. in Lakhs

	2014	2016 (15 months Jan 2015 - March 2016)	2016-17	2017-18	2017-18*	2018-19*	2019-20	2020-21	2021-22	2022-23
OPERATING RESULTS:										
GROSS INCOME	37,448	48,132	40,245	42,576	42,621	45,490	44,070	41,682	49,429	65,416
PROFIT/(LOSS) BEF DEPN.,INTEREST & TAX	2,061	2,815	3,395	4,087	4,029	5,814	3,316	6,223	4,401	4,962
PROFIT/(LOSS) BEF INTEREST & TAX	319	(919)	(845)	(7)	(65)	1,779	(915)	2,083	329	1,196
PROFIT/(LOSS) BEFORE TAX (PBT)	272	(2,351)	(2,675)	(1,534)	(1,662)	389	(1,763)	1,229	91	687
PROFIT/(LOSS) AFTER TAX (PAT)	131	(2,251)	(2,675)	(1,534)	(1,662)	306	(1,763)	1,004	1,150	(126)
DIVIDENDS	-	-	-	-	-	-	-	-	-	-
DIVIDEND TAX	-	-	-	-	-	-	-	-	-	-
ADJUSTMENTS FOR OTHER COMPREHENSIVE INCOME	-	-	-	-	31.42	(4.57)	(39.55)	44.76	31.69	19.20
RETAINED PROFITS	131	(2,251)	(2,675)	(1,534)	(1,631)	302	(1,802)	1,049	1,182	(106)
SOURCES AND APPLICATION OF FUNDS:										
SOURCES OF FUNDS:										
SHARE CAPITAL	956	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,410
RESERVES AND SURPLUS	44,881	49,106	46,431	44,897	44,797	45,099	43,297	44,346	45,528	62,618
TOTAL SHAREHOLDERS'FUNDS	45,837	50,192	47,517	45,983	45,884	46,185	44,383	45,432	46,614	64,029
BORROWINGS	12,666	30,945	25,935	20,380	20,380	12,451	16,265	9,531	8,292	5,611
DEFERRED TAX LIABILITY	111	-	-	-	-	-	-	-	-	-
FUNDS EMPLOYED	58,614	81,137	73,452	66,363	66,264	58,636	60,649	54,963	54,906	69,640
CASH CREDIT	-	-	-	-	-	-	-	-	-	-
APPLICATION OF FUNDS:										
GROSS FIXED ASSETS (includes Investment Property)	55,388	93,863	92,950	93,096	72,224	72,432	73,137	73,245	74,238	74,482
DEPRECIATION	13,998	17,717	20,866	24,932	4,080	8,109	12,324	16,446	19,938	23,539
NET FIXED ASSETS	41,390	76,146	72,084	68,164	68,163	64,336	60,814	56,799	54,300	50,943
CAPITAL WORK-IN-PROGRESS	7,425	151	6	2	2	2	604	1,391	62	2,079
INVESTMENTS	0.26	0.26	0.26	0.26	0.26	0.26	5.00	5.00	5	5
DEFERRED TAX ASSET (NET)	-	-	-	-	-	-	-	-	1,109	417
DEFERRED TAX LIABILITY (NET)	-	-	-	-	-	-	-	-	-	-
GROSS CURRENT AND NON-CURRENT ASSETS	15,580	18,022	16,000	13,778	13,299	13,480	13,447	12,832	15,930	35,306
CURRENT LIABILITIES & PROVISIONS	5,781	13,181	14,638	15,580	15,201	19,183	14,221	16,064	15,789	18,963
NET CURRENT ASSETS	9,799	4,841	1,362	(1,802)	(1,902)	(5,703)	(774)	(3,232)	142	16,343
DEFERRED REVENUE EXPENDITURE			-	-	-	-	-	-	-	-
DEBIT BALANCE IN P & L	-	-	-	-	-	-	-	-	-	-
NET ASSETS EMPLOYED	58,614	81,137	73,452	66,364	66,264	58,636	60,649	54,963	54,511	69,371
RATIOS:										
ROCE (%)	0.61	(1.31)	(1.09)	(0.01)	(0.10)	2.85	(1.53)	0.03	0.01	1.92
PBDIT TO GROSS INCOME(%)	5.50	5.85	8.44	9.60	9.45	12.78	7.50	14.93	8.90	7.58
PAT ON SHAREHOLDERS'FUNDS(%)	0.29	(4.48)	(5.63)	(3.33)	3.62	0.66	(3.97)	2.21	2.47	(0.20)
EARNINGS PER EQUITY SHARE(Rs)	1.37	(20.72)	(24.62)	(14.12)	(15.30)	2.82	(16.22)	9.25	10.59	(0.99)
DIVIDEND PER EQUITY SHARE(Rs)	-	-	-	-	-	-	-	-	-	-
NET WORTH PER EQUITY SHARE(Rs)	479.47	462.01	437.39	423.27	422.35	425.13	408.54	418.20	429.08	504.85
DEBT: EQUITY RATIO	0.28	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 : No.4/111, Mount Poonamallee Road, Manapakkam, Chennai 600 089.
Phone No. 044-4545 8888; FAX: 044-4545 8800; e-mail: compsecy@lotteindia.com
Corporate Identity Number: U15419TN1954PLC001987; Website: www.lotteindia.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 68th Annual General Meeting of the Company (AGM) will be held on Friday, the **29th September, 2023 at 11.00 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 year financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Kyungwoon Cho (DIN: 09048060) 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 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 there under including any statutory modification(s) or re-enactment thereof and subject to the approval of shareholders, the remuneration payable to Mr.Kyungwoon Cho, (DIN - 09048060), Chairman cum Executive Director be and is hereby revised as follows with effect from 1st February, 2023 to 7th March 2024.

(a) Salary

- i. Rs.55,000 per month as basic salary
- ii. Rs.7,52,650 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.3,36,000 per annum towards maintenance of car, fuel and driver's salary.
- iii. Medical reimbursements 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. 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 the Board of 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.

4. **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 there under including any statutory modification(s) or re-enactment thereof and subject to the approval of shareholders, the remuneration payable to Mr.Milan Wahi (DIN: 05242884), Managing Director be and is hereby revised as follows with effect from 1st January, 2023 to 09.10.2025.

(a) Salary

i. Rs.4,84,250 per month as basic salary.

ii. Rs.5,30,621 per month towards allowances such as House rent allowance, special allowance and leave travel allowance.

(b) Benefits

i. Rs.49,550 per month towards Maintenance of car, fuel, driver's salary, telephone and mobile charges.

ii. Performance incentive subject to a maximum of Rs.14,48,658 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 the Board of 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.

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 there under including any statutory modification(s) or re-enactment thereof and subject to the approval of shareholders, the remuneration payable to Mr.Jeongkwan Heo, (DIN: 09715459) Whole Time Director be and is hereby revised as follows with effect from 1st February, 2023 to 29th August, 2025.

(a) Salary

i) Rs.55,000 per month as basic salary.

ii) Rs. 4,07,274 per month towards allowances.

(b) Benefits

iii) 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.

iv) Rs.475,000 per annum towards Maintenance of car, fuel, driver's salary.

v) Medical reimbursement subject to a maximum of Rs.85,000 in aggregate per annum and Medical insurance premium as per company's policy.

vi) Rs.2,00,000 per annum in aggregate towards Club Membership / subscription fee.

vii) 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.

viii) 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.

ix) Gratuity and Contribution to Provident fund shall be payable as per applicable Acts.

RESOLVED FURTHER THAT Mr.Jeongkwan Heo 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.Jeongkwan Heo shall be entitled to the above remuneration as the minimum remuneration subject to the approvals, if any, required.

RESOLVED FURTHER THAT Mr.Jeongkwan Heo 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.Jeongkwan Heo 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 the Board of 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 modifications, the following resolution as a Special Resolution:**

   RESOLVED THAT the allowance amount of Rs.2,50,000 paid to Mr.Jeongkwan Heo (DIN. 09715459) during the period from 30.08.2022 to 31.03.2023 over and above the limit of Rs. 15,31,403 approved by the Shareholders at their Annual General Meeting held on 29.09.2022 be and is hereby approved.

By Order of the Board

For Lotte India Corporation Limited

Chennai — T.G. Karthikeyan

Date: August 29, 2023 — Company Secretary

Notes:

1. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 is being sent. The aforesaid notice along with Annual Report has been uploaded on the website of the Company at www.lotteindia.com .
2. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item Nos.3 to 6 and statement pursuant to the provisions of Part-II of Section –II (iv) of Schedule V of Companies Act, 2013 are annexed.
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, 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 ShareTransfer books of the Company shall remain closed from **23.09.2023** to **29.09.2023** (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 thru e-voting at the AGM.
12. The Scrutinizer shall, immediately after the conclusion of voting at the Anuual 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

Notes (Contd.)

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..

Instructions for e-voting and joining virtual meetings.

In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs vide its Circular No.20/2020 dated May 05, 2020 read with Circular No.14/2020 dated April 08, 2020 read with Circular No.17/2020 dated April 13, 2020 read with Circular No.02/2021 dated January 13, 2021 read with Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated 28/12/2022 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013, the forthcoming AGM of the Company will be held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC / OAVM only.

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, January 13, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 the Company shall provide the 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 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 through VC or OAVM will be provided by CDSL.

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 elsewhere for Remote e-voting.

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 .

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 **26.09.2023 at 9.00 a.m.** and ends on **28.09.2023 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on **22.09.2023 (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:

Notes (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	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 & voting during the meeting.

Notes (Contd.)

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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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..

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 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
Dividend Bank details (or) Date of Birth (DOB)	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. • 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.

(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 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.
- 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 (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.

   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 or contact at toll free no. 1800 22 55 33

   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 or call toll free no. 1800 22 55 33.

ANNEXURE TO THE NOTICE

Profile of Mr.Kyungwoon Cho, Chairman cum Executive 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.

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 3:

Considering the performance of Mr. Kyungwoon Cho (DIN - 09048060), Chairman cum Executive Director and based on the recommendation of Remuneration and Nomination Committee, at its meeting held on 25th July, 2023, the Board of Directors at their meeting held on same date, revised the remuneration of Mr. Kyungwoon Cho with retrospective effect from 1st February, 2023 to 7th March 2024, subject to the approval of shareholders. 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 a member of Audit Committee, CSR Committee and Remuneration & Nomination Committee. He is the Chairman of Havmor Ice Cream P.Ltd. His rich experience in the areas of sales, marketing and finance will help us to improve the overall performance of the Company. He 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 4

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 25th July, 2023, the Board of Directors at their meeting held on same date, revised the remuneration of Mr.Milan Wahi with retrospective effect from 1st January, 2023 to 9th October 2025 subject to the approval of shareholders. 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. He is a member of CSR Committee and Stakeholders Relationship Committee. His vast experience will help us to improve the overall performance of the Company. He does not hold any shares in 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 5:

Considering the performance of Mr.Jeongkwan Heo, (DIN. 09715459) Whole Time Director & CFO and based on the recommendation of Remuneration and

Nomination Committee, at its meeting held on 25th July, 2023, the Board of Directors at their meeting held on same date, revised the remuneration of Mr.Jeongkwan Heo with retrospective effect from 1st February, 2023 to 29th August, 2025 subject to the approval of shareholders.

Mr.Jeongkwan Heo is a Graduate in Accounting from Dongguk University, Seoul and has about 12 years of experience in the field of Finance and Accounts. Prior to his appointment at Lotte India, Mr.Jeongkwan Heo was working with Lotte Confectionery Co.Ltd, Korea as Manager (Treasury). His association with the Company will help us to improve the performance of the Company. He does not hold any shares in the Company.

None of the Directors (other than 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 6:

The Company had paid the allowance amount of Rs. 2,50,000 to Mr.Jeongkwan Heo during the period from 30.08.2022 to 31.03.2023, which is in excess of other allowance limit of Rs. 15,31,403 approved by the shareholders at their Annual General Meeting held on 29.09.2022. In view of the above, the approval of shareholders is required. He does not hold any shares in the Company.

None of the Directors (other than 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

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The following information pertaining to **Mr. Kyungwoon Cho** is furnished pursuant to the provisions of Part – II of Section – II (Iv) of Schedule V of the Companies Act, 2013.

General Information	Particulars
Nature of Industry	Confectionery
Date or expected date of commencement of commercial production	The Company is in existence since 1954 (The name of the Company has since been changed from Parrys Confectionery Limited to Lotte India Corporation Limited)
In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus	Not applicable
Financial performance based on given indicators	As per the Audited Profit & Loss account for the year ended 31.03. 2023, the Sales achieved was **Rs.65,724 lakhs** and loss after tax was **Rs.125.54 lakhs**.
Foreign investments or collaborators, if any	98.90 % of the paid up capital of the Company is held by M/s Lotte Confectionery Co., Ltd (Presently known as Lotte Wellfood Co., Ltd) Republic of Korea (Lotte) with approvals from FIPB / RBI.

Information about the appointee	
Background details	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 a member of Audit Committee, CSR Committee and Remuneration & Nomination Committee. He is the Chairman of Havmor Ice Cream P.Ltd.
Past remuneration	Mr. Kyungwoon Cho was previously drawing a remuneration of Rs.149 lakhs as CTC per annum.
Recognition or awards	He has received awards in recognition of his service from his earlier employer.
Job Profile and Suitability	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 a member of Audit Committee, CSR Committee and Remuneration & Nomination Committee. He is the Chairman of Havmor Ice Cream P.Ltd. His association with the Company will help us to improve the performance of the Company.
Remuneration proposed	The terms of the remuneration proposed are detailed in the Special resolution
Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin.	The Confectionery industry perse has few companies which are listed and many comparable companies are in private limited category like Perfetti Van Melle India P. Ltd., Parle Products Pvt. Ltd. etc. and information relating to the remuneration profile of the Whole Time Director appointed under the Company law is not available.

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There were no pecuniary relationship directly or indirectly with the Company. There are no relationships with the managerial personnel.

Other Information	
Reasons of loss or inadequacy of profits	i) the cost of few raw materials and packing materials have gone up significantly when compared to last year as an impact of inflation and also due to Ukraine-Russian war conditions. ii) The company is unable to pass on the above increase fully to the customers as the company deals mostly with MRP based product categories linked with coinage. iii) The Company continues to invest in brand building by focusing on promotional activities and improving distribution by investing in manpower to counter the impact of increasing competition in the market.
Steps taken or proposed to be taken for improvement	i) Effective cost management and effective utilization of common resources. ii) Increase in domestic as well as in export sales by focusing on distribution expansion. iii) Plan to expand the capacity of existing product category by investing in the production line. iv) Focus on increasing the margin of major selling products and reducing 50 paise product sale. v) Introduction of new products in the existing product category to increase the sale and take advantage of the brand awareness.
Expected increase in productivity and profits in measurable terms	i) The company is focusing on higher distribution coverage thus improving the productivity of coverage per persons. Introducing new products to enhance the range selling in the market. ii) Higher capacity utilization due to expansion of sale would reduce the cost per unit by bringing in economies of scale. iii) Setting up of additional line for manufacturing Chocopie at Chennai factory, which will come into operation from September, 2023.

The following information pertaining to **Mr.Milan Wahi** is furnished pursuant to the provisions of Part – II of Section – II (Iv) of Schedule V of the Companies Act, 2013.

General Information	**Particulars**
Nature of Industry	Confectionery
Date or expected date of commencement of commercial production	The Company is in existence since 1954 (The name of the Company has since been changed from Parrys Confectionery Limited to Lotte India Corporation Limited)
In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus	Not applicable
Financial performance based on given indicators	As per the Audited Profit & Loss account for the year ended 31.03. 2023, the Sales achieved was **Rs.65,724 lakhs** and loss after tax was **Rs.125.54 lakhs**.

Foreign investments or collaborators, if any	98.90 % of the paid up capital of the Company is held by M/s Lotte Confectionery Co., Ltd. Republic of Korea (Lotte) with approvals from FIPB / RBI.

Information about the appointee	
Background details	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, JK Dairy and Kenstar etc. He is a member of CSR Committee and Stakeholders relationship Committee.
Past remuneration	Mr.Milan Wahi was previously drawing a remuneration of Rs.143 lakhs as CTC per annum.
Recognition or awards	He has received awards in recognition of his service from his earlier employer.
Job Profile and Suitability	Mr. Milan Wahi 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, JK Dairy and Kenstar etc. He is a member of CSR Committee and Stakeholders relationship Committee. His association with the Company will help us to improve the performance of the Company.
Remuneration proposed	The terms of the remuneration proposed are detailed in the Special resolution.
Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin.	The Confectionery industry perse has few companies which are listed and many comparable companies are in private limited category like Perfetti Van Melle India P. Ltd., Parle Products Pvt. Ltd. etc. and information relating to the remuneration profile of the Whole Time Director appointed under the Company law is not available.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There were no pecuniary relationship directly or indirectly with the Company. There are no relationships with the managerial personnel.

Other Information	
Reasons of loss or inadequacy of profits	i) the cost of few raw materials and packing materials have gone up significantly when compared to last year as an impact of inflation and also due to Ukraine-Russian war conditions ii) The company is unable to pass on the above increase fully to the customers as the company deals mostly with MRP based product categories linked with coinage. iii) The Company continues to invest in brand building by focusing on promotional activities and improving distribution by investing in manpower to counter the impact of increasing competition in the market
Steps taken or proposed to be taken for improvement	i) Effective cost management and effective utilization of common resources. ii) Increase in domestic sales by focusing on distribution expansion. iii) Plan to expand the capacity of existing product category by investing in the production line. iv) Focus on increasing the margin of major selling products and reducing 50 paise product sale. v) Introduction of new products in the existing product category to increase the sale and take advantage of the brand awareness.

Expected increase in productivity and profits in measurable terms	i) The company is focusing on higher distribution coverage thus improving the productivity of coverage per persons. Introducing new products to enhance the range selling in the market. ii) Higher capacity utilization due to expansion of sale would reduce the cost per unit by bringing in economies of scale. iii) Setting up of additional line for manufacturing Chocopie at Chennai factory, which will come into operation from September 2023.

The following information pertaining to **Mr.Jeongkwan Heo** is furnished pursuant to the provisions of Part – II of Section – II (Iv) of Schedule V of the Companies Act, 2013.

General Information	**Particulars**
Nature of Industry	Confectionery
Date or expected date of commencement of commercial production	The Company is in existence since 1954 (The name of the Company has since been changed from Parrys Confectionery Limited to Lotte India Corporation Limited)
In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus	Not applicable
Financial performance based on given indicators	As per the Audited Profit & Loss account for the year ended 31.03. 2023, the Sales achieved was **Rs.65,724 lakhs** and loss after tax was **Rs.125.54 lakhs**.
Foreign investments or collaborators, if any	98.90 % of the paid up capital of the Company is held by M/s Lotte Confectionery Co., Ltd. Republic of Korea (Lotte) with approvals from FIPB / RBI.

Information about the appointee	
Background details	Mr.Jeongkwan Heo (DIN: 09715459) is a Graduate in Accounting from Dongguk University, Seoul and has about 12 years of experience in the field of Finance and Accounts. Prior to his appointment at Lotte India, Mr.Jeongkwan Heo was working with Lotte Confectionery Co.Ltd, Korea as Manager (Treasury).
Past remuneration	Mr.Jeongkwan Heo was previously drawing a remuneration of Rs.42.47 lakhs as CTC per annum.
Recognition or awards	He has received awards in recognition of his service from his earlier employer.
Job Profile and Suitability	Mr.Jeongkwan Heo (DIN: 09715459) is a Graduate in Accounting from Dongguk University, Seoul and has about 13 years of experience in the field of Finance and Accounts. Prior to his appointment at Lotte India, Mr.Jeongkwan Heo was working with Lotte Confectionery Co.Ltd, Korea as Manager (Treasury). He is currently the Whole Time Director & CFO of the Company. His association with the Company will help us to improve the performance of the Company.
Remuneration proposed	The terms of the remuneration proposed are detailed in the Special resolution.

Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin.	The Confectionery industry perse has few companies which are listed and many comparable companies are in private limited category like Perfetti Van Melle India P. Ltd., Parle Products Pvt. Ltd. etc. and information relating to the remuneration profile of the Whole Time Director appointed under the Company law is not available.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There were no pecuniary relationship directly or indirectly with the Company. There are no relationships with the managerial personnel.

Other Information	
Reasons of loss or inadequacy of profits	i) the cost of few raw materials and packing materials have gone up significantly when compared to last year as an impact of inflation and also due to Ukraine-Russian war conditions ii) The company is unable to pass on the above increase fully to the customers as the company deals mostly with MRP based product categories linked with coinage. iii) The Company continues to invest in brand building by focusing on promotional activities and improving distribution by investing in manpower to counter the impact of increasing competition in the market.
Steps taken or proposed to be taken for improvement	i) Effective cost management and effective utilization of common resources. ii) Increase in domestic sales by focusing on distribution expansion. iii) Plan to expand the capacity of existing product category by investing in the production line. iv) Focus on increasing the margin of major selling products and reducing 50 paise product sale. v) Introduction of new products in the existing product category to increase the sale and take advantage of the brand awareness.
Expected increase in productivity and profits in measurable terms	i) The company is focusing on higher distribution coverage thus improving the productivity of coverage per persons. Introducing new products to enhance the range selling in the market. ii) Higher capacity utilization due to expansion of sale would reduce the cost per unit by bringing in economies of scale. iii) Setting up of additional line for manufacturing Chocopie at Chennai factory, which will come into operation from September 2023.

DIRECTORS' REPORT 2022-23

Your Directors have pleasure in presenting the 68th Annual Report of your company together with the audited financial statements for the year ended 31st March, 2023.

Financial Results Rs. In lakhs

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gross Sales	65,724.06	49,653.63
Less : Discounts & Schemes	5,808.64	4,207.70
Net sales	59,915.42	45,445.93
Add: Other Income	1,164.04	431.56
Total Income	**61,079.46**	**45,877.49**
Total Expenditure w/o Depn and Finance charges	**56,117.95**	**41,476.88**
Proft before dep in and finance	4,961.51	4,400.61
Less: Int Dep and finance charges	4,274.51	4,309.92
Profit /(loss) before tax	**687.00**	**90.68**
less: Provision for tax		
- Current	120.03	50.00
- Deferred	692.51	-1,109.48
Profit /(loss) after tax	**-125.54**	**1,150.16**
Add: Balance Brought forward from previous year	- 4,739.84	-5,921.69
Profit /(loss) for the year	-125.54	1,150.16
OCI	19.20	31.69
Balance loss transfered to Balance Sheet	**- 4,846.18**	**- 4,739.84**

The Board of Directors has decided not to recommend any dividend for the year period ended 31st March, 2023.

Performance Highlights

For the year ended 31st March, 2023, the Company has achieved gross sales of Rs. 65,724 lakhs as against Rs. 49,654 Lakhs for the year ended 31st March, 2022. During the year under review, the Company has incurred a Loss after tax of Rs.125.54 lakhs as against a Profit of Rs. 1,150.16 lakhs for the year ended 31st March, 2022.

During the year under review, the company has achieved highest ever sales. However, the cost of few raw materials and packing materials have gone up significantly when compared to last year as an impact of inflation and also due to Ukraine-Russian war conditions. On account of the various cost reduction measures adopted by the Company including product mix change, the company was able to reduce the impact and achieve Profit Before Tax of Rs. 687.00 Lakhs

Industry Trends

In the past year, inflation emerged as a significant force influencing consumer behavior and demand. People responded by adapting the quantities they purchased and giving precedence to essential items rather than non-essential ones, all aimed at effectively managing their household finances. While individuals remained loyal to their preferred brands, they began emphasizing the importance of value. Throughout this period, our unwavering dedication remained fixed on providing exceptional products that perfectly balanced quality and cost.

We maintained our price points to guarantee consumer convenience, which, unfortunately, impacted our profit margins consistently over the course of the year.

Amidst strong double-digit growth in the Pie market, active efforts are underway to enhance and diversify the Choco Pie brand's portfolio, capitalizing on this favourable trend. Impressively, our performance outpaced the growth of the Cream biscuit market.

With growths back in Confectionary segment, we focused on our core brands Coffy Bite & Coconut Punch. Lollipops and Jellies being the high growth categories within confectionery, we launched range of Lollipops and Fruit Jellies in the price point of Rs. 5/- & Re. 1/- respectively. These New Products helped us to garner growths..

Outlook

Markets are expected to continue the growth momentum and we are confident on riding on this growth wave. Few raw materials are still seeing upward trend, which could impact the margins.

This year we will commercialize our new Choco Pie line in Nemam factory. Additional capacity will help us to further drive the penetration of the Choco Pie category. Extensions into new flavours and availability across newer markets will drive our growths. Our aim would be to continue making Lotte a preferred brand among the consumers.

In the confectionary category, Coffy Bite expansion into the higher growing HBC segment will make the brand relevant to the younger urban target group. We are optimistic of the growths we planned in the segment and enhance our market Shares. Jellies and Lollipops remain our new focus segments.

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, five 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) and Ms.Jeehye You (DIN:07817025), Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

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 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 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 hereunder 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.

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.1.15 crores during the year 2022-23.

(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 1.23 Lakhs units of Solar power at Rohtak factory, which resulted in cost saving of around Rs. 7.99 lakhs.

c) Optimized the energy efficiency level of cooling tower at Rohtak by using the variable frequency drive and reducing the number of cooling tower operation according to the load. Units saved 31680 units, which resulted in cost saving of around Rs. 2.05 lakhs/annum.

d) Installed the time intervals for the stirrer motor for Chocolate tank at Rohtak factory. Units saved 85789 Units, which resulted in cost saving of Rs. 5.57 lakhs.

e) Installed interlocking dust collector motors with flour blower operation at Rohtak factory saved 3240 units, which resulted in cost saving of Rs. 0.21 lakhs.

(iii) the capital investment on energy conservation equipment's: 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 Confectionery Co.Ltd, Seoul, Korea .

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 55.68 lakhs

Foreign exchange earnings and Outgo:

(Rs.in lakhs)

Earnings	2208.36
Outgo	7446.73

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

Corporate Social Responsibilty

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 developments etc.

The obligation to spend towards CSR did not arise to your Company for the year 2022-23 as the limits as per section 135(1) of the Companies Act, 2013 were not applicable. A report in prescribed format is attached herewith as Annexure 1.

Directors

Mr.Jeongkwan Heo was appointed as Whole Time Director at the Board Meeting held on 30.08.2022 in the place of Mr. In Chul Yeo, who resigned from the post of Whole Time Director and from the Directorship of the Company with effect from on 29.03.2022. The appointment of Mr.Jeongkwan Heo as Whole Time Director was approved by Shareholders at the AGM held on 29.09.2022.

Mr.Milan Wahi was reappointed as Managing Director for a period of 3 years from 10th October, 2022 at the Board Meeting held on 30.08.2022 and approved by shareholders at the AGM held on 29.09.2022.

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

Ms.Jeehye You was appointed as Independent Director at the Board Meeting held on 29.03.2022 for a period of 5 years and same was approved by shareholders at the AGM held on 29.09.2022.

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 Year ended 31st March, 2023 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 year 2023-24 and provide the report thereon.

Internal Audit

Your company has appointed Grant Thornton Bharat LLP, Chennai as Internal Auditor for the year 2023-24.

Industrial Relations:

During the year under review, the Industrial relations were remained cordial at all factories. However, a group of workmen of Nemam (Chennai) factory were on strike from 20th April, 2023 to 14th July, 2023 on various demands. After many rounds of meetings with workmen and conciliation talks before statutory authorities at various levels, amicable settlement was reached on 14th July, 2023 and striking workmen resumed their duty from 15th July, 2023. During the strike period, your Company managed to run the factory with available workers.

Share Capital

The Paid up equity share capital of the Company as on 31st March, 2023 was Rs.1410.24 lakhs. The Company has neither issued any shares (other than the shares mentioned below) nor granted stock options or sweat equity.

As approved by shareholders on 28.08.2022 vide Postal ballot, the Company had allotted 3238595 equity shares of Rs.10 each at a premium of Rs.531 per share to Lotte Confectionery Co., Ltd., Korea (Holding Company) on preferential basis against the investment made by holding company towards expansion of Nemam (Chennai) factory.

Change in name of Holding Company:

The name of holding Company viz., Lotte Confectionery Co., Ltd., Korea was changed to Lotte Wellfood Co., Ltd., with effect from 1st April, 2023 following the merger of Lotte Foods, Korea with Lotte Confectionery Co., Ltd., Korea.

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.

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

Chennai	**Kyungwoon Cho**	**Milan Wahi**	**Jeongkwan Heo**	**D.G.Rajan**
Date: August 29, 2023	Chairman cum ED	Managing Director	Whole Time Director & CFO	Independent Director

ANNEXURE 1 TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year ended 31.03.2023

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)	No meeting was held as the provisions of Section 135(1) of Companies Act, 2013 did not apply during the year 2022-23.	Not applicable
2	Mr. Kyungwoon Cho	Member (Chairman of Board and Executive Director)		
3	Mr. Milan Wahi	Member (Managing Director)		

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-link(s) of impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – Not applicable

5 (a) Average net profit / (Loss) of the Company as per sub-section 5 of Section 135: (Rs.195.87 lakhs)

(b) Two percent of average net profit / (Loss) of the Company as per the sub-section 5 of Section 135 (Rs.3.92 lakhs)

(c) Suprlus 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] : Nil

6 (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project)

(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] : Not applicable

(e) CSR amount spent or 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.
Nil					

(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	Not applicable
(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(s)	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 a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					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

Chennai

Date: August 29, 2023

Sd/-
Milan Wahi
Managing Director
and Member of CSR Committee

Sd/-
D.G.Rajan
Independent Director
and Chairman of CSR Committee

ANNEXURE 2 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 2022-2023 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

Place : Chennai
Date : 29.08.2023

S/d-
Name of Company Secretary in practice : **R Sucharithra**
FCS No: 9734
C P No: 6284

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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: U15419TN1954PLC001987
No.4/111, Mount Poonamallee Road
Manapakkam, Chennai- 600 089

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 31.03.2023 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 31.03.2023 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 31.03.2023 is in excess of limits approved by shareholders to the extent of Rs.2.5 lakhs. 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.

OBSERVATIONS:

The records, documents and licenses for compliances under various Acts 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 67th annual General meeting held on September 29th 2022:
   a) Approved the appointment of Ms.Jeehye You (DIN:07817025) for a term of 5 years from 29.03.2022 to 28.03.2027 through special resolution.
   b) Approved the appointment of Mr.Jeongkwan Heo (DIN:09715459) as Whole time Director for a term of 3 years from 30.08.2022 to 29.08.2025 through special resolution. The same is awaiting approval from The Ministry of Corporate Affairs, Chennai.
   c) Approval of the Club Subscription fee of Rs.1,17,803 paid to Mr.Milan Wahi, Managing Director of the company.
   d) Approved the Re- appointment of Mr.Milan Wahi, (DIN:05242884) as Managing Director of the company for a period of 3 years from 10.10.2022 to 09.10.2025
2. There was no Physically convened Extra-ordinary General Meeting convened during the period under review. However, Postal Ballot Meeting was convened on 28.08.2022
3. The Company has issued 32,38,595 equity shares of Rs.541/- (Including a premium of Rs.531 per equity share) to M/s Lotte Confectionary Co Ltd, Seoul, Korea the holding Company as Preferential issue of shares on 28.08.2022 and allotted the same on 12.09.2022. Due compliances were met in this regard.
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

Place : Chennai

Date : 29.08.2023

S/d-

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

FCS No: 9734

C P No: 6284

Peer Review Certificate No: 1026/2020

UDIN: F009734E000885686

REPORT ON CORPORATE GOVERNANCE

(Volundary 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 2023:

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 31.03.2023
Mr.Kyungwoon Cho	Chairman Cum ED	Executive Director	1	Nil	Nil
Mr.Milan Wahi (#)	Managing Director	Executive Director	Nil	Nil	Nil
Mr.Myeongrim Choi	Director	Non Executive	10	1	Nil
Mr. D.G.Rajan	Independent Director	Non Executive	9	13	Nil
Ms.Jeehye You	Independent Director	Non Executive	8	Nil	Nil
Mr.Jeongkwan Heo	Whole Time Director	Executive Director	Nil	Nil	Nil

(#) Mr.Milan Wahi was a designated partner of Lotte Data Communication R & D Center India LLP, which was dissolved by the order of NCLT w.e.f 09.12.2022.

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

During the year ended 31st March, 2023, five Board Meetings were held on the following dates:

12.07.2022, 30.08.2022, 12.09.2022, 30.12.2022 and 30.03.2023

Name of Directors	No.of Board Meetings attended	Attendance at last AGM held on 29.12.2022
Mr.Kyungwoon Cho	5	Yes
Mr.Milan Wahi	5	Yes
Mr.Myeongrim Choi	3	No
Mr.D.G.Rajan	5	Yes
Ms.Jeehye You	4	No
Mr.Jeongkwan Heo	3	Yes

3. AUDIT COMMITTEE

(a) Constitution: Composition of the Audit Committee as on 31.03.2023:

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

Mr.Kyungwoon Cho – Chairman cum ED – Member

Ms.Jeehye You - Non Executive Independent Director - Member

(b) Audit Committee – Meetings and attendance during the year ended 31.03.2023. Four Meetings were held on the following dates.

12.07.2022, 30.08.2022, 30.12.2022, 30.03.2023

Name of Directors	Position	No. of Audit committee meetings attended
Mr.D.G.Rajan	Chairman	4
Mr.Kyungwoon Cho	Member	4
Ms.Jeehye You	Member	3

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 TO DIRECTORS

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 31.03.2023:

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

Mr.Kyungwoon Cho, Chairman cum ED – Member

Mr.Myeongrim Choi, Director – Member

Ms.Jeehye You, Non Executive Independent Director - Member

During the year period ended 31.03.2023, Two meetings were held on 12.07.2022 and 30.08.2022

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	1

The details of sitting fee paid to Non-Executive Directors for the year 2022-23.

Name of the Director	Sitting fees (Rs)	Commission
Mr.D.G.Rajan	600000	Nil
Ms.Jeehye You	450000	Nil
Total	1050000	

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.

The Committee consists of Mr.D.G.Rajan as Chairman, Mr.Milan Wahi, as Member, Mr.Myeongrim Choi as Member. Mr. T G Karthikeyan, Company Secretary is the Compliance Officer.

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. The Committee consists of Mr.D.G.Rajan, Independent Director as Chairman, Mr. Kyungwoon Cho and Mr.Milan Wahi as members.

Details of Meetings held during the year ended 31.03.2023 : Nil

The obligation to spend amount towards CSR did not arise as the past three years average net profit is negative.

7. INDEPENDENT DIRECTORS MEETING

Mr.D.G.Rajan (DIN: 00303060) and Ms.Jeehye You (DIN: 07817025) had a Meeting on 30.12.2022 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 :

Date of Meeting	Time of Meeting	Venue of the Meeting
29.12.2022	10.30 A.M	Video Conferencing
30.09.2021	10.30 A.M	Video Conferencing
30.09.2020	11.30 A.M	M.A.Chidambaram Hall, SICCI, Esplanade, Chennai – 600108.
30.12.2019	10.15 A.M	

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).

v) Disclosure under Section II of Part – II (iv) of Schedule V of Companies Act, 2013 for the year ended 31.03.2023.

Particulars	Mr.Kyungwoon Cho	Mr.Milan Wahi	Mr.Jeongkwan Heo (@)
Date of Birth	13.10.1974	30.01.1964	11.10.1984
Qualification	Post Graduate in International Business	Post Graduate in Science with PG Diploma	Graduate in Accounting
Experience	21 years of experience in Sales & Marketing	30 years of experience in Sales & Marketing	13 years of experience in Accounts & finance
Salary last drawn			
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc	Rs.149 lakhs	Rs.143 lakhs	Rs.42.47 lakhs
Details of fixed component and performance linked incentives along with the performance criteria	Nil	Rs.6.82 lakhs (Based on Business Performance parameters)	Nil
Service Contracts	Nil	Nil	Nil
Notice period	3 months	3 months	3 months
Severance fees	Nil	Nil	Nil
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil	Nil	Nil

(@) Mr.Jeongkwan Heo was appointed as Whole Time Director w.e.f. 30.08.2022

On behalf of the Board
For Lotte India Corporation Limited

Chennai	**Kyungwoon Cho**	**Milan Wahi**	**Jeongkwan Heo**	**D.G.Rajan**
August 29, 2022	Chairman cum ED	Managing Director	WTD & CFO	Independent Director

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, 2023, we hereby certify that

1. We have reviewed the financial statements and the cash flow statement for the Year ended 31st March 2023 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.

For Lotte India Corporation Limited

Chennai
Date: August 29, 2023

Jeongkwan Heo
Whole Time Director & CFO

CONFIRMATION

To

The Members of Lotte India Corporation Limited

We hereby confirm that, for the Year ended 31st March, 2023

(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.

For Lotte India Corporation Limited

Chennai
Date: August 29, 2023

Jeongkwan Heo
Whole Time Director & CFO

GENERAL SHAREHOLDER INFORMATION

1.	**Registered Office**	:	No. 4/111, Mount Poonamallee Road, Manapakkam, Chennai -600 089
2.	**Date of the forthcoming Annual General Meeting by VC / OAVM**	:	29th September, 2023 at 11.00 A.M.
3.	**Book Closure Dates**	:	23.09.2023 to 29.09.2023 (both days inclusive).
4.	**EVSN**	:	230904062
5.	**E-voting Cut off Date**	:	22.09.2023
6.	**E-voting period**	:	26.09.2023 at 9.00 a.m. and ends on 28.09.2023 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, 14028622 equity shares of Rs.10/- each (99.47%) equity shares have been dematerialized as on 31st March, 2023

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 relating to shares	:	P Muralidharan, Asst.Manager (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, 2023, 14028622 equity shares constituting 99.47 % 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 Indian Accounting Standards (Ind AS) 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, 2023, 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 a summary of significant accounting policies 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, 2023, and total comprehensive loss (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained 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.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

(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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 (b) above.

(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 Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.

ii. The Company was not required to create a provision as at March 31, 2023, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

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, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 40 (vii) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 40 (vii)to the financial statements); 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable

13. Except for the managerial remuneration aggregating to Rs. 2.5 lakhs, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in Note 34 to the financial statements, the Company has proposed to obtain shareholder’s approval in the ensuing Annual General Meeting to comply with the requirements of Section 197 read with Schedule V to the Act

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

Suresh S
Partner

Place: Chennai
Date: August 29, 2023

Membership Number: 200928
UDIN:23200928BGYHPR1862

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Lotte India Corporation Limited on the financial statements for the year ended March 31, 2023

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, 2023 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 auditor's 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, 2023 , 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
Chartered Accountants

Suresh S
Partner
Membership Number: 200928
UDIN:23200928BGYHPR1862

Place: Chennai
Date: August 29, 2023

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, 2023.

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 property 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 and Investment property 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 Confectionery Limited, erstwhile Company	No	More than 10 years	Title deeds are 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 investment properties 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 its 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 in agreement with the unaudited books of accounts. (Also refer Note 42(iii) to the financial statements) .

iii. The company has not made any investments, granted secured/unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

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 to the extent notified.

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.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income 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 39 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, income-tax, sales tax, duty of customs, value added tax and goods and services tax which have not been deposited on account of any dispute. The particulars of service tax and Excise duty as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount in INR lakhs	Period to which the amount relates	Forum where the dispute is pending
CENVAT CREDIT RULES, 2004	Excise Duty	348.46	Jan 2010 to Feb 2013	CESTAT
CENVAT CREDIT RULES, 2004	Service tax	392.01	January 2009 to January 2013	CESTAT
CENVAT CREDIT RULES, 2004	Service tax	3.95	Mar-13	CESTAT
CENVAT CREDIT RULES, 2004	Service tax	6.21	April 2013 to March 2014	CESTAT

* Excludes amount paid as deposit against dispute amounting to Rs. 14.5 lakhs.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, 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) According to the information and explanations given to us and 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) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(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, we report that no funds raised on short-term basis have been used for long-term purposes by 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.

(f) 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.

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.

(b) The Company has made a preferential allotment of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised, except as described below :

Nature of securities	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance (in INR Lakhs)	Amount utilized for the other purpose (in INR Lakhs)	Un-utilized balance as at Balance sheet date (in INR Lakhs)	Remarks
Equity shares	Capital projects expansion (additional manufacturing facility)	17,520.80	-	11,287.91	NA

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, and according to the information and explanations given to us, 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.

(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, and according to the information and explanations given to us, 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.

(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 according to the information and explanations given to us, 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 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 Sections 177 and 188 of the Act. The details of such 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 and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. 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 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 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 40 to the financial statements), 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 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
Chartered Accountants

Suresh S
Partner
Membership Number: 200928
UDIN:23200928BGYHPR1862

Place: Chennai
Date: August 29, 2023

LOTTE INDIA

Balance Sheet as at March 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	42,085.57	45,384.72
Right-of-use Assets	3(b)	269.26	397.05
Capital work-in-progress	3(c)	2,079.11	62.04
Investment properties	3(d)	8,843.62	8,909.13
Other Intangible assets	4	14.06	6.62
Financial assets			
(i) Investments	5(a)	5.00	5.00
(ii) Other financial assets	5(b)	1,302.11	755.92
Deferred tax assets (net)	6	416.97	1,109.48
Income tax assets (net)	7	29.85	109.35
Other non-current assets	8	4,363.22	249.33
Total non-current assets		**59,408.77**	**56,988.64**
Current assets			
Inventories	9	7,713.52	6,490.63
Financial assets			
(i) Trade receivables	10	1,603.17	1,627.87
(ii) Cash and cash equivalents	11	15,514.38	500.40
(iii) Bank balances other than (ii) above	12	3,200.30	3,708.99
(iv) Other financial assets	5(b)	302.21	341.86
Other current assets	13	860.35	988.54
TOTAL CURRENT ASSETS		**29,193.93**	**13,658.29**
TOTAL ASSETS		**88,602.70**	**70,646.93**

	Note	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14(a)	1,410.24	1,086.38
OTHER EQUITY			
Reserves and surplus	14(b)	62,618.41	45,527.81
Total equity		**64,028.65**	**46,614.19**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	5,611.31	8,292.11
(ii) Lease Liabilities	16	172.10	292.23
Provisions	17	248.13	200.60
Total non-current liabilities		**6,031.54**	**8,784.94**
Current liabilities			
Financial liabilities			
(i) Borrowings	15	3,370.89	3,111.92
(ii) Lease Liabilities	16	120.13	122.78
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	18	44.95	26.67
(b) Total outstanding dues of creditors other than micro and small enterprises	18	9,752.10	8,215.65
(iv) Other financial liabilities	19	3,761.58	2,925.92
Provisions	17	264.14	233.21
Other current liabilities	20	1,228.72	611.65
Total current liabilities		**18,542.51**	**15,247.80**
Total liabilities		**24,574.05**	**24,032.74**
TOTAL EQUITY AND LIABILITIES		**88,602.70**	**70,646.93**

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
Chartered Accountants

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

Suresh S
Partner
Membership No. 200928

Kyungwoon Cho
Chairman cum ED
DIN : 09048060

Milan Wahi
Managing Director
DIN : 05242884

Jeongkwan Heo
Whole Time Director & CFO
DIN : 09715459

D.G. Rajan
Independent Director
DIN : 00303060

T.G. Karthikeyan
Company Secretary

Place: Chennai
Date: August 29, 2023

Place: Chennai
Date: August 29, 2023

Statement of Profit and Loss for the year ended March 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
REVENUE			
Revenue from operations	21	59,915.42	45,445.93
Other income	22	1,164.04	431.56
Total income		**61,079.46**	**45,877.49**
EXPENSES			
Cost of materials consumed	23	35,365.85	24,415.37
Purchases of stock-in-trade		929.57	493.48
Changes in inventories of work-in-progress, stock-in-trade and finished goods	24	(1,530.02)	(1,038.45)
Employee benefits expense	25	4,738.91	4,177.48
Finance costs	26	509.16	238.70
Depreciation and amortisation expense	27	3,765.35	4,071.23
Other expenses	28	16,613.64	13,429.00
Total expenses		**60,392.46**	**45,786.81**
Profit before tax		**687.00**	**90.68**
Income tax expense	29		
Current tax		120.03	50.00
Deferred tax		692.51	(1,109.48)
Total tax (credit) / expense		**812.54**	(1,059.48)
Profit for the year		**(125.54)**	**1,150.16**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations (net of tax)		19.20	31.69
Other comprehensive income for the year		**19.20**	**31.69**
Total comprehensive income / (loss) for the year		**(106.34)**	**1,181.85**
Basic earnings per share (in INR)	41	(0.99)	10.59

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
Chartered Accountants

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

Suresh S
Partner
Membership No. 200928

Kyungwoon Cho
Chairman cum ED
DIN : 09048060

Milan Wahi
Managing Director
DIN : 05242884

Jeongkwan Heo
Whole Time Director & CFO
DIN : 09715459

D.G. Rajan
Independent Director
DIN : 00303060

T.G. Karthikeyan
Company Secretary

Place: Chennai
Date: August 29, 2023

Place: Chennai
Date: August 29, 2023

Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in INR lakhs, unless otherwise stated)

A Equity share capital

	Notes	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	14(a)	1,086.38	1,086.38
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at the beginning of the current reporting period		1,086.38	1,086.38
Changes in equity share capital during the current year		323.86	-
Balance at the end		**1,410.24**	**1,086.38**

B Other equity

	Notes	Reserves and surplus				Total
		Capital reserve	Securities premium	General reserve	Retained earnings	
Balance at the beginning of April 1, 2021		**464.47**	**7,445.79**	**42,357.39**	**(5,921.69)**	**44,345.96**
Profit for the year	14(b)	-	-	-	1,150.16	1,150.16
Other comprehensive income	14(b)	-	-	-	31.69	31.69
Total comprehensive income for the year		**-**	**-**	**-**	**1,181.85**	**1,181.85**
Balance as at the end of March 31, 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**

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
Chartered Accountants

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

Suresh S
Partner
Membership No. 200928

Kyungwoon Cho
Chairman cum ED
DIN : 09048060

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Managing Director
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Whole Time Director & CFO
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D.G. Rajan
Independent Director
DIN : 00303060

T.G. Karthikeyan
Company Secretary

Place: Chennai
Date: August 29, 2023

Place: Chennai
Date: August 29, 2023

Statement of Cash Flows for the year ended March 31, 2023

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

		Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit/(Loss) before tax	**687.00**	**90.68**
	Adjustments for :		
	Finance costs	509.16	238.70
	Unwinding of interest on security deposit	-	(5.38)
	Depreciation and amortisation expense	3,765.35	4,071.23
	Net (gain)/losses on derivative contracts	-	(329.61)
	(Gain)/Loss on sale of property, plant and equipment (net)	(1.81)	(84.21)
	Interest on bank deposits	(755.25)	(83.79)
	Net (gain)/loss on foreign currency transaction and translation exchange differences	865.77	730.42
	Lease rentals	(297.05)	(202.37)
	Sub-total (1)	**4,773.17**	**4,425.67**
	Changes in operating assets and liabilities:		
	(Increase)/Decrease in other financial assets	(479.01)	95.84
	(Increase)/Decrease in other current and non-current assets	141.69	(310.92)
	(Increase)/Decrease in trade receivables	24.70	(382.26)
	(Increase)/Decrease in inventories	(1,222.89)	(2,231.85)
	Increase/(Decrease) in trade payables	1,554.73	2,566.40
	Increase/(Decrease) in other financial liabilities	771.39	392.18
	Increase/(Decrease) other current and non-current liabilities	617.07	198.34
	Increase/(Decrease) in provisions	59.26	2.43
	Sub-total (2)	**1,466.94**	**330.16**
	Cash generated from operations (1) + (2) = (3)	**6,240.11**	**4,755.83**
	Income taxes paid (net of refunds)	40.53	38.29
	Net cash inflow from operating activities (A)	**6,199.58**	**4,794.12**
B	**Cash flow from investing activities**		
	Investment in property, plant and equipment and intangible assets (including capital work-in-progress)	(6,441.18)	(583.92)
	Proceeds for sale of property, plant and equipment	3.72	127.13
	Investment in deposits with banks with maturity of more than 3 months	508.69	289.99
	Interest received from bank deposits	733.10	103.53
	Income from investment property	297.05	202.37
	Net cash outflow from investing activities (B)	**(4,898.62)**	**139.10**

	Year ended March 31, 2023	Year ended March 31, 2022
C Cash flow from financing activities		
Repayment of borrowing	(3,293.43)	(5,588.81)
Proceeds from borrowing	-	387.11
Proceeds from fresh issue of equity shares	17,520.80	-
Principal payments related to lease liabilities	(122.78)	(124.70)
Interest payments related to lease liabilities	(41.50)	(20.82)
Interest paid	(350.07)	(223.13)
Net cash outflow from financing activities (C)	**13,713.02**	**(5,570.35)**
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**15,013.98**	**(637.13)**
Cash and cash equivalents as at the beginning of the period	500.40	1,137.53
Cash and cash equivalents as at the end of the period	**15,514.38**	**500.40**
Reconciliation of cash and cash equivalents as per the Statement of Cash Flows		
Cash and cash equivalents as per above comprises of the following:		
Balances with banks		
- In current accounts	349.35	207.36
- In cash credit account	233.05	177.61
- In EEFC accounts	131.46	107.00
Cash on hand	0.52	0.73
Cheques on hand	-	5.39
Deposits with original maturity less than 3 months	14,800.00	2.31
Balances per Statement of Cash Flows	**15,514.38**	**500.40**

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
Chartered Accountants

Suresh S
Partner
Membership No. 200928

Place: Chennai
Date: August 29, 2023

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

Kyungwoon Cho
Chairman cum ED
DIN : 09048060

Milan Wahi
Managing Director
DIN : 05242884

Jeongkwan Heo
Whole Time Director & CFO
DIN : 09715459

D.G. Rajan
Independent Director
DIN : 00303060

T.G. Karthikeyan
Company Secretary

Place: Chennai
Date: August 29, 2023

1 Corporate Information

1.1 Brief description of the Company

Lotte India Corporation Limited is engaged in the business of manufacturing and marketing of confectionery products. The parent company is Lotte Confectionery 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, Chewits and Spout Gums. With effect from April 01,2023, the name of the holding company changed from Lotte Confectionery Company to Lotte Wellfood Corporation Limited.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 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 23 March 2022 notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, which amended certain accounting standards, and are effective 1 April 2022. 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.

(iii) New amendments issued but not effective

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

The Rules predominantly amend Ind AS 12, Income Taxes and Ind AS 1, Presentation of Financial Statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. 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.

(iv) 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)

Notes forming part of the Financial Statements (Contd.)

(ii) Estimation of defined benefit obligation (refer note 30)"

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.

(v) 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.

2.01 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.

2.02 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.

2.03 Property, plant and equipment

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

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:

Notes forming part of the Financial Statements (Contd.)

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.

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).

2.04 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.

2.05 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. 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.

Investment properties are depreciated using the straight-line method over their estimated useful lives (refer note 2.03). The useful life has been determined based on technical evaluation performed by the management's expert.

Notes forming part of the Financial Statements (Contd.)

2.06 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.

2.07 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. 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.

2.08 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.

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.

2.09 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.

2.10 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 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.

2.11 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.

2.12 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. 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."

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.

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 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.

2.13 Income tax

"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.

2.14 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.

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.

2.15 Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/(expenses).

2.16 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.

2.17 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 counterparty.

2.18 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.

2.19 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.

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.

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.

2.20 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).

2.21 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.

2.22 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

. .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."

2.23 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 (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
Total	**64,966.61**	**271.46**	**38.21**	**65,199.86**	**19,581.89**	**3,568.70**	**36.30**	**23,114.29**	**42,085.57**

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

Note (i) Title deeds

(a) Immovable properties acquired (now merged) from the erstwile 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	1.55	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
Total	**36.11**	**10.79**	**-**	**46.90**	**29.49**	**3.35**	**-**	**32.84**	**14.06**

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, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Deletions	As at March 31, 2022	As at March 31, 2022
Land (Note i)	9,031.67	-	-	9,031.67	-	-	-	-	9,031.67
Buildings	29,520.69	-	-	29,520.69	4,639.52	1,160.42	-	5,799.94	23,720.75
Plant and Machinery									
- Owned	24,044.49	1,639.57	46.94	25,637.12	10,622.42	2,689.03	7.87	13,303.58	12,333.54
- 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	297.92	10.16	0.22	307.86	202.30	28.96	-	231.26	76.60
- Leased*	107.88	-	-	107.88	82.01	-	–	82.01	25.87
Leasehold improvements	7.33	-	-	7.33	0.40	-	-	0.40	6.93
Vehicles	46.38	30.14	14.57	61.95	33.75	7.07	11.64	29.18	32.77
Total	**63,348.47**	**1,679.87**	**61.73**	**64,966.61**	**15,715.91**	**3,885.48**	**19.51**	**19,581.89**	**45,384.72**

*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 erstwile 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	10.50	1.73	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, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Deletions	As at March 31, 2022	As at March 31, 2022
Computer software	34.86	1.25	-	36.11	26.38	3.11	-	29.49	6.62
Total	**34.86**	**1.25**	**-**	**36.11**	**26.38**	**3.11**	**-**	**29.49**	**6.62**

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, 2023	As at March 31, 2022
Present Value of Lease Payments (Ind AS 116)		
Opening Lease Assets (Buildings)	955.82	955.82
Less: Accumalated Depreciation of Right of Use Assets	(686.56)	(558.77)
Net Carrying amount	**269.26**	**397.05**

1. Addition to the right-of-use assets during the year: Nil (March 31, 2022 : INR 331.54)
2. The total cash outflow for leases for the year: INR 164.28 lakhs (March 31, 2022: INR 145.52)
3. Extension and termination options:

   Extension and termination options are included in the above leases across the Company. These are used to maximise operational flexbility 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.
4. 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.
5. The lease period ranges from 2 to 7 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, 2023	For the year ended March 31, 2022
Depreciation of Right of use Assets	127.79	117.13
Interest expense (inlcuded in finance cost)	41.50	20.82
Expenses relating to short term leases	235.03	315.71

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 5 and 7 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 (CWIP)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress (CWIP)	2,079.11	62.04

a) Capital work in progress movement	Amount
Balance at March 31, 2021	**1,390.95**
Additions/Adjustments during the year	352.21
Capitalised during the year	1,681.12
Balance at March 31, 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**

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, 2023	Less than 1 year	1-2 years	More than 2 years	Total
Projects in progress	2,079.11	-	-	2,079.11

As at March 31, 2022	Less than 1 year	1-2 years	More than 2 years	Total
Projects in progress	62.04	-	-	62.04

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

3(d) Investment Properties	As at March 31, 2023	As at March 31, 2022
Cost		
Land	7,770.53	7,770.53
Building	1,465.11	1,466.85
Less: Deletions during the year	-	(1.74)
Gross carrying amount (a)	**9,235.64**	**9,235.64**
Depreciation		
Opening accumulated depreciation	326.51	262.04
Less: Deletion during the year		1.04
Add: Depreciation	65.51	65.51
Closing accumulated depreciation (b)	**392.02**	**326.51**
Net carrying amount (a)-(b)	**8,843.62**	**8,909.13**
Amounts recognised in profit and loss for investment properties		
Rental income (Refer Note 22)	297.05	202.37
Direct operating expenses from property that generated rental income	42.65	30.57
Direct operating expenses from property that did not generate rental income	12.11	6.13
Fair value of investment properties	**16,145.79**	**15,482.09**

Estimation of fair value

For the year ended March 31, 2023, 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. Where such information is not available, the Company considers information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
2. Discounted cash flow projections based on reliable estimates of future cash flows,
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

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. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. 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.

Notes forming part of the Financial Statements (Contd.)

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

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

Particulars	March 31, 2023	March 31, 2022
Within 1 year	244.53	282.00
Between 1 and 2 years	155.66	208.62
Between 2 and 3 years	144.02	148.42
Between 3 and 4 years	78.42	136.20
Between 4 and 5 years	-	25.65
More than 5 years	-	-

5 (a)	**Non-current investments**		
	Investments in equity instruments - unquoted carried at FVTPL		
	50,000 (March 31, 2022 : 50,000) equity shares of Aadhav Green Power Private Ltd., of INR 10 each, fully paid up	5.00	5.00
	Total non-current investments	**5.00**	**5.00**
	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 17.55 lakhs; 31.03.2022 - Rs. 12.05 lakhs)	617.55	12.05
	Security deposits	131.41	150.75
	Other receivables	553.15	593.12
	Total other financial assets - non-current	**1,302.11**	**755.92**
	Current		
	Interest accrued on deposits with banks	99.04	76.89
	Advances to employees	29.79	33.64
	Security deposits	173.38	231.33
	Total other financial assets - current	**302.21**	**341.86**

Notes forming part of the Financial Statements (Contd.)

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

		As at March 31, 2023	As at March 31, 2022
6	**Deferred tax assets (Net)**		
	(i) Deferred tax assets		
	Provision for doubtful debts and advances	45.42	45.42
	Expenses allowed on payment basis	404.83	351.25
	Lease liability	97.56	138.55
	Carry forward losses / Unabsorbed Depreciation	4,443.35	5,452.88
	(ii) Deferred tax liabilities		
	Right-of-use assets	(89.89)	(132.55)
	Difference between book and tax written down value of depreciable fixed assets	(4,484.30)	(4,746.07)
	Deferred tax assets (Net)	416.97	1,109.48

‘The company has recognised deferred tax assets on carried forward tax losses. 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.

		As at March 31, 2023	As at March 31, 2022
7	**Income tax assets (Net)**		
	- Advance income tax and tax deducted at source (net of provision for income tax) INR 1,608.92 lakhs (March 31, 2022: INR 1,488.89 lakhs)	29.85	109.35
	Total Income tax assets (Net)	**29.85**	**109.35**
8	**Other non-current assets**		
	Capital advances	4,330.14	202.75
	Advances other than capital advances:		
	- Sales tax paid under protest	11.00	24.50
	- Prepaid expenses	22.08	22.08
	Total other non-current assets	**4,363.22**	**249.33**
9	**Inventories**		
	Raw materials (includes packing material)	2,498.82	2,904.58
	Work-in-progress	123.99	98.18
	Finished goods	4,536.74	3,149.76
	Stock-in-trade	221.45	104.22
	Stores, spares and consumables	332.52	233.89
	Total inventories	**7,713.52**	**6,490.63**
	Provision of Inventory	82.63	90.48
	Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense	34,971.79	24,051.40
	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, 2023	As at March 31, 2022
10	**Trade receivables**		
	Trade receivables considered good - Unsecured		
	-Related parties	214.04	313.76
	-Others	1,389.13	1,314.11
		1,603.17	**1,627.87**
	Trade receivables – credit impaired		
	-Others	136.07	136.07
		136.07	**136.07**
	Less: Loss allowance for credit impaired		
	- Others	(136.07)	(136.07)
		(136.07)	**(136.07)**
	Total trade receivables	**1,603.17**	**1,627.87**

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, 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	1428.99	138.06	34.11	-	-	-	1,601.15
– credit impaired						136.07	136.07
(ii) Disputed Trade receivables							
– considered good	-	-	-	-	2.02	-	2.02
Total	**1428.99**	**138.06**	**34.11**	**-**	**2.02**	**136.07**	**1,739.24**

Year ended March 31, 2022	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	1,485.30	105.53	9.97	18.97	0.58	5.50	1,625.85
– credit impaired						136.07	136.07
(ii) Disputed Trade receivables							
– considered good	-	-	-	-	2.02	-	-
Total	**1,485.30**	**105.53**	**9.97**	**18.97**	**2.60**	**141.57**	**1,763.94**

Notes forming part of the Financial Statements (Contd.)

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

		As at March 31, 2023	As at March 31, 2022
11	**Cash and cash equivalents**		
	Balances with banks		
	- In current accounts	349.35	207.36
	- In cash credit account	233.05	177.61
	- In EEFC accounts	131.46	107.00
	Cash on hand	0.52	0.73
	Cheques on hand	-	5.39
	Deposits with original maturity less than 3 months	14,800.00	2.31
	Total cash and cash equivalents	**15,514.38**	**500.40**

'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. 0.30 lakhs; March 31, 2022: 8.99 lakhs)]	3,200.30	3,708.99
	Total other bank balances	**3,200.30**	**3,708.99**
13	**Other current assets**		
	Advances to suppliers	394.46	467.41
	Balances with government authorities	148.67	242.91
	Prepaid expenses	317.22	278.22
	Total other current assets	**860.35**	**988.54**

14(a) Equity share capital

	March 31, 2023		March 31, 2022	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of INR 10 each	37,00,00,000	37,000.00	37,00,00,000	37,000.00
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	1,41,02,363	1,410.24	1,08,63,768	1,086.38
(i) Reconciliation of equity share capital				
Balance as at the beginning of the year	1,08,63,768	1,086.38	1,08,63,768	1,086.38
Add: Shares issued during the year	32,38,595	323.86	-	-
Balance as at the end of the year	**1,41,02,363**	**1,410.24**	**1,08,63,768**	**1,086.38**

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, 2021	1,08,63,768	1,086.38
Increase during the year	-	-
As at March 31, 2022	1,08,63,768	1,086.38
Increase during the period	32,38,595	323.86
As at March 31, 2023	1,41,02,363	1,410.24

(iii) Shares held by promoters - Lotte Confectionery Company Limited, South Korea

	March 31, 2023	March 31, 2022
Number of Shares held by promoters	1,39,47,035	1,07,08,440
% of total shares held	98.90%	98.57%
% Change during the year	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, 2023	March 31, 2022
Lotte Confectionery Company Limited, South Korea	1,39,47,035	1,07,08,440

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

	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Lotte Confectionery Company Limited, South Korea	1,39,47,035	98.90%	1,07,08,440	98.57%

14(b) Reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Securities premium	24,642.73	7,445.79
General reserve	42,357.39	42,357.39
Retained earnings	(4,846.18)	(4,739.84)
Capital reserve	464.47	464.47
Total reserves and surplus	**62,618.41**	**45,527.81**

Notes forming part of the Financial Statements (Contd.)

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

	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
i) Securities premium		
Balance as at the beginning of the year	7,445.79	7,445.79
Premium on shares issued during the year	17,196.94	-
Balance as at the end of the year	**24,642.73**	**7,445.79**
ii) General reserve		
Balance as at the beginning of the year (refer note below)	42,357.39	42,357.39
Balance as at the end of the year	**42,357.39**	**42,357.39**
(iii) Retained earnings (Surplus in Statement of Profit and Loss)		
Balance as at the beginning of the year	(4,739.84)	(5,921.69)
Net profit for the year	(125.54)	1,150.16
Items of other comprehensive income directly recognised in retained earnings		
Remeasurements of post-employment benefit obligations (net of tax)	19.20	31.69
Balance as at the end of the year	**(4,846.18)**	**(4,739.84)**
iv) Capital reserve		
Balance as at the beginning of the year	464.47	464.47
Balance as at the end of the year	**464.47**	**464.47**

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 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. Consequently there is an increase of INR 17,196.94 in Securities Premium.

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)

		As at March 31, 2023	As at March 31, 2022
15	**Borrowings**		
	Non-current		
	Unsecured loan	9,064.22	11,420.61
	Less: Current maturities	(3,370.89)	(3,111.92)
	Less: Accrued interest on borrowings (refer note 19)	(82.02)	(16.58)
	Total non-current borrowings	**5,611.31**	**8,292.11**

Terms of repayment:

i) USD 205 lakhs availed from Woori Bank in February 2020 is repayable in 20 unequal quarterly instalments starting from May 2020. Balance outstanding as at March 31, 2023 is USD 109.25 lakhs and the equivalent INR is 8,982.20 lakhs (March 31, 2022 is USD 150.30 lakhs and the equivalent INR is 11,420.61 lakhs).

ii) The aforesaid loans are guaranteed by the holding company, Lotte Confectionary Company Limited, South Korea.

iii) Rate of interest is linked to Libor / SOFR + agreed spread p.a. Presently, the interest rate is 5.67%.

Current		
Unsecured		
Current maturities of long-term debt	3,370.89	3,111.92
Total current borrowings	**3,370.89**	**3,111.92**

Terms of repayment:

i) Rate of interest is linked to Libor / SOFR + agreed spread p.a. The interest rate ranges from 1.00% to 5.67%

Net debt reconciliation		
Borrowings - Non-current		
Opening balance	11,420.61	15,869.74
Cash flows relating to principal amounts	(3,287.18)	(5,168.24)
Adjustments for foreign currency translation	865.77	724.37
Interest paid	(350.50)	(222.53)
Interest expense	415.51	217.27
Balance as at the end of the year	**9,064.22**	**11,420.61**
Borrowings - Current		
Opening balance	-	27.40
Cash flows relating to principal amounts	-	(33.46)
Adjustments for foreign currency translation	-	6.06
Interest paid	-	(0.60)
Interest expense	-	0.60
Balance as at the end of the year	**-**	**-**
Lease Liabilities		
Opening balance	415.01	208.18
Additions	-	331.53
Cash flows relating to lease payments	(164.28)	(145.52)
Interest expense	41.50	20.82
Balance as at the end of the year	**292.23**	**415.01**

Notes forming part of the Financial Statements (Contd.)

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

		As at March 31, 2023	As at March 31, 2022
16	**Lease Liabilities**		
	Current	120.13	122.78
	Non Current	172.10	292.23
		292.23	**415.01**
17	**Provisions**		
	Non-current		
	Provision for employee benefits:		
	Provision for gratuity (refer note 30)	248.13	200.60
	Total provisions - Non-current	**248.13**	**200.60**
	Current		
	Provision for employee benefits:		
	Provision for compensated absences (refer note 30)	264.14	233.21
	Total provisions - Current	**264.14**	**233.21**
18	**Trade payables**		
	Total outstanding dues of creditors of micro and small enterprises (refer note below)	44.95	26.67
	Total outstanding dues of creditors other than micro and small enterprises	8,450.51	7,211.10
	Total outstanding dues payable to related parties (Refer Note 34)	1,301.59	1,004.55
	Total trade payables	**9,797.05**	**8,242.32**

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

Particulars	As at March 31, 2023	As at March 31, 2022
i) The principal amount and interest due thereon remaining unpaid to suppliers registered under the MSMED		
- Principal	44.79	26.66
- Interest on principal amount unpaid as at the year end	-	0.01
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		
- Principal	-	-
- Interest	-	-
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	31.34	0.96
- Interest	0.15	0.01

Notes forming part of the Financial Statements (Contd.)

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

	As at March 31, 2023	As at March 31, 2022
iv) The amount of interest accrued and remaining unpaid at the end of the year	0.16	0.01
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	0.01	-

Ageing of Trade Payables

Year ended March 31, 2023	Outstanding for following periods from due date of payment						
	Unbilled / Accrued	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed							
- MSME	-	44.95	-	-	-	-	44.95
- Others	2258.00	10.21	6,585.41	609.44	151.15	137.89	9,752.10
(ii) Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**2258.00**	**55.16**	**6,585.41**	**609.44**	**151.15**	**137.89**	**9.797.05**

Year ended March 31, 2022	Outstanding for following periods from due date of payment						
	Unbilled / Accrued	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed							
- MSME	-	26.67	-	-	-	-	26.67
- Others	1,915.39	333.76	5,280.52	456.28	73.71	155.99	8,215.65
(ii) Disputed							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**1,915.39**	**360.43**	**5,280.52**	**456.28**	**73.71**	**155.99**	**8,242.32**

Notes forming part of the Financial Statements (Contd.)

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

		As at March 31, 2023	As at March 31, 2022
19	**Other Financial liabilities**		
	Current		
	Interest accrued but not due on borrowings/security deposits	82.02	16.58
	Derivative/Forward contract payables carried at FVTPL	-	-
	Security deposits	211.29	201.78
	Amount payable to customers	2,663.51	2,033.02
	Employee benefits payable	803.93	672.04
	Capital creditors	0.83	2.00
	Book overdraft	-	0.50
	Total other financial liabilities - Current	**3,761.58**	**2,925.92**
20	**Other current liabilities**		
	Advances from customers	740.49	253.24
	Statutory dues payable	488.23	358.41
	Total other current liabilities	**1,228.72**	**611.65**

		Year ended March 31, 2023	Year ended March 31, 2022
21	**Revenue from operations**		
	Sale of products		
	Sale of confectionery products	59,845.35	45,367.05
	Other operating revenue		
	Scrap sales	70.07	78.88
	Total revenue from operations	**59,915.42**	**45,445.93**
21.1	**Reconciliation of revenue with contract price**		
	Contract price	65,724.06	49,653.63
	Adjustments :		
	Discounts given	5,500.37	3,982.77
	Damaged goods (Returns)	308.27	224.93
	Revenue from operations as per Statement of Profit and Loss	**59,915.42**	**45,445.93**

Notes forming part of the Financial Statements (Contd.)

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

21.2 Contract liabilites

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 liabilites 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 liablities which represent unsatisfied performance obligations is not given.

		Year ended March 31, 2023	Year ended March 31, 2022
22	**Other income**		
	Interest income from financial assets at amortised cost		
	- Interest income on deposits with banks	755.25	83.79
	- on others	13.13	-
	Unwinding of discount on security deposits	-	5.38
	Insurance claims	37.77	-
	Net gain on foreign currency transaction and translation exchange differences	-	-
	Lease rentals	297.05	202.37
	Gain on sale of property, plant and equipment and investment property (net)	1.81	84.21
	Miscellaneous income	59.03	55.81
	Total other income	**1,164.04**	**431.56**
23	**Cost of materials consumed**		
	Opening inventory	2,904.58	1,747.29
	Add: Purchases	34,960.09	25,572.66
	Less: Raw material at the end of the year	2,498.82	2,904.58
	Total cost of materials consumed	**35,365.85**	**24,415.37**
24	**Changes in inventories of work-in-progress, stock-in-trade and finished goods**		
	Stock at the end of the year		
	Finished goods	4,536.74	3,149.76
	Work-in-progress	123.99	98.18
	Stock-in-trade (traded goods)	221.45	104.22
	Stock at the beginning of the year		
	Finished goods	3,149.76	2,123.04
	Work-in-progress	98.18	64.92
	Stock-in-trade (traded goods)	104.22	125.75
	Total change in inventories	**(1,530.02)**	**(1,038.45)**

Notes forming part of the Financial Statements (Contd.)

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

		Year ended March 31, 2023	Year ended March 31, 2022
25	**Employee benefits expense**		
	Salaries, wages and bonus	4,131.37	3,631.78
	Contribution to provident and other funds (Refer note 31(ii))	227.11	217.81
	Gratuity (Refer note 31(iii))	68.03	70.07
	Staff welfare expenses	312.49	257.82
	Total employee benefits expense	**4,738.91**	**4,177.48**
26	**Finance costs**		
	Interest expense		
	- on borrowings*	413.10	151.69
	- on MSME	0.15	0.01
	- on others	2.41	2.92
	- on Lease Liabilities	41.50	20.82
	Guarantee commission	52.00	63.26
	Total finance costs	**509.16**	**238.70**
	* includes interest expense/(income) incurred towards swap arrangements.	-	3.27
27	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (Refer note 3a)	3,568.70	3,885.48
	Depreciation of Right of Use Assets (Refer note 3b)	127.79	117.13
	Depreciation of investment property (Refer note 3d)	65.51	65.51
	Amortisation of intangible assets (Refer note 4)	3.35	3.11
	Total depreciation and amortisation expense	**3,765.35**	**4,071.23**
28	**Other expenses**		
	Raw material conversion charges	875.59	647.73
	Consumption of stores and spare parts	206.39	181.00
	Repairs and maintenance		
	- Buildings	15.04	23.11
	- Plant and machinery	1,355.59	921.08
	- Others	207.16	208.12
	Communication expenses	35.86	35.61
	Power and fuel	2,252.73	1,694.94
	Rent	235.03	315.71
	Rates and taxes	156.66	126.04
	Legal and professional fees	108.08	126.28
	Packing, dispatching and freight	5,139.81	3,983.14
	Clearing forwarding and other charges	184.24	214.44

Notes forming part of the Financial Statements (Contd.)

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

		Year ended March 31, 2023	Year ended March 31, 2022
	Travelling and conveyance	674.71	528.16
	Insurance	239.29	201.86
	Sales promotion	2,296.79	2,114.81
	Royalty	724.83	533.42
	Advertisement expenses	396.53	681.09
	Security charges	126.28	122.42
	Bank charges	7.99	10.86
	Payment to auditors	33.56	23.46
	Director fees	10.50	6.00
	Net loss on foreign currency transaction and translation exchange differences	886.04	198.30
	Net loss on derivative contracts*	-	174.25
	Miscellaneous expenses	444.94	357.17
	Total other expenses	**16,613.64**	**13,429.00**
29(a)	**Details of payments to auditors**		
	Payment to auditors		
	As auditor		
	Audit fee	18.00	10.00
	Tax audit and other services	14.00	13.00
	Reimbursement of expenses	1.56	0.46
	Total payments to auditors	**33.56**	**23.46**
29	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the period/year	120.03	50.00
	Total current tax expense	**120.03**	**50.00**
	Deferred tax		
	Decrease/(increase) in deferred tax assets	996.94	(695.79)
	(Decrease)/increase in deferred tax liabilities	(304.43)	(413.69)
	Total deferred tax expense	**692.51**	**(1,109.48)**
	Total income tax expense	**812.54**	**(1,059.48)**
	(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit/(Loss) before tax for the year	687.00	90.68
	Tax at the rate of 33.384% (March 31, 2022: 33.384%)	**229.35**	**30.27**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Utilisation of unrecognised tax credit	(229.35)	(30.27)
	Tax paid under MAT for which deferred taxes is not created	120.03	50.00
	Deferred taxes created on tax losses and temporary timing differences (refer note 6)	692.51	(1,109.48)
	Income tax expense	**812.54**	**(1,059.48)**

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, 2023	March 31, 2022
Leave obligations not expected to be settled within the next 12 months	264.14	233.21

(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 193.74 (March 31, 2022: INR 184.22).

Superannuation fund

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. The expense recognised during the period towards superannuation fund is INR 33.37 (March 31, 2022: INR 33.59).

(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
Opening balance as at April 1, 2021	**414.67**	**(252.04)**	**162.63**
Current service cost	59.35	-	59.35
Interest expense/(income)	24.91	(14.19)	10.72
Total amount recognised in profit or loss	**84.26**	**(14.19)**	**70.07**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(4.36)	(4.36)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(13.58)	-	(13.58)
Experience (gains)/losses	(13.75)		(13.75)
Total amount recognised in other comprehensive income	**(27.33)**	**(4.36)**	**(31.69)**
Employer contributions		(0.41)	(0.41)
Benefit payments	(74.47)	74.47	-

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
Balances as at March 31, 2022	**397.13**	**(196.53)**	**200.60**
Opening balance as at April 1, 2022	**397.13**	**(196.53)**	**200.60**
Current service cost	54.03	-	54.03
Interest expense/(income)	25.82	(11.82)	14.00
Total amount recognised in profit or loss	**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
Total amount recognised in other comprehensive income	**8.55**	**(27.75)**	**(19.20)**
Employer contributions		(1.30)	(1.30)
Benefit payments	(56.55)	56.55	-
Balances as at March 31, 2023	**428.98**	**(180.85)**	**248.13**

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

	March 31, 2023	March 31, 2022
Present value of funded obligations	428.98	397.13
Fair value of plan assets	(180.85)	(196.53)
Deficit of funded plan	**248.13**	**200.60**

(iv) Post-employment benefits

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.20%	7.00%
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.

(v) Sensitivity analysis

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

Notes forming part of the Financial Statements (Contd.)

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

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

	Impact on defined benefit obligation		
	Change in assumption March 31, 2022	**Increase in assumption March 31, 2022**	**Decrease in assumption March 31, 2022**
Discount rate	1.00%	(30.53)	35.62
Salary growth rate	1.00%	35.28	(30.81)

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, 2023	March 31, 2022
Schemes of insurance - conventional products managed by LIC - Unquoted	(180.85)	(196.53)
Total	**(180.85)**	**(196.53)**

(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 2022 – 9 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, 2023	62.94	146.07	331.96	540.97
March 31, 2022	72.17	132.56	272.33	477.06

The expected contribution to post employment benefit plan for the year ending March 31, 2023 is NIL
(March 31, 2022: 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, 2023	March 31, 2022
Financial assets				
Security deposits	5(b)	3	304.79	382.08
Advances to employees	5(b)	3	29.79	33.64
Interest accrued on deposits with banks	5(b)	3	99.04	76.89
Other receivables	5(b)	3	553.15	593.12
Trade receivables	10	3	1,603.17	1,627.87
Cash and cash equivalents	11		15,514.38	500.40
Bank balances other than cash and cash equivalents	5(b), 12		3,817.85	3,721.04
Total financial assets			**21,922.17**	**6,935.04**
	Note	**Hierarchy**	**March 31, 2023**	**March 31, 2022**
Financial liabilities				
Borrowings	15	3	9,064.22	11,420.61
Security deposits	19	3	211.29	201.78
Amount payable to customers	19	3	2,663.51	2,033.02
Employee benefits payable	19	3	803.93	672.04
Capital creditors	19	3	0.83	2.00
Book overdraft	19	3	-	0.50
Lease Liabilities	16	3	292.23	415.01
Trade payables	18	3	9,797.05	8,242.32
Total financial liabilities			**22,833.06**	**22,987.28**

Financial instruments measured at FVPL

	Note	Hierarchy	March 31, 2023	March 31, 2022
Financial assets				
Investment in equity shares	5(a)	3	5.00	5.00
Total financial assets			**5.00**	**5.00**

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.

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.

33 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	Ageing 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

a) Credit risk on deposits is mitigated by depositing the funds in reputed private sector banks.

b) 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

Notes forming part of the Financial Statements (Contd.)

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

credit losses have been recognised.

Expected credit loss trade receivables - simplified approach

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 559.50 (March 31, 2022: 499.32) is due from a single customer.

Refer Note No. 10 for the ageing of trade receivables

Reconciliation of loss allowance provision - Trade receivables

Loss allowance on March 31, 2021	**136.07**
Changes in loss allowance	
- Provision made during the year	-
- Written off	-
Loss allowance on March 31, 2022	**136.07**
Changes in loss allowance	
- Provision made during the year	-
- Written off	-
Loss allowance on March 31, 2023	**136.07**

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**
As at March 31, 2023			
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**
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**
Total	**17,423.68**	**6,084.26**	**23,507.94**

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
As at March 31, 2022			
Employee benefits payable	672.04	-	**672.04**
Borrowings	3,373.08	8,586.05	**11,959.13**
Security deposits	201.78	-	**201.78**
Capital creditors	2.00	-	**2.00**
Book overdraft	0.50	-	**0.50**
Trade payables	8,242.32	-	**8,242.32**
Amount payable to customers	2,033.02	-	**2,033.02**
Lease liabilities	164.29	348.48	**512.76**
Total	**14,689.03**	**8,934.53**	**23,623.55**

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, 2022
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 fluctutations and natural hedge of payable and receivable.

	Borrowings	Trade payables	Trade receivables	Net exposure to foreign currency risk
As at March 31, 2023				
US Dollars	9,064.22	178.67	(214.04)	9,028.85
KRW	-	67.35	-	67.35
EUR	-	1.60	-	1.60
KES		-	-	-
AUD	-	-	-	-
As at March 31, 2022				
US Dollars	11,420.61	172.58	(420.77)	11,172.42
KRW	-	13.89	-	13.89
BDT	-	-	(5.72)	(5.72)
KES		-	(0.36)	(0.36)
AUD	-	-	(6.65)	(6.65)

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

Sensitivity analysis

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

	Impact on profit before tax	
	March 31, 2023	**March 31, 2022**
USD sensitivity		
USD appreciates by 5% vs INR	(451.44)	(558.62)
USD depreciates by 5% vs INR	451.44	558.62
KRW Sensitivity		
KRW appreciates by 5% vs INR	(3.37)	(0.69)
KRW depreciates by 5% vs INR	3.37	0.69
BDT Sensitivity		
BDT appreciates by 5% vs INR	(0.08)	(0.29)
BDT depreciates by 5% vs INR	0.08	0.29
KES Sensitivity		
KES appreciates by 5% vs INR	-	0.02
KES depreciates by 5% vs INR	-	(0.02)
AUD Sensitivity		
AUD appreciates by 5% vs INR	-	0.33
AUD depreciates by 5% vs INR	-	(0.33)

*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, 2023	As at March 31, 2022
Variable rate borrowings (incl. current maturities)	8,982.20	11,404.03

(b) Sensitivity

	Impact on Profit after tax	
	March 31, 2023	March 31, 2022
Interest rates - Increase by 100 base points *	(89.82)	(114.04)
Interest rates - Decrease by 100 base points *	89.82	114.04

*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, 2023	As at March 31, 2022
Net debt		
Debt*	9,356.45	11,835.62
Cash and cash equivalents	15,514.38	500.40
	(6,157.93)	11,335.22
Equity	**64,028.65**	**46,614.19**
Net debt - equity ratio (percentage)	**-10%**	**24%**

* The debt for the current year is including lease liabiltites.

34 Related party transactions

a) Names of related parties and nature of relationship :

(i) Where control exists

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

(ii) Other Related Parties with whom transactions have taken place during the year:

Fellow subsidiaries	Lotte Data Communication R&D India LLP
	Lotte Engineering Construction India Private Limited
	Havmor Icecream Private Limited
	Lotte Fine Chemicals Co Limited, South Korea
	Lotte Chemical India Private Limited
Key management personnel	Mr. Milan Wahi, Managing Director
	Mr. Kyungwoon Cho, Chairman cum Executive Director
	Mr. D.G. Rajan, Non-Executive Independent Director
	Ms. Jeehye You, Non-Executive Independent Director (w.e.f. 29.03.2022)
	Mr. Heo Jeongkwan, Whole Time Director and Chief Financial Officer (wef 30.08.2022)
Post-employment benefit plans	Lotte India Corporation Limited Employees Gratuity Trust
	Lotte India Corporation Limited Superannuation Trust

(iii) Transactions with related parties

The following transactions occurred with related parties:

Notes forming part of the Financial Statements (Contd.)

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

Description	Year ended March 31, 2023			Year ended March 31, 2022		
	Holding company	Fellow Subsidiaries	Entities where significant influence exist	Holding company	Fellow Subsidiaries	Entities where significant influence exist
Transactions during the period						
Purchases of goods						
Lotte Confectionary Company Limited, South Korea	72.37	-	-	57.89	-	-
Lotte Fine Chemicals Co Limited, South Korea	-	97.66	-	-	70.36	-
Sales						
Lotte Confectionary Company Limited, South Korea	2,165.59	-	-	2,078.74	-	-
Lotte Chemical India Private Limited	-	-	-	-	1.67	-
Havmor Icecream Pvt Ltd		-	-		33.08	-
Receiving of Services						
Rental income from Lotte Data Communication R&D LLP	-	0.57	-	-	1.52	-
Royalty expenses						
Lotte Confectionary Company Limited, South Korea	724.83	-	-	533.42	-	-
Software usage fee						
Lotte Confectionary Company Limited, South Korea	58.54	-	-	83.89	-	-
Guarantee commission						
Lotte Confectionary Company Limited, South Korea	52.00	-	-	63.26	-	-
Employee benefits						
Lotte India Corporation Limited Employees Gratuity Trust	-	-	-	-	-	-
Lotte India Corporation Limited Superannuation Trust	33.37	-	-	33.59	-	-
Clearing, Forwarding and Other Charges						
Lotte Confectionary Company Limited, South Korea	-	-	-	-	-	-

Remuneration to KMP	**Year ended March 31, 2023**	**Year ended March 31, 2022**
- Mr. Milan Wahi	142.84	131.33
- Mr. Kyungwoon Cho	149.25	128.75
- Mr. Inchul Yeo	-	64.98
- Mr. Jeongkwan Heo	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 10.50 lakhs (March 31, 2022: INR 6.00 lakhs).

During the year, the Company has paid remuneration to a management personnel in excess of the limits specified in the Scedule V to the Companies Act, 2013 by INR 2.50 Lakhs. The Company has proposed to obtain the shareholder's approval to comply with the requirements of Section 197 read with Schedule V to the Act in the esuing Annual General Meeting.

Description	As at March 31, 2023		As at March 31, 2022	
	Holding company	Fellow subsidiaries	Holding company	Fellow subsidiaries
Balances outstanding at the period/year end				
Trade payables				
Lotte Confectionery Company Limited, South Korea	1,301.59		1,004.55	
Lotte Corporation Limited, South Korea	-		-	
Trade receivables				
Lotte Confectionery Company Limited, South Korea	214.04		313.76	
Lotte Chemical India Private Limited	-	-	-	-
Other receivables				
Lotte Data Communication R&D India LLP		-		0.67
Lotte Confectionery Company Limited, South Korea	-	-	-	-

*(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.

(b) Segment revenue

The Company is domiciled in India.

Information about revenue from major geographies	March 31, 2023	March 31, 2022
India	55,872.54	40,552.38
Others	4,042.88	4,893.55
	59,915.42	**45,445.93**

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.

(c) All non-current assets of the Company are located in India.

Notes forming part of the Financial Statements (Contd.)

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

37 Commitments

(a) Capital Commitments	March 31, 2023	March 31, 2022
Estimated value of contracts in capital account remaining to be executed	7,487.59	63.58

(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, 2022 : INR 134.34).

37 Contingent liabilities

	March 31, 2023	March 31, 2022
Claims against the company not acknowledged as debts		
Disputes relating to Service tax/ Excise duty/ VAT/ Income tax	765.14	766.27

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 obligation to spend amount towards CSR did not arise as the past three years average net profit is negative.

39 Financial Ratios

Ratios	FY 2022-23	FY 2021-22	Variance %	Reasons
(a) Current Ratio	1.57	0.89	76%	Primarily attributable to increase in Cash and Cash Equivalent balances of Current Assets as compared to the previous year.
(b) Debt-Equity Ratio	0.14	0.24	-43%	Primarily attributable repayment of borrowings.
(c) Debt Service Coverage Ratio	1.53	0.80	91%	Primarily attributable to the increase in interest and principal repayments (including leases)
(d) Return on Equity Ratio	0.00	0.02	-115%	Primarily attributable to decrease in Profit After Tax on a year on year basis.
(e) Inventory turnover ratio	5.63	4.44	-120%	Primarily attributable to the higher inventory level as at March 31, 2023 to meet future demand
(f) Trade Receivables turnover ratio	15.64	7.51	108%	Primarily attributable to decrease in Trade Receivables due to better collections.
(g) Trade payables turnover ratio	3.87	3.67	6%	Primarily attributable to the increase in purchases incurred due to increase in operations during the current year.

Notes forming part of the Financial Statements (Contd.)

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

(h) Net capital turnover ratio	5.72	(27.75)	-121%	Primarily attributable to increase in current assets arising from increase in inventories increase in inventory in anticipation of future orders, and on account of increase in Cash & Cash Equivalents. Further there is a decrease in current liabilities attributable primarily due to the repayment of current borrowings.
(i) Net profit ratio	0.00	0.03	-108%	Primarily attributable to the decrease in profit, on account of Income Tax and Deferred Tax provisions.
(j) Return on Capital employed	0.02	0.01	188%	Primarily attributable to increase in profits
(k) Return on investment	0.04	0.02	80%	Primarily attributable to the maturity of deposits at higher interest rates in the current year.

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 quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

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.

Notes forming part of the Financial Statements (Contd.)

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

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

Basic earnings per share	**March 31, 2023**	**March 31, 2022**
Profit after tax (A)	(125.54)	1,150.16
Number of equity shares of INR 10 each at the end of the period/year	1,41,02,363	1,08,63,768
Weighted average number of equity shares of INR 10 each outstanding during the year (B)	1,26,82,705	1,08,63,768
Basic earnings per share - (in INR) (A/B)	(0.99)	10.59

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

42 Assets pledged as security

Particulars	**March 31, 2023**	**March 31, 2022**
Current		
(a) Charge on entire stocks and receivables, both present and future	9,316.69	8,118.50
	9,316.69	**8,118.50**

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, 2023 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.

Notes forming part of the Financial Statements (Contd.)

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

44 Events after the reporting period

No significant event is to be reported between the closing date and that of the meeting of Board of Directors.

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 29, 2023.

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

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

Suresh S
Partner
Membership No. 200928

Kyungwoon Cho
Chairman cum ED
DIN : 09048060

Milan Wahi
Managing Director
DIN : 05242884

Jeongkwan Heo
Whole Time Director & CFO
DIN : 09715459

D.G. Rajan
Independent Director
DIN : 00303060

T.G. Karthikeyan
Company Secretary

Place: Chennai
Date: August 29, 2023

Place: Chennai
Date: August 29, 2023

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

LOTTE
Lifetime Value Creator

LOTTE INDIA CORPORATION LIMITED
Corporate Office: 4/169, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096.
Tel: 91- 44 – 4545 8888, Fax : 91 – 44 – 4545 8800

Lotte India Corporation Limited
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
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	55,025.27	42,085.57
Right-of-use Assets	3(b)	410.46	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)	893.74	1,302.11
Deferred tax assets (net)	6	-	416.97
Income tax assets (net)	7	-	29.85
Other non-current assets	8	3,654.75	4,363.22
Total non-current assets		**68,797.10**	**59,408.77**
Current assets			
Inventories	9	8,607.52	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	-	3,200.30
(iv) Other financial assets	5(b)	255.82	302.21
Other current assets	13	3,528.22	860.35
Total current assets		**21,449.57**	**29,193.93**
TOTAL ASSETS		**90,246.67**	**88,602.70**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14(a)	1,410.24	1,410.24
OTHER EQUITY			
Reserves and surplus	14(b)	64,906.32	62,618.41
Total equity		**66,316.56**	**64,028.65**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	-	5,611.31
(ii) Lease Liabilities	16	312.91	172.10
Provisions	17	72.84	248.13
Deferred tax liabilities (Net)	6	617.03	
Total non-current liabilities		**1,002.78**	**6,031.54**
Current liabilities			
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	53.95	44.95
b) total outstanding dues of creditors other than micro and small enterprises	18	8,915.61	9,752.10
(iv) Other financial liabilities	19	4,052.65	3,761.58
Provisions for Expenses & Tax	17	316.52	264.14
Current tax liabilities (net)	20	152.02	-
Other current liabilities	20	3,588.71	1,228.72
Total current liabilities		**22,927.33**	**18,542.51**
Total liabilities		**23,930.11**	**24,574.05**
TOTAL EQUITY AND LIABILITIES		**90,246.67**	**88,602.70**

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

LOTTE INDIA CORPORATION LIMITED ★

Director
Place: CHENNAI
Date: 29-07-2024

Regd. Office: 22b, 2nd Floor, Commerce House-IV, Beside Shell Petrol Pump, 100 Ft. Road, Prahaladnagar, Ahmedabad – 380 015. E-Mail : info@lotteindia.com
Corporate Identification Number : U15419GJ1954PLC153704, Website: www.lotteindia.com

CERTIFIED TRUE COPY

For LOTTE INDIA CORPORATION LIMITED

Authorised Signatory

LOTTE INDIA CORPORATION LIMITED
Corporate Office: 4/169, Rajiv Gandhi Salai (OMR),
Kandanchavadi, Chennai – 600096.
Tel: 91- 44 – 4545 8888, Fax : 91 – 44 – 4545 8800

Lotte India Corporation Limited
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
REVENUE			
Revenue from operations	21	68,036.47	59,915.42
Other income	22	984.62	1,164.04
Total income		**69,021.09**	**61,079.46**
EXPENSES			
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	(86.18)	(1,530.02)
Employee benefits expense	25	5,405.50	4,738.91
Finance costs	26	554.47	509.16
Depreciation and amortisation expense	27	3,548.27	3,765.35
Other expenses	28	18,697.51	16,613.64
Total expenses		**64,680.11**	**60,392.46**
Profit before tax		**4,340.98**	**687.00**
Income tax expense	29		
Current tax		1,026.39	120.03
Deferred tax		1,034.00	692.51
Total tax (credit) / expense		**2,060.39**	**812.54**
Profit / (loss) for the year		**2,280.59**	**(125.54)**
Other comprehensive income			
Items that will not be reclassified to profit / loss			
Remeasurements of post-employment benefit obligations (net of tax)		(11.88)	19.20
Other comprehensive income for the year		**(11.88)**	**19.20**
Total comprehensive income / (loss) for the year		**2,268.71**	**(106.34)**
Basic earnings per share (in INR)	41	16.17	(0.99)

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

LOTTE INDIA CORPORATION LIMITED

Director
Place: CHENNAI
Date: 29-07-2024

CERTIFIED TRUE COPY

For LOTTE INDIA CORPORATION LIMITED

Authorised Signatory

Annexure - 7A

Havmor ICE CREAM

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HAVMOR ICE CREAM PRIVATE LIMITED AT THEIR MEETING HELD ON MONDAY JULY 29TH 2024 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN HAVMOR ICE CREAM PRIVATE LIMITED AND LOTTE INDIA CORPORATION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTERS SHAREHOLDERS

---

1. Background

1.1. This report is under the provisions of Section 232(2)(c) of the Companies Act, 2013 (the "Act") and summarizes the effect of the Scheme of Arrangement between Havmor Ice Cream Private Limited (hereinafter referred to as the **"Transferor Company"** or **"Company"**) and Lotte India Corporation Limited (hereinafter referred to as **"Transferee Company"**) and their respective shareholders and creditors (the "**Scheme**") on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company.

1.2. The draft Scheme was placed before the Board for the purpose of identification.

2. Rationale of the Scheme

2.1 The Transferor Company and Transferee Company are part of the same group i.e. "Lotte Group" based at South Korea and the management of the Lotte Group is contemplating consolidation of Transferor Company with the Transferee Company. Post the above-mentioned business restructuring, the proposed consolidation is expected to realize the benefits of greater business synergies through supply chain optimisation, operational improvements, go-to-market strategies, distribution network optimization, scale efficiencies in cost areas such as marketing and optimization of overlapping infrastructure, reduced administrative and other costs. More particularly, the reasons and circumstances leading to and justifying the proposed Amalgamation (as defined hereinafter) of the Transferor Company with the Transferee Company, which make it beneficial for all the concerned stakeholders, including the shareholders of the Transferor Company and Transferee Company, are as follows:

(i) It will provide synergistic integration of the business operations of the

Ice Cream Private Limited * Ahmedabad *

Transferee Company and the Transferor Company, thus enabling better operational management and greater focus.

(ii) Consolidation of the business and simplification of the group structure. It would result in a simple corporate structure, greater efficiency in cash management of the Transferee Company, access to cash flow generated by the combined business thus enabling focus on core competencies.

(iii) The Amalgamation will bring about simplicity in working, reduce various statutory and regulatory compliances (including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc) and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources thus leading to operational effectiveness and cost optimization.

(iv) It will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions presently being carried out in each individual entity within the group such as information technology, human resources, finance, legal and general management, and this will lead to the organization becoming more efficient and capable of responding swiftly to volatile and rapidly changing market scenarios.

(v) The scheme envisages transfer of the entire Undertaking of the Transferor Company as a going concern to the Transferee Company and creation of greater value for shareholders, creditors and all other stakeholders.

(vi) The Amalgamation shall result in enhancing the brand awareness of "Lotte" on account of widening of customer base and consolidation of resources resulting in a wider market reach. It shall also lead to economies of scale, allowing for more efficient use of resources and lower costs per unit. The increased efficiency can be reinvested in brand-building activities, further enhancing brand awareness.

Havmor Ice Cream Private Limited * Ahmedabad *

3. Report on valuation of shares and share entitlement ratio

3.1. For the purpose of determining number of equity shares to be issued by the Transferee Company to the shareholders of Transferor Company, pursuant to amalgamation under part – III of the Scheme, the Companies have obtained a report dated June 30th 2024 on valuation of shares and share entitlement report from Samarth Valuation Advisory LLP, a registered valuer entity, registered with Insolvency and Bankruptcy Board of India ("IBBI") and having IBBI registration number IBBI/RV-E/06/2021/157.

3.2. Transferee Company shall, without any further application, act, deed, consent or instrument, issue and allot its equity shares to shareholder(s) of the Transferor Company, in the following manner:

"1,679 equity share of the Transferee Company of face value INR 10 each, fully paid-up, at par for every 1,000 equity share of the Transferor Company, whose name is recorded in the register of members of the Transferor Company as equity shareholder, as on the Record Date 1"

3.3. No special valuation difficulties were reported.

4. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

4.1. Upon the effectiveness of the Scheme, the Transferee Company shall issue equity shares to the equity shareholders of the Transferor Company in the abovementioned ratio. Post-amalgamation, shareholders (promoter and non-promoter) of the Transferor Company will become the shareholders of Transferee Company.

4.2. The effectiveness of the Scheme shall have no adverse impact on the equity shareholders of the Company.

5. Effect of the Scheme on the Key Managerial Personnel ('KMPs') and Board of Directors of the Company

5.1. Upon effectiveness of the Scheme, the Company shall stand dissolved without winding up and accordingly, its KMPs, if any, shall cease to be the KMPs of the Company.

5.2. Upon effectiveness of the Scheme, the Company shall stand dissolved without winding up and accordingly, its Board of Directors shall cease to exist.

Havmor Ice Cream Private Limited * Ahmedabad *

HAVMOR ICE CREAM PRIVATE LIMITED
(Formerly known as Havmor Ice Cream Limited)
Regd. Office : 2nd Floor, Commerce House - 4, Beside Shell Petrol Pump, 100 Ft. Road, Prahlad Nagar, Ahmedabad - 380 015.
079-4020 9000 havmor@havmor.com www.havmor.com | CIN No. U15200GJ2006PTC048016

5.3. None of the directors, the KMPs, if any, of the Company and their 'Relatives' (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme.

For and on behalf of
Havmor Ice Cream Private Limited

Jaehyun Kim
Whole Time Director
DIN: 10047983

Date: July 29th, 2024
Place: Ahmedabad

LOTTE
Lifetime Value Creator

LOTTE INDIA CORPORATION LIMITED
Corporate Office: 4/169, Rajiv Gandhi Salai (OMR),
Kandanchavadi, Chennai – 600096.
Tel: 91- 44 – 4545 8888, Fax : 91 – 44 – 4545 8800

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LOTTE INDIA CORPORATION LIMITED AT THEIR MEETING HELD ON 29th JULY, 2024 AT 11.35 AM, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN HAVMOR ICE CREAM PRIVATE LIMITED AND LOTTE INDIA CORPORATION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013, ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTERS SHAREHOLDERS.

1. Background

1.1. This report is under the provisions of Section 232(2)(c) of the Companies Act, 2013 (the “Act”) and summarizes the effect of the Scheme of Arrangement between Havmor Ice Cream Private Limited (hereinafter referred to as the **“Transferor Company”**) and Lotte India Corporation Limited (hereinafter referred to as **“Transferee Company”** or **“Company”**) and their respective shareholders and creditors (the “**Scheme**”) on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company.

1.2. The draft Scheme was placed before the Board for the purpose of identification.

2. Rationale of the Scheme

Amalgamation of the Transferor Company with and into the Transferee Company would inter alia have the following benefits:

2.1. The Transferor Company and Transferee Company are part of the same group i.e. "Lotte Group" based at South Korea and the management of the Lotte Group is contemplating consolidation of Transferor Company with the Transferee Company. Post the above-mentioned business restructuring, the proposed consolidation is expected to realize the benefits of greater business synergies through supply chain optimisation, operational improvements, go-to-market strategies, distribution network optimization, scale efficiencies in cost areas such as marketing and optimization of overlapping infrastructure, reduced administrative and other costs. More particularly, the reasons and circumstances leading to and justifying the proposed Amalgamation (as defined hereinafter) of the Transferor Company with the Transferee Company, which make it beneficial for all the concerned stakeholders, including the

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shareholders of the Transferor Company and Transferee Company, are as follows:

i) It will provide synergistic integration of the business operations of the Transferee Company and the Transferor Company, thus enabling better operational management and greater focus.

ii) Consolidation of the business and simplification of the group structure. It would result in a simple corporate structure, greater efficiency in cash management of the Transferee Company, access to cash flow generated by the combined business thus enabling focus on core competencies.

iii) The Amalgamation will bring about simplicity in working, reduce various statutory and regulatory compliances (including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc) and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources thus leading to operational effectiveness and cost optimization.

iv) It will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions presently being carried out in each individual entity within the group such as information technology, human resources, finance, legal and general management, and this will lead to the organization becoming more efficient and capable of responding swiftly to volatile and rapidly changing market scenarios.

v) The scheme envisages transfer of the entire Undertaking of the Transferor Company as a going concern to the Transferee Company and creation of greater value for shareholders, creditors and all other stakeholders.

vi) The Amalgamation shall result in enhancing the brand awareness of "Lotte" on account of widening of customer base and consolidation of resources resulting in a wider market reach. It shall also lead to economies of scale, allowing for more efficient use of resources and lower costs per unit. The increased efficiency can be reinvested in brand-building activities, further enhancing brand awareness.

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2.2 In view of the aforesaid, the Board (as defined hereinafter) of the Companies have considered and proposed the Amalgamation of the Transferor Company with and into the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the Scheme has been formulated pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act the rules and regulations framed thereunder and also read with Section 2(1B) read with Section 72A of the Income Tax Act, 1961, as applicable, for the Amalgamation.

Reduction of share capital of the Transferee Company will, inter-alia, result in the following benefits:

2.3 The Transferee Company was delisted in the year 2009. Post delisting, the equity shares of the Transferee Company cannot be traded on any of the stock exchanges in India and hence, the Relevant Shareholders do not have much avenues to monetize or liquidate their shareholding. The Scheme provides liquidity and exit route to these Relevant Shareholders in a fair and transparent manner by way of capital reduction.

2.4 The Transferee Company is having sufficient reserves and cash, and intends to reduce its paid-up share capital, by paying off to the Relevant Shareholders (as defined hereinafter), in order to maximize the value of such shareholders.

2.5 The proposed reduction of paid-up share capital of the Transferee Company shall also entail the following additional benefits of the Transferee Company:

i. Savings in administrative and other costs associated with servicing a very small percentage of the shareholding held by the Relevant Shareholders.

ii. Ease of management in undertaking statutory and regulatory compliances related to Relevant Shareholders.

This Scheme would be in the interest of the Transferor Company and Transferee Company, and their respective shareholders, creditors, employees, vendors and other stakeholders and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Further this Scheme is presented under Sections 230 to 232 of the Act and other applicable provisions of the Act, and the rules and regulations framed thereunder.

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3. Reduction of Share Capital of Transferee Company

3.1. The issued, subscribed, and paid-up share capital of the Transferee Company as held by the Relevant Shareholders as on Record Date 2 shall be cancelled and extinguished to the extent of 1,55,328 equity shares, by paying a sum of INR 882.29 per such equity share, as per the valuation report dated June 30, 2024 carried out by an independent registered valuer.

4. Valuation Report

4.1. For the purpose of determining number of equity shares to be issued by the Transferee Company to the shareholders of Transferor Company, pursuant to amalgamation under part – III of the Scheme and consideration payable to the Relevant Shareholders of the Transferee Company pursuant to the Capital Reduction under part IV of the Scheme, the Transferor Company and Transferee Company have obtained a valuation report dated June 30, 2024 from Samarth Valuation Advisory LLP, a registered valuer entity, registered with Insolvency and Bankruptcy Board of India ("IBBI") and having IBBI registration number IBBI/RV-E/06/2021/157.

4.2. Transferee Company shall, without any further application, act, deed, consent or instrument, issue and allot its equity shares to shareholder(s) of the Transferor Company, in the following manner:

"1,679 equity share of the Transferee Company of face value INR 10 each, fully paid-up, at par for every 1,000 equity Share of the Transferor *Company, whose name is recorded in the register of members of the Transferor Company as equity shareholder, as on the Record Date 1"*

4.3. An amount of INR 882.29 per such equity share shall be paid to Relevant Shareholders in lieu of cancellation and extinguishment of the equity shares held by them in the Transferee Company.

4.4. No special valuation difficulties were reported.

5. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

5.1. The Company has only one class of shareholders i.e., equity shareholders. The effectiveness of the Scheme will have no adverse impact on the

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shareholders (promoter and non-promoter) of the Company. Accordingly, the shareholders of the Company shall continue to be the shareholders of the Company, even after the effectiveness of the Scheme.

6. **Effect of the Scheme on the Key Managerial Personnel ('KMPs') and Board of the Company**

6.1. The effectiveness of the Scheme will have no impact on the KMPs of the Company. The KMPs of the Company shall continue to be the KMPs of the Company, even after the effectiveness of the Scheme.

6.2. The effectiveness of the Scheme will have no impact on the Directors of the Company. The Directors of the Company shall continue to be in the Board of Directors of the Company, even after the effectiveness of the Scheme.

6.3. None of the directors, the KMPs of the Company and their respective 'Relatives' (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme.

Certified True Copy

For **Lotte India Corporation Limited**

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Date: 29th July, 2024
Place: Chennai

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