SHANTHALA

SHANTHALA FMCG PRODUCTS LIMITED

CIN: L51109KA2014PTC073756

Regd Office: 7th Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu- 571218, Karnataka, India.

GST: 29AAUCS2983H1ZI | **Phone:** 08274298999 / 09945694963

Email: accounts@shanthalafmcg.com | **Web:** www.shanthalafmcg.com

Date: November 06, 2026

To,
Listing Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East) -400051, Maharashtra, India.

Sub: Notice of Annual General Meeting to be held on Monday, November 30, 2026 at 12.00 PM (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Ref: SHANTHALA FMCG PRODUCTS LIMITED (Symbol: SHANTHALA)

Dear Sir/ Madam,

In terms of provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith a copy of the Annual Report including Notice of Annual General Meeting.

Kindly note that Register of Members and Share transfer Books of the company will remain closed from November 24, 2026 to November 30, 2026 (both days inclusive).

You are requested to take a note of the same and oblige.

Thanking You,

Yours faithfully,
For Shanthala FMCG Products Limited

B SHOBITHA MALLYA
Digitally signed by B SHOBITHA MALLYA
Date: 2026.11.06 16:36:01 +05'30'

Shobitha Malya
Managing Director
DIN - 06793259

SHANTHALA

SHANTHALA FMCG PRODUCTS

ANNUAL REPORT

FY 2025-26

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General Information

Board of Directors

Mr. Bantwal Manjunath Mallya	: Chairman & Managing Director (Demised on July 08, 2025)
Mrs. Bantwal Shobitha Malya	: Managing Director
Mr. Ravikant Moreshwar Mhatre	: Independent Director
Ms. Shivani Shivshankar Tiwari	: Independent Director
Ms. Smita Arjun Patil	: Independent Director
Mr. Santosh Kudva	: Director

Key Managerial Personnel

Company Secretary & Compliance Officer	: Ms. Snehal Bhagwat
Chief Financial Officer	: Mr. Yogish Mallya (Removed by Board w.e.f. October 31, 2026)
Chief Financial Officer	: Mr. Ratnakar Rai (Appointed w.e.f. October 31, 2026)
Statutory Auditors	: M/s. Kale Malde & Co., Chartered Accountant 1, Shivkrupa Building, Patharli Road, Shelar Naka, Dombivali (East) -421 201, Thane, Maharashtra, India. E-Mail: alpesh1804@gmail.com
Internal Auditor	: M/s. Kalpesh Khatri & Associates 712, B Wing, Damji Shamji Corporate Square, Ghatkopar Andheri Link Road, Laxmi Nagar, Behind KBC, Ghatkopar (East), Mumbai - 400086, Maharashtra, India. E-Mail: kalpesh@khaassociates.in
Secretarial Auditor	: M/s. Deep Shukla & Associates Company Secretaries, Mumbai
Registered Office	: 7th Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu- 571218, Karnataka, India. Phone: 9945694963 E-Mail: - accounts@shanthalafmcg.com Website: https://shanthalafmcg.com

Registrar and Share Transfer agent	: Bigshare Services Pvt. Ltd E-2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400 072. India. Tel No.: 022-62638200 E-mail: info@bigshareonline.com

Management Note

Dear Shareholders,

It gives us pleasure to present to you the Annual Report of **Shanthala FMCG Products Limited** for the financial year 2025–26. We sincerely thank our shareholders, customers, business associates, employees, banking partners and all other stakeholders for their continued trust, support and confidence in the Company.

The Company also continues to remember with deep respect and gratitude the contribution of our late Chairman & Managing Director, Mr. B. Manjunath Mallya, who passed away on July 08, 2025. His entrepreneurial vision, dedication and commitment played an important role in shaping the Company's journey. The values and foundation established during his leadership continue to guide the organisation, and the management remains committed to carrying forward his vision while maintaining continuity, responsible governance and a long-term approach to the Company's development.

During the year under review, the Company continued to focus on its core distribution and trading activities and on strengthening its operational and governance framework.

As part of the Company's continued commitment to transparency, accountability and sound corporate governance, certain gaps, inconsistencies and issues identified by the Statutory Auditors in the books of accounts and financial reporting process for the period subsequent to September 30, 2025 were considered by the Board. Accordingly, subsequent to March 31, 2026, and pursuant to the intimations made to the respective authorities and the Board Resolution dated June 07, 2026, the Company initiated an independent forensic audit to examine and verify the matters identified.

The forensic audit has since been undertaken and its findings are being duly considered by the Board. Based on the findings and recommendations arising from the forensic audit, the Company is undertaking appropriate remedial measures, wherever warranted, with a view to addressing the observations and further strengthening its internal financial controls, processes and financial reporting framework. The Board is overseeing the implementation of the necessary measures and remains committed to ensuring that appropriate systems and processes are strengthened to minimise the possibility of recurrence of such matters. The relevant disclosures, as required under applicable laws and regulations, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been made to the stock exchanges.

The management views the strengthening of internal processes and controls as an ongoing exercise and an important part of the Company's journey as a listed entity. The Company remains focused on

improving process discipline, enhancing oversight and maintaining appropriate standards of governance and financial reporting. These efforts are intended to further strengthen the Company's foundation and support its sustainable development.

We acknowledge with sincere appreciation the continued support extended by our shareholders, banking and financial partners, auditors, business associates and other stakeholders. We also place on record our appreciation for the guidance provided by the Board of Directors and the dedication of our employees, whose continued efforts remain important to the Company's progress.

As we move forward, our focus will remain on strengthening the Company's business fundamentals, reinforcing internal processes and controls, maintaining transparency and accountability, and creating sustainable value for our stakeholders. With a clear focus on responsible growth and continuous improvement, we look forward to the opportunities ahead with confidence and a renewed commitment to the Company's long-term objectives.

Annual General Meeting Notice

NOTICE is hereby given that 12th Annual General Meeting of the Members of SHANTHALA FMCG PRODUCTS LIMITED (formerly known as Shanthala FMCG Products Private Limited) will be held on Monday, November 30, 2026 at 12.00 PM (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The venue of the meeting shall be deemed to be the Registered Office of the Company at 7th Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu - 571218, Karnataka, India to transact the following business**:**

ORDINARY BUSINESSES:

Item No. 1 – Adoption of Standalone and Consolidated audited financial statements of the Company for the financial year ended March 31, 2026, and the reports of the Board of Directors and Auditors thereon:

To consider and pass the following resolution as an Ordinary Resolution;

"RESOLVED THAT the audited Standalone and consolidated financial statements of the Company for the financial year ended March 31, 2026 together with the Reports of the Board and Independent Auditors thereon and other Annexures and attachment therewith, as circulated to the members be and are hereby received, considered, approved and adopted."

Item No. 2 – Appointment of Mr. Santosh Gopalkrishna Kudva (DIN: 00040892) as Director, liable to retire by rotation.

To consider and if thought fit to pass the following resolution as an Ordinary Resolution: .

"RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Santosh Gopalkrishna Kudva (DIN: 00040892) as a Director, to the extent that he is required to retire by rotation."

By Order of the Board of Directors

Sd/-
Snehal Bhagwat
Company Secretary

Date: 31/10/2026

Registered Address:
7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218,
Karnataka, India.

Notes:

1. The Ministry of Corporate Affairs ("MCA") has, vide its General Circular dated September 22, 2025 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the registered office of the Company. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2025-26 will also be available on the Company's website https://shanthalafmcg.com and on the website of National Stock Exchange of India Limited at https://www.nseindia.com/ Members can attend and participate in the 12th Annual General Meeting through VC/OAVM facility only.

2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 12TH AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS 12TH AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS & SEBI CIRCULARS THROUGH VC/ OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

3. The Company has engaged the services of M/s. Bigshare Services Private Limited (Hereinafter referred to as the "Registrar and share transfer agent"), who are also the Registrar and Transfer Agent of the Company, as the authorized agency for conducting the 12th AGM of the company through VC/OAVM and providing remote e-voting facility for the 12th AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.

4. M/s. Deep Shukla & Associates, through its Proprietor Shri. Deep Shukla (FCS 5652/CP No. 5364), Practicing Company Secretaries (hereinafter referred to as the "Scrutinizer"), has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the 12th AGM. The result will also

be submitted to the www.nseindia.com and also will be disseminated on https://shanthalafmcg.com.

5. The explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM, if any, is annexed thereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder is also annexed.

6. The Members attending the 12th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum pursuant to Section 103 of the Act.

7. Members seeking any information with regard to the accounts or any matter to be placed at the 12th AGM, are requested to write to the Company at least 03 days before the 12th AGM so as to enable the Management to keep the information ready at the Meeting, by mentioning their name, demat account number/folio number, email id, mobile number through email at cs@shanthalafmcg.com. The same will be replied by the Company suitably.

8. Those Members who intend to speak at the 12th AGM can register themselves as Speaker by marking their email to cs@shanthalafmcg.com at least 03 days before the 12th AGM. Those shareholders who have registered themselves as a speaker will only be allowed to ask their questions during the meeting.

9. Please note that the 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.

10. 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.

11. Institutional/corporate shareholders (i.e., other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent by e-mail on Scrutinizer's e-mail address at csoffice@deepshukla.com with a copy marked to cs@shanthalafmcg.com. Corporate Members/Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-Voting" tab in their login.

12. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 09.30 a.m. to 02.00 p.m. up to the date of 12th Annual General Meeting.

13. The Register of Members and share transfer books of the Company will remain closed from November 24, 2026 to November 30, 2026 (both days inclusive).

14. The Company has fixed cutoff date i.e., November 23, 2026 for determining the eligibility for e-voting by electronic means at 12th AGM.

15. Members are requested to promptly notify any changes in their addresses to the Registrar and Share Transfer Agent i.e., Messrs. Bigshare Services Private Limited at their Address Office Pinnacle Business Park, Office No S6-2, 6th, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai, 400093.

16. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cutoff date i.e., November 23, 2026.

17. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to: Bigshare Services Private Limited Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India Phone: 022-62638200 | Fax: 022-62638299 Email: info@ bigshareonline.com.

18. In terms of Section 152 of the Act, Mr. Santosh Gopalkrishna Kudva (DIN: 00040892), Director is liable to retire by rotation at this 12th Annual General Meeting and being eligible, has offered himself for reappointment.

19. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode.

20. Pursuant to MCA and SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this 12th AGM. However, in pursuance of Section 112 and Section 113 of the Act 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. Accordingly, Corporate Members (i.e., other than individuals / HUF, NRI, etc.) intending to send their authorised representatives to attend the meeting are requested to send to the Scrutinizer a scanned copy of the Board or governing body Resolution/Authorization etc., authorising their representatives to attend the e-AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through the registered email address to csoffice@deepshukla.com.

21. The remote e-Voting period will commence on November 27, 2026, at 9.00 A.M. (IST) and end on November 29, 2026, at 05:00 P.M. (IST). During this period, Members of the Company, holding shares in dematerialized form, as of the cut-off date of November 23, 2026 may cast their vote by remote e-Voting.

22. The remote e-Voting module shall be disabled by M/s. Bigshare Services Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

23. The e-Voting module on the day of the 12th AGM shall be activated during the proceeding of the 12th AGM and shall be disabled by Messrs Bigshare Services Private Limited for voting 15 minutes after the conclusion of the 12th AGM.

24. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection will be available electronically for inspection by the Members during the 12th AGM, Members seeking to inspect such documents can send an email to cs@shanthalafmcg.com.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

1) In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 as amended from time to time, provisions of Section 108 and other applicable provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 12th Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of business as detailed in this Notice may be transacted through e-voting services provided by Bigshare Services Private Limited (RTA).

2) The Remote E-voting facility will commence from 09:00 AM (IST) on November 27, 2026 and will end at November 29, 2026 at 5:00 PM (IST). Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by Bigshare Services Private Limited upon expiry of aforesaid period.

3) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the cut-off date i.e., November 23, 2026.

4) In order to increase the efficiency of the voting process, SEBI has decided to enable e-voting to all the demat account holders (including public non-institutional shareholders/ retail shareholders) by way of a single login credentials, through their Demat accounts or websites of Depositories/ Depository Participants. Demat account holder shall be able to cast their vote without having register again with the e-voting service providers.

5) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Bigshare i-Vote E-Voting System

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

i. The voting period begins at 09:00 AM (IST) on November 27, 2026 and will end at November 29, 2026 at 5:00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of November 23, 2026 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	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 is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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 **BIGSHARE** the e-Voting service provider and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. **BIGSHARE**, 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/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin 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. Click on **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with **NSDL**	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 **BIGSHARE** and you will be re-directed to **i-Vote** 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 **BIGSHARE** and you will be redirected to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page with all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-vote (E-voting 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**	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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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.com or call at 022- 48867000.

2. **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**LOGIN**" button under the '**INVESTOR LOGIN**' section to Login on E-Voting Platform.
- Please enter you '**USER ID'** (User id description is given below) and '**PASSWORD'** which is shared separately on you register email id.
    - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
    - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
    - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note *If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

  NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on '**Forgot your password**?

- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.

  (In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on **"VOTE NOW"** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.

- After Successful registration, message will be displayed with **"User id and password will be sent via email on your registered email id"**.
  NOTE: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**.

  (In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.

  - Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
  - Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".
    Note: The power of attorney (POA) or board resolution has to be named as the "**InvestorID.pdf**" (Mention Demat account number as Investor ID.)
  - Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 022-62638338

4. **Procedure for joining the AGM/EGM through VC/ OAVM:**

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at https://ivote.bigshareonline.com under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on **"VOTE NOW"** "VC/OAVM" link placed beside of "**VIDEO CONFERENCE LINK"** option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM 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 in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800225422, 022-62638338.

Annexure to Notice

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Name of Director	Mr. Santosh Kudva (DIN: 00040892)
Father's Name	Mr. Gopalkrishna Kudva
Date of Birth	01/06/1979
Designation	Director (Non-Executive)
Address	House No B, 1002 Apsara CHS, Plot No 51, Above SBI Bank, Sector 17, Vashi, Navi Mumbai, Thane – 400703.
Mobile No.	9819304629
Email Id	sk@vcapltd.in
Qualifications	Graduation in Commerce
Industry	Consultancy
Professional Expertise	Financial Advisory
Brief Profile	Mr. Santosh Kudva has an Experience of over 21 years in the financial services industry. He is a professional having two decades of experience in the industry, demonstrating deep expertise in [e.g., investment management, risk assessment, client advisory, compliance, operations, or financial planning].
Directorships held in other listed companies (As on March 31, 2026)	0
Chairmanships/ Memberships of the Committees of the Board of Directors of other listed companies (As on March 31, 2026)	0
Shareholding of Director (As on March 31, 2026)	800 Equity Shares
Relationship between Directors inter-se	Not related to any of the Directors, except his shareholding in the Promoter group.

BOARD'S REPORT

To,
The Members,
SHANTHALA FMCG PRODUCTS LIMITED.

Your Directors have pleasure in presenting their 12th Annual Report on the Standalone and Consolidated Audited Statement of Accounts of Shanthala FMCG Products Limited ["the Company"] for the Financial Year ended March 31, 2026.

1. FINANCIAL RESULTS

The summarized financial performance of the Company for the FY 2025-26 and FY 2024-25 is given below:

[Amount in Lakhs]

Particulars	**Standalone**		**Consolidated**	
	2025–26	**2024–25**	**2025–26**	**2024–25**
Revenue from operations	5,592.79	5,274.62	5,879.63	5,274.62
Other income	102.22	103.15	102.22	103.15
Total income	5,695.01	5,377.77	5,981.85	5,377.77
Total expenses before exceptional item	5,466.12	5,246.93	5,748.50	5,246.93
Profit before tax and exceptional item	228.89	130.84	233.35	130.84
Impairment loss on recoverable amount (exceptional item)	(760.79)	—	(760.79)	-
Profit / (loss) before tax	(531.90)	130.84	(527.44)	130.84
Tax expense (net)	56.91	34.31	57.93	34.31
Profit / (loss) after tax	(588.81)	96.53	(585.37)	96.53
Basic / diluted EPS (₹)	(8.79)	1.44	(8.74)	1.44

2. REVIEW OF OPERATIONS

Standalone:

Revenue from operations increased from ₹5,274.62 lakh to ₹5,592.79 lakh, representing growth of approximately 6.03%. Profit before exceptional items and tax improved to ₹228.89 lakh from ₹130.84 lakh. However, recognition of an impairment loss of ₹760.69 lakh in relation to amounts recoverable from the CFO following the forensic investigation resulted in a loss after tax of ₹588.81 lakh. The impairment has had a material adverse effect on the reported results and shareholders' funds.

As at 31 March 2026, total assets are ₹1,850.26 lakh (previous year ₹2,490.58 lakh), trade receivables ₹169.43 lakh (₹436.91 lakh), cash and cash equivalents ₹276.20 lakh (₹217.42 lakh), and shareholders' funds ₹1,683.84 lakh (₹2,272.55 lakh).

Consolidated:

Revenue from operations increased from ₹ 5,274.62 lakh to ₹ 5,879.63 lakh, representing growth of approximately 11.47%. Profit before exceptional items and tax improved to ₹233.35 lakh from ₹130.84 lakh. However, recognition of an impairment loss of ₹760.69 lakh in relation to amounts recoverable from the CFO following the forensic investigation resulted in a loss after tax of ₹585.37 lakh. The impairment has had a material adverse effect on the reported results and shareholders' funds.

As at 31 March 2026, total assets were ₹1,913.47 lakh (previous year ₹2,490.58 lakh), trade receivables ₹185.24 lakh (₹436.91 lakh), cash and cash equivalents ₹299.80 lakh (₹218.47 lakh), and shareholders' funds ₹1,687.18 lakh (₹2,272.55 lakh).

For the financial year ended 31st March, 2026, no amount was carried to General reserve account by the Company.

3. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY.

No Material changes and commitments affecting financial position of the company occurred during the financial year to which these Financial Statements relate on the date of this report except as stated below:

a. Material findings related to misappropriation and forensic investigation

During the course of the audit and reconciliation of customer collections, the Company identified material discrepancies between amounts collected from customers and amounts deposited into the Company's bank accounts. In view of the nature and materiality of the discrepancies, the Company appointed Guru & Jana LLP, Chartered Accountants, to conduct an independent forensic audit and investigation to ascertain the nature, extent and implications of the identified irregularities.

The final forensic investigation report dated October 9, 2026, covers the period from April 1, 2025 to July 31, 2026, and accordingly extends beyond the financial year ended March 31, 2026. The investigation identified instances of customer collections not being deposited into the

Company's bank accounts and highlighted various deficiencies and exceptions relating to the maintenance of physical cash records, debtor adjustments, suspense account entries, approval mechanisms, delegation of authority and controls over banking operations. The report also identified certain related-party fund movements and other financial and accounting exceptions. The findings of the forensic investigation are subject to the scope limitations and qualifications set out in the report and should be read in conjunction with the same.

As reported by the Statutory Auditors, an amount of ₹760.79 lakh collected from customers during FY 2025–26 was not deposited into the Company's bank accounts. Based on the findings of the forensic investigation and pursuant to the Resolutions passed by Board, the Company has recognised the said amount of ₹760.79 lakh as recoverable from the Chief Financial Officer identified in the forensic investigation and has simultaneously recognised an equivalent impairment loss under exceptional items in the Statement of Profit and Loss, considering the uncertainty surrounding its recovery.

The aforesaid accounting treatment reflects the Company's assessment of the recoverability of the amount and the consequent financial impact on the Company's financial statements. Such recognition shall not, by itself, be construed as a final determination by the Board of civil or criminal liability, which shall remain subject to applicable legal proceedings and due process of law.

The Statutory Auditors have also reported that an aggregate amount of ₹569.19 lakh was transferred to two related parties during F.Y. 2025–26 without obtaining the requisite approvals of the Audit Committee and the Board, as applicable, of which ₹57.84 lakh remained outstanding as at March 31, 2026.

The Board has taken note of these transactions and has examined the circumstances surrounding the transfers, including their nature, purpose, authorisation and compliance with the provisions of Sections 177, 185 and 186 of the Companies Act, 2013, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable Accounting Standards and other relevant statutory and regulatory requirements, leading to which the Company is pursuing recovery of the outstanding amount of ₹57.84 lakh from the subsidiary, while evaluating such further corrective, legal and regulatory measures as may be warranted.

The Board further notes that the forensic investigation report identifies a larger aggregate amount of unreconciled customer collections for the entire period under investigation, which extends up to July 31, 2026, as compared to the amount of ₹760.79 lakh recognised as recoverable and impaired in the financial statements for FY 2025–26. The difference is attributable to the distinct periods covered, the nature and classification of the identified transactions and certain subsequent-period items. Accordingly, a detailed reconciliation of the forensic investigation

findings with the amounts recognised in the financial statements is required to establish the period-wise and transaction-wise impact. The Board has, therefore, considered the findings pertaining to the extended investigation period separately from the financial impact recognised in respect of FY 2025–26, and the two amounts have not been treated as interchangeable.The Board wishes to place on record that the financial irregularities identified during the year involved a senior management official holding the position of Chief Financial Officer, who had been associated with the Company for a considerable period and was entrusted with significant responsibilities relating to financial management, accounting records, banking operations and implementation of internal financial controls. Owing to his longstanding association, professional responsibilities and the confidence reposed in him by the Management and the Board, the said official occupied a position of substantial trust within the organisation. The nature of the irregularities, involving transactions and accounting entries within areas under his direct supervision and control, resulted in the discrepancies remaining undetected through the Company's routine monitoring and reporting mechanisms. While the Company had established internal control procedures and systems of financial oversight, the circumstances demonstrate the inherent limitations of such controls, particularly where irregularities involve deliberate concealment, circumvention of established procedures or management override by individuals entrusted with their implementation. The discrepancies came to the attention of the Board following observations arising during the financial review and audit process, whereupon the Board initiated an independent forensic investigation to ascertain the nature and extent of the irregularities. The Board remains committed to strengthening financial oversight, enhancing independent verification mechanisms and reinforcing internal controls to mitigate the risk of recurrence of such incidents.

b. **Board response, recovery and remediation**

The Board has considered the forensic findings and the accounting treatment reflected in the accounts. The following actions are considered and confirmed in the final report: (a) preservation of books, digital records and banking evidence; (b) reconciliation of customer-wise collections, cash receipts, bank credits and ledger entries; (c) independent oversight of recovery from persons/entities concerned; (d) review of related-party transactions and approval failures; (e) evaluation of regulatory, law-enforcement and legal reporting requirements; and (f) independent testing of corrective controls. No recovery, prosecution, disciplinary action or closure is asserted in this report unless separately corroborated by documentary evidence.

4. STATE OF AFFAIRS AND FUTURE OUTLOOK:

Considering aforesaid events, its material consequences on March 31, 2026 financial statements and respective disclosures, Board response, recovery and remediation, the Company intends to continue and expand its activities while maintaining a prudent approach towards liquidity management, strengthening collection mechanisms, enhancing financial transparency and reinforcing internal control systems. The Board remains focused on addressing the operational and financial challenges faced by the Company, improving its overall performance and evaluating suitable strategic and business opportunities to facilitate sustainable growth and long-term value creation for its stakeholders.

Looking ahead, the Board remains deeply committed to navigating these operational adjustments and will continuously evaluate strategic opportunities to strengthen and grow the business sustainably.

5. DIVIDEND AND RESERVES:

Due to loss, the company do not recommend any dividend for the financial year 2025-26.

6. SHARE CAPITAL

As on March 31, 2026, the authorized capital of the company was INR 11,00,00,000/- (Indian Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lacs only) Equity Shares of INR 10/- (Indian Rupees Ten Only) each. Further, the issued, subscribed and paid-up share capital of the Company was INR 6,69,80,640/- (Indian Rupees Six Crores Sixty Nine Lacs Eighty Thousand Six Hundred and Forty only) divided into 66,98,064 (Sixty Six Lacs Ninety Eight Thousand Sixty Four Only) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

And no changes were made in share capital as well as no change in the nature of business of the Company during the Financial Year 2025-26.

7. MANAGEMENT DISCUSSION AND ANALYSIS.

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report as ***"Annexure I"*** and is incorporated herein by reference and forms an integral part of this report.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Composition of Directors and Key Managerial Personnel as on March 31, 2026 is as follows:

Sr No	Name of Directors/ KMP's	DIN/ Mem No.	Designation
1	Mrs. Bantwal Shobitha Mallya	06793259	Managing Director
2	Ms. Shivani Tiwari	09359208	Non –executive, Independent Director
3	Mr. Ravikant Mhatre	06362676	Non –executive, Independent Director
4	Ms. Smita Patil	10147488	Non –executive, Independent Director
5	Mr. Santosh Kudva	00040892	Non -executive Director
6	Mr. Yogish Mallya B P	-	Chief Financial Officer
7	Ms. Snehal Bhagwat	A68895	Company Secretary and Compliance Officer

During the financial year under review, following changes were made in designations of Directors and Key Managerial Personnel:

- *Demise of Chairman and Managing Director:*

Mr. B. Manjunath Mallya (DIN: 06793251), Chairman and Managing Director of the Company, passed away on July 8, 2025. The same was intimated to the National Stock Exchange of India Limited (NSE) vide intimations dated July 8, 2025 and August 2, 2025.

The Board places on record its sincere appreciation for his invaluable contributions and dedicated service to the Company and conveys its heartfelt condolences to his bereaved family.

- *Change in designation of Mrs. Bantwal Shobitha Mallya (DIN: 06793259) from the position of Executive Director to Managing Director:*

- Mrs. Bantwal Shobitha Mallya (DIN: 06793259) was redesignated from the position of Executive Director to Managing Director for a term of five years with effect from September 26, 2025 upto September 25, 2030 as per the Ordinary Resolution passed by the members in the Annual General meeting dated September 26, 2025.

- *Appointment of Mr. Santosh Kudva (DIN: 00040892) as a Non-Executive and Non -Independent Director:*

- Mr. Santosh Kudva (DIN: 00040892) was appointed as Non-Executive and Non Independent Director for a period of 5 (Five) consecutive years with effect from September 26, 2025 till September 25, 2030 as per the Ordinary Resolution passed by the members in the Annual General meeting dated September 26, 2025.

Post financial year end 2026, following changes were made in designations of Directors and Key Managerial Personnel:

- *Removal of Mr. Yogish Mallya from the position of Chief Financial Officer of the company:*

The Board, at its meeting held on October 31, 2026, approved the removal of Mr. Yogish Mallya from the position of Chief Financial Officer (CFO) of the Company, in view of the instances of misappropriation of funds during the period when he was entrusted with the responsibility of overseeing the Company's day-to-day affairs and operational activities, as reported in the Forensic Audit Report received from the Company's Forensic Auditor.

- *Appointment of Mr. Ratnakar Rai as the Chief Financial Officer of the Company.*

The Board, at its meeting held on October 31, 2026, approved the appointment of Mr. Ratnakar Rai as the Chief Financial Officer (CFO) of the Company. Considering his extensive experience of over two decades in the areas of liaison, accounts and finance, he has been entrusted with the responsibilities of the CFO following the removal of Mr. Yogish Mallya from the said position.

- ***Inductions / Appointment or Re-appointment Director:***

Pursuant to the provisions of Section 152 of the Act, Mr. Santosh Kudva (DIN: 00040892) retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment, resolution in this behalf is set out at Item No 02 of the Notice of Annual General Meeting, for Members' approval.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

9. SEPARATE MEETING OF INDEPENDENT DIRECTORS: BOARD EVALUATION & DISCUSSIONS WITH INDEPENDENT DIRECTORS:

Pursuant to paragraph VII of Schedule IV, in terms of Section 149 (8) of Companies Act, 2013 and Regulation 25 (3) & (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements, 2015, the Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business-related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues, if any.

Sr. No.	Name of Directors	Designation as on 31/03/2026	Date of Meeting – 20/02/2026
1	Mr. Ravikant Mhatre	Independent Director	Present
2	Ms. Shivani Tiwari	Independent Director	Present
3	Ms. Smita Patil	Independent Director	Present

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement/ SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the Board as whole. The Directors expressed satisfaction with the evaluation process.

10. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

11. COMPOSITION OF BOARD, NUMBER OF BOARD MEETINGS & ITS POLICY:

The existing policy is having a blend of appropriate combination of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2026, the Board had 5 (Five) members, consisting of 1 (One) executive Director, 1 (One) Non - executive Director, 03 (Three) non-executive & independent director. Dates for Board Meetings are well decided in advance and communicated to the Board and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The information as required under Regulation 17(7) read with Schedule II Part A of the LODR is made available to the Board. The agenda and explanatory notes are sent to the Board in advance.

The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the progress of business of the Company and also to review half yearly financial results and other items on the agenda and also on the occasion of the Annual General Meeting ('AGM') of the Shareholders. Additional meetings are held, when necessary.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting. During the Financial Year 2025-26, the Company held 6 (Six) board meetings of the Board of Directors as per Section 173 of Companies Act,

2013 which is summarized below. The provisions of Companies Act, 2013 was adhered to while considering the time gap between two meetings.

Sr. No.	Date of Meetings	Board Strength	No. of Directors Present
1	22/05/2025	5	4
2	23/08/2025	4	4
3	16/09/2025	4	4
4	14/11/2025	5	5
5	31/01/2026	5	4
6	10/03/2026	5	4

Attendance details of Directors for the year ended March 31, 2026 are given below:

Name of the Directors	Category	No. of Board Meetings entitled to attend	No. of Board Meetings attended
*Mr. B Manjunath Mallya	Chairman and Managing Director	1	1
Mrs. Bantwal Shobitha Mallya	Managing Director	6	4
Mr. Ravikant Mhatre	Independent & Non Executive Director	6	6
Ms. Shivani Tiwari	Independent & Non Executive Director	6	5
Ms. Smita Patil	Independent & Non Executive Director	6	6
**Mr. Santosh Kudva	Non Independent & Non-Executive Director	3	3

* *Ceased to be a Director w.e.f July 8, 2025 due to sudden demise.*
** *Appointed as Director w.e.f September 26, 2025.*

12. FORMATION OF THE COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 177 of the Companies Act, 2013 ("Act"). The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely

disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the statutory auditor and notes the processes and safeguards employed by each of them.

Meetings of the Committee were held during the year ended 31st March, 2026, the dates of which are May 22, 2025, August 23, 2025, November 14, 2025, February 20, 2026.

Details of Composition of the Committee:

Sr. No.	Name of Director	Position in committee	No. of Committee Meetings entitled to attend	No. of meetings attended
1	Mr. Ravikant Mhatre	Chairperson, Independent Director	4	4
2	Ms. Shivani Tiwari	Member, Independent Director	4	3
3	Ms. Smita Patil	Member, Independent Director	4	4

NOMINATION & REMUNERATION COMMITTEE:

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

During the year ended 31st March, 2026, 2 (Two) meetings of the Committee were held on August 23, 2025 and September 16, 2025.

Details of Composition of the Committee:

Sr. No.	Name of Director	Position in committee	No. of Committee Meetings entitled to attend	No. of meetings attended
1	Mr. Ravikant Mhatre	Chairperson, Independent Director	2	2
2	Ms. Shivani Tiwari	Member, Independent Director	2	2
3	Ms. Smita Patil	Member, Independent Director	2	2

Nomination and Remuneration Policy:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The Board of Directors is authorized to decide Remuneration to Executive Directors. The Remuneration structure comprises of Salary and Perquisites. Salary is paid to Executive Directors within the Salary grade approved by the Members. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy inter-alia providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel.

During the year, there have been no changes to the Policy. The same is available on our website https://shanthalafmcg.com.

During the year under review, the details of remuneration paid to Directors and Key Managerial Personnel are as under:

Sr. No.	Name of Director and KMP	Designation	Remuneration per annum (In ₹)
1	Mr. B Manjunath Mallya	Chairman and Managing Director	Rs. 4,80,000/-
2	Mrs. Bantwal Shobitha Malya	Managing Director	Rs. 9,00,000/-

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Consequent to the unfortunate demise of Mr. Manjunath Mallya, a member of the Stakeholders Relationship Committee, the Board reconstituted the Committee to restore compliance with the mandatory composition requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The reconstituted Committee now comprises Mr. Ravikant Mhatre, Ms. Shivani Tiwari, and Ms. Smita Patil.

The Committee reviews Shareholder's/Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

Meeting of the Committee held during the year ended 31st March, 2026, the date of which is February 20, 2026.

Details of the composition of the Committee and attendance during the year are as under:

Sr. No.	Name of Director	Category	No. of Committee Meetings entitled to attend	No of meetings attended
1	Mr. Ravikant Mhatre	Chairperson, Independent Director	1	1
2	Ms. Shivani Tiwari	Member, Independent Director	1	1
3	Ms. Smita Patil	Member, Independent Director	1	1

The details of complaints received and resolved during the Financial Year ended March 31, 2026 are given in the Table below.

The complaints relate to non-receipt of annual report, dividend, share transfers, other investor grievances, etc.

Details of complaints received and resolved during the Financial Year 2025-26:

Particulars	No. of complaints
Opening as on April 1, 2025	0
Received during the year	0
Resolved during the year	0
Closing as on March 31, 2026	0

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013 & Based on information and explanations available, and expressly acknowledging the forensic findings and identified control deficiencies, the Board of Directors of the Company hereby confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;

(c) there were material deficiencies in accounting records and controls related to customer cash collections and approvals, for which investigation and corrective steps have been initiated;

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

(e) internal financial controls cannot be represented as having operated effectively in the affected processes during the year, and the Company is evaluating and remediating the weaknesses;

(f) systems for compliance with applicable laws require strengthening in respect of related-party approvals, financial control and fraud-related disclosure obligations.

Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government:

The Statutory Audit report states that, "as on the date of the report, they have not filed Form ADT-4 with the Central Government in respect of the misappropriation of funds amounting to ₹760.79 lakh, as reported in the Forensic Audit and Investigation Report dated October 9, 2026. The matter has been reported to the Board/Audit Committee of the Company in accordance with Rule 13 of the Companies (Audit and Auditors) Rules, 2014. The Statutory Auditors are in the process of completing the prescribed procedural requirements and filing Form ADT-4 within the applicable statutory timeline."

14. CODE FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted the Internal Code of conduct for Regulating, monitoring and reporting of trades by Designated persons under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 ("Code") for prohibition of insider trading in the securities of the SHANTHALA to curb the practice for dealing in the securities while having Unpublished Price Sensitive Information ("UPSI") by the Insiders of the Company.

The Code, *inter* alia, prohibits dealing in securities by insiders while in possession of unpublished price sensitive information. The said Code has been amended, from time to time, to give effect to the various notifications/circulars of Securities and Exchange Board of India ("SEBI") with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Your Company has also formulated and adopted the Policy and Procedures for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information [Under Regulation 9A (5) of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015].

15. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as ***"Annexure II"*** and forms an integral part of this report.

Further, as per the provisions specified in Chapter XIII of Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules, 2016, none of the employees of the

Company are in receipt of remuneration exceeding Rs. 1,02,00,000/- per annum, if employed for whole of the year or ` 8,50,000/- per month if employed for part of the year.

16. ANNUAL RETURN:

Pursuant to Notification dated 28th August, 2020 issued by the Ministry of Corporate Affairs as published in the Gazette of India on 28th August, 2020, the details forming part of the extract of Annual Return in Form MGT-9 is not required to be annexed herewith to this report. However, the Annual Return will be made available at the website of the Company at: https://shanthalafmcg.com.

17. DETAILS OF SUBSIDIARY/ HOLDING/ JOINT VENTURES/ ASSOCIATE COMPANIES:

The Company does not have any Holding company, Joint venture or Associate Company.

Subsidiary company:

The company has a wholly owned subsidiary company and holds 100% of the Equity Share Capital of that Company viz., in M/s. STPL Commtrade Private Limited (WOS) with effect from August 30, 2024.

During the year, the Board of Directors reviewed the affairs of its subsidiary. Pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiary in Form No. AOC-1 is appended as ***Annexure – III*** to this Report. The statement also provides the details of performance and financial position of each subsidiary.

The status, material transactions and financial position of this subsidiary for FY 2025–26 has been verified by the Statutory Auditor and no material adverse opinion is reported.

18. STATUTORY AUDITORS' AND AUDITORS' REPORT:

At the Annual General Meeting held on 18th July, 2023, the company has appointed M/s. Kale Malde & Co. Chartered Accountants, bearing ICAI Registration Number: 154422W, as the Statutory Auditors of the Company for a period of five years from the conclusion of 9th AGM till the conclusion of the 14th AGM.

The Standalone and Consolidated Statutory Auditors' Report provided by M/s Kale Malde & Co., Chartered Accountants, have issued a qualified opinion on the financial results for the year ended 31 March 2026. which forms part of this Integrated Annual Report & contains the following observations. The Board response is given as follows:

Sr.no.	Observation/ Remarks	Board's Response

1.	*As per forensic investigation, the ₹760.79 lakh non-deposited collections, the corresponding receivable and impairment, and ₹569.19 lakh of related-party fund transfers without requisite approvals, with ₹57.84 lakh outstanding at year-end. The auditor has indicated that sufficient appropriate audit evidence regarding recoverability was not available to determine whether further adjustments or disclosures were necessary.* *a. Cash collections from customers amounting to ₹760.79 lakh as above mentioned were misappropriated and not deposited into the Company's bank accounts by the Chief Financial Officer (CFO). The Company has recognized a corresponding 100% impairment loss for the entire amount under Exceptional Items.* *These instances indicate deficiencies and material weaknesses in the Company's internal financial controls relating to cash collection, banking operations, segregation of duties, payment authorisation and monitoring of related-party transactions, consequently effecting the financial statements as at March 31, 2026. Thus, this concludes that the company did not maintain adequate internal financial controls.* *b. The ₹569.19 lakh of related-party fund transfers have been examined with reference to the applicable provisions of Sections 177 and 188 of the Companies Act, 2013. To the extent Section 177 is applicable, the requisite Audit Committee approvals were not obtained. The applicability of Section 188 has been considered separately, having regard to the nature of the transactions, since a loan is not, merely by reason of being granted to a related party, a transaction specified under Section 188. Further, in the absence of adequate documentation and formal compliance trails, we report that the provisions of Sections 185 and 186 of the Companies Act, 2013 have not been complied with.*	The Board acknowledges the significance of the matters identified and notes that the amount of ₹760.79 lakh has been recognised as recoverable from the CFO and fully impaired in the financial statements due to uncertainty regarding recovery. The Board remains committed to pursuing recovery, reviewing the related governance and internal control processes, and strengthening the Company's internal financial controls. The Company will reassess the relevant balances and disclosures, as appropriate, based on further evidence and in consultation with the Statutory Auditor. And for the transactions entered into with related parties without appropriate approvals – the above related party transactions were undertaken without prior intimation to Board or Audit Committee. as per assessment under Sections 177, 185 & 186 of the Companies Act, 2013, applicable SEBI LODR, accounting standards and other applicable law. Therefore, the company is in the process of pursuing recovery of the outstanding ₹57.84 lakh from the subsidiary. The Company is reviewing the circumstances surrounding these transactions and is taking appropriate measures to

		strengthen its approval mechanisms and internal controls to ensure compliance with the respective laws, acts, rules & regulations and to prevent recurrence of such instances.
2.	*Based on our examination, the company has not implemented the audit trail facility in its accounting software for maintaining its books of account during the current financial year*	The company is in process to implement the audit trail facility in its accounting software for maintaining its books of account as per the requirement.

19. SECRETARIAL AUDIT:

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made there under, mandate the company to have Company Secretary in practice for furnishing secretarial audit report, accordingly, M/s Deep Shukla & Associates have been appointed as Secretarial Auditors of the Company. The Board of Directors of your SHANTHALA had already appointed M/s. Deep Shukla & Associates, Practicing Company Secretaries, Mumbai, a peer-reviewed firm, to act as the Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March 2026, as required under Section 204 of the Act.

The Secretarial Auditors' Report is enclosed as ***Annexure IV*** to the Board's report, which forms part of this Integrated Annual Report & contains the following observations. The Board response is given as follows:

Sr.no.	Observation/ Remarks	Board's Response
1.	*As reported in the Forensic Audit and Investigation Report dated October 9, 2026, there was a non-deposit of customer cash collections of ₹760.79 lakh and unauthorized transfers of ₹ 569.19 lakh to two related parties, of which ₹57.84 lakh remained outstanding as at March 31, 2026. The Company has recognized the former amount as recoverable from the CFO and provided for full impairment. Further, the requisite approvals of the Audit Committee and the Board of Directors for the above transactions were not obtained, as the transactions were undertaken without prior intimation to the Audit Committee*	The Board acknowledges the significance of the matters identified and notes that the amount of ₹760.79 lakh has been recognised as recoverable from the CFO and fully impaired in the financial statements due to uncertainty regarding recovery. The Board remains committed to pursuing

	or the Board, thereby contravening the provisions of section 177, 185 & 186 of the Companies Act, 2013;	recovery, reviewing the related governance and internal control processes, and strengthening the Company's internal financial controls. The Company will reassess the relevant balances and disclosures, as appropriate, based on further evidence and in consultation with the Statutory Auditor. And for the transactions entered into with related parties without appropriate approvals – the above related party transactions were undertaken without prior intimation to Board or Audit Committee. as per assessment under Sections 177, 185 & 186 of the Companies Act, 2013, applicable SEBI LODR, accounting standards and other applicable law. Therefore, the company is in the process of pursuing recovery of the outstanding ₹57.84 lakh from the subsidiary. The Company is reviewing the circumstances surrounding these transactions and is taking appropriate measures to strengthen its approval mechanisms and internal controls to ensure compliance with the applicable provisions of the respective laws, acts, rules & regulations and to prevent recurrence of such instances.
2.	*Owing to the forensic audit matters, delays occurred in filing the Financial Results under Regulation 33 and submitting the*	The Board acknowledges the delay in filing the financial

	CA Certificate on the utilisation of IPO proceeds, along with the Statement of Deviation(s) and Variation(s), as required under Regulation 32 of the SEBI (LODR) Regulations, 2015, for the half year and financial year ended March 31, 2026	results under Regulation 33 & CA certificate w.r.t IPO Proceeds utilization along with statement of Deviation and Variation as required under Regulation 32 of SEBI (LODR) Regulations 2015 for half year and year ended March 31, 2026 The said delay was on account of Forensic Audit. However, the Company is taking appropriate steps to strengthen its compliance monitoring and reporting mechanisms to ensure timely filing of Financial Results & respective disclosures in the future.
3.	*Owing to the forensic audit matters, delays occurred in filing the Annual Report under Regulation 34 and submitting the prior intimation under Regulation 29 of the SEBI (LODR) Regulations, 2015, in connection with the Board Meeting convened to consider and approve the financial results for the half year and financial year ended March 31, 2026*	The Board acknowledges the respective delay occurred due to Forensic Audit started because of inconsistencies in financial data, etc. and other related matters arising from the findings disclosed in the forensic audit report.

20. INTERNAL AUDIT & CONTROLS:

The Board of Directors of your company had appointed, **M/s. Kalpesh Khatri & Associates, Chartered Accountants (Firm Regn No: 0139570W)** as the company's internal auditor for period of 2 financial years commencing from the F.Y 2024-25 to financial year ending 2025-26.

Accordingly, the Board of Directors of your company had re-appointed, **M/s. Kalpesh Khatri & Associates, Chartered Accountants (Firm Regn No: 0139570W)** as the company's internal auditor for further period of 2 financial years commencing from the F.Y 2026-27 to financial year ending 2027-28.

The Internal Audit report contains remarks/ observations including non-maintenance of physical cash register, petty cash book, non-deposit of customer collection which has also been revealed in Forensic Audit report as submitted by Forensic auditor, etc.

Board's response - the controls and their operating effectiveness is being evaluated against the findings highlighted in the auditor's report and the remediation evidence.

The Board is focusing on implementing tighter controls and mitigants including mandatory direct-bank or digital collections wherever feasible, daily collection-to-bank reconciliations, distributor confirmations, restricted and dual-controlled banking rights, exception reporting, approval matrices, internal audit reviews and periodic Audit Committee reporting. A detailed process is being formulated and shall me implemented.

21. EMPLOYEES' STOCK OPTION PLAN:

The Company has not provided stock options to any employee.

22. VIGIL MECHANISM:

Pursuant to the provisions of sections 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at https://shanthalafmcg.com . The employees of the Company are made aware of the said policy at the time of joining the Company.

23. RISK MANAGEMENT POLICY:

The Company does not fall under the ambit of the top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

24. CORPORATE GOVERNANCE REPORT:

The provisions of Corporate Governance are not applicable to the Company pursuant to Regulation read with Regulation 15(2)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, your Company undertakes that when the above said provisions is applicable to the Company the same will be duly complied within the period of 6 months.

25. DEPOSITS:

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2026.

26. LOANS & GUARANTEES:

During the year under review, the Company has not provided any loan, guarantee, security or made any investment covered under the provisions of Section 186 of the Companies Act, 2013, to any person or other body corporate. However, the details of all transactions in this regard have been duly disclosed in the Notes to Accounts forming part of the Financial Statements. Further, apart from the transactions so disclosed, the Board wishes to draw attention to related-party transfers aggregating to ₹569.19 lakh, made in the form of advances without obtaining the requisite approvals, as highlighted in the Statutory Auditor's Report, out of which an amount of ₹57.84 lakh remained outstanding as at March 31, 2026.

27. RELATED PARTY TRANSACTIONS:

Related party transactions, if any, that were entered into during the period ended March 31, 2026, were on an arm's length basis and were in the ordinary course of business, details of which are provided in the notes to Accounts of the Company. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Further all the necessary details of transaction entered with the related parties pursuant to provisions of Section 188(1) of the Companies Act, 2013 are attached herewith in Form AOC-2 for your kind perusal and information. (***Annexure: V***) and all transactions entered into with Related party are stated in detail under note no. 33 of notes to accounts of financial statements.

28. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy:

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process. Even though its operations are not energy intensive, significant measures are taken to reduce energy consumption by using energy- efficient equipment. The Company regularly reviews power

consumption patterns in its all locations and implements requisite improvements / changes in the process in order to optimize energy / power consumption and thereby achieve cost savings.

Steps taken for utilizing alternate sources of energy;

The Company has not made any investment for utilizing alternate source of energy;

Capital investment on energy conservation equipment;

The Company has taken adequate measures to conserve energy by way of optimizing usage of power.

(b) Absorption of Technology:

The efforts made towards technology absorption:

In this era of competition, in order to maintain and increase the number of clients and customers, we need to provide the best quality services to our clients and customers at a minimum cost, which is not possible without innovation, and adapting to the latest technology available in the market for providing the services.

The Company has not imported any technology during the year under review;

The Company has not expended any expenditure towards Research and Development during the year under review.

c) Foreign Exchange Earnings and Outgo:

During the year under review, there was no earning or outgoing in foreign exchange

29. CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to discharging its social responsibility as a good corporate citizen. As per the Financial Statements for the period under review, the provisions of Section 135 of Companies Act, 2013 are not applicable to the Company for the F.Y. 2025-26. Consequently, the Company is not required to formulate the Corporate Social Responsibility (CSR) Committee.

30. COST AUDIT / COST RECORDS:

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit and Cost Records are not applicable to our Company.

31. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year ended 31st March 2026, Company has not received any complaint of harassment.

During the year ended 31st March, 2026, there were no cases filed /reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the details are mentioned below:

Number of Complaints of Sexual harassment received in the year	NIL
Number of Complaints disposed off during the year	NIL
Number of Cases pending for more than ninety days	NIL
Nature of action taken by employer or District officer	NIL
Number of Cases filed	NIL

32. MATERNITY BENEFIT COMPLIANCE:

During the year under review, the Company has complied with the provisions relating to Maternity Benefits Act, 1961 and relevant rules thereunder. The Company provides maternity leave and benefits to eligible female employees and ensures a safe and inclusive work environment.

33. SECRETARIAL STANDARDS:

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

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

35. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):

No such application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year as at the end of the financial year.

36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

The Company confirms that no One-Time Settlement (OTS) was undertaken during the year under review. Accordingly, the question of any difference between the valuation conducted at the time of OTS and the valuation undertaken at the time of availing loans from Banks/Financial Institutions, along with the reasons thereof, does not arise.

37. ACKNOWLEDGEMENT:

The Board expresses its appreciation to the Company's customers, employees, distributors, bankers and shareholders. The Board acknowledges the seriousness of the matters arising from the forensic investigation and reaffirms its responsibility for transparent reporting, protection of corporate assets and appropriate remedial action. While addressing these historical control challenges, the Board maintains complete confidence in the company's core commercial offering and will continuously look to evaluate and grow the business, delivering long-term value to all stakeholders.

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-	**Sd/-**
Santosh Kudva	**Shobitha Malya**
Director	**Managing Director**
(DIN: 00040892)	**(DIN: 06793259)**

Date: 31/10/2026

Registered Address:
7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218,
Karnataka, India.

Annexure - I

Management Discussion and Analysis

Global Economic Overview

The global economy remained resilient during FY 2025–26 despite a challenging operating environment characterized by geopolitical tensions, evolving trade policies, commodity price volatility and changing financial conditions. Economic activity continued to be supported by technological investment, improving adaptability across businesses and relatively resilient domestic demand in several major economies. However, the global economic environment remained susceptible to geopolitical disruptions, trade fragmentation, elevated public debt and fluctuations in energy and commodity prices.

According to the International Monetary Fund (IMF), global growth is projected at 3.0% in 2026 and 3.4% in 2027. At the same time, the global disinflationary process has faced renewed challenges, with geopolitical developments and energy-price movements contributing to uncertainty around the inflation outlook.

For businesses across consumer-facing sectors, the global environment continues to underscore the importance of prudent cost management, resilient supply chains, efficient working-capital management and the ability to respond rapidly to changing consumer preferences. Geopolitical developments, fluctuations in input costs, changes in trade policies and financial-market volatility remain important external factors that may influence business conditions.

Going forward, the global economic outlook is expected to remain dependent on the trajectory of inflation, monetary policies, commodity prices, geopolitical developments and international trade. Businesses with strong operational discipline, adaptable business models and a focus on consumer needs are expected to remain better positioned to respond to evolving market conditions.

Indian Economic Overview

The Indian economy continued to demonstrate resilience during FY 2025–26, supported by domestic consumption, investment activity and improving economic fundamentals. The Economic Survey 2025–26 highlights the continued importance of domestic demand, with private final consumption expenditure accounting for 61.5% of GDP in FY 2025–26 and growing by 7.5% during the first half of the financial year. The Survey also noted that steady rural consumption, supported by agricultural performance, together with improving urban consumption, contributed to the broadening of domestic demand.

The outlook for the Indian economy remains supported by structural factors including a large domestic consumer base, increasing formalisation, digitalisation, infrastructure development,

rising household incomes and expanding access to organised retail and digital commerce. These factors are expected to continue supporting consumer demand over the medium to long term.

At the same time, businesses continue to operate in an environment influenced by food and commodity prices, changing consumer preferences, competitive intensity, regulatory developments and evolving distribution channels. Consequently, maintaining operational efficiency, managing costs and ensuring product availability across relevant channels remain important for businesses operating in the FMCG segment.

Financial and operational performance:

The key highlights of the financials are:

(` In Lakhs)

Particulars	**2025-26**	**2024-25**
Revenue from Operations	5592.79	5274.62
Profit after Tax	(588.81)	96.53

FMCG Industry Overview:

The Indian FMCG industry continues to be an important component of the country's consumer economy, supported by its large population, increasing urbanisation, rising aspirations, expanding middle-income consumer base and growing penetration of organised and digital retail.

During FY 2025–26, FMCG consumption reflected changing demand patterns across rural and urban markets. The Economic Survey 2025–26 reported FMCG volume growth in both rural and urban markets during the first two quarters of FY 2025–26, with rural FMCG volume growth remaining higher than urban growth during the period.

The industry is also witnessing significant changes in the way consumers discover and purchase products. Modern trade, e-commerce and quick-commerce channels are gaining importance, particularly in urban markets. NielsenIQ reported that e-commerce accounted for 7% of FMCG sales nationally in Q2 2026, highlighting the increasing relevance of digital channels within the FMCG distribution ecosystem.

Consumer behaviour is simultaneously becoming more differentiated, with demand influenced by affordability, convenience, product quality, brand proposition and pack sizes. This creates opportunities for FMCG companies to strengthen their market presence through appropriate product positioning, efficient distribution, competitive pricing and increased engagement with consumers through digital channels.

The industry nevertheless continues to face challenges arising from fluctuations in commodity and input costs, competitive pricing pressures, changing regulations, supply-chain disruptions and

shifts in consumer spending patterns. Companies therefore need to maintain a balanced approach between growth, operational efficiency and cost management.

Business and Operational Overview:

During FY 2025–26, the company focused on building its business in a competitive and evolving consumer environment. Further, the Company kept working on strengthening its business fundamentals and responding to changing market conditions. The Company's business priorities continue to include efficient operations, prudent cost management, strengthening of distribution and market reach, maintaining product quality and responding to evolving consumer requirements.

Changes in key financial ratios:

Pursuant to provisions of Regulation 34 (3) of SEBI (LODR) Regulation, 2015 read with Schedule V part B (1) details of changes in Key Financial Ratios is given hereunder:

Sr. No.	Key Financial Ratios	F.Y 2025-26	*F.Y 2024-25
1	Debtors Turnover Ratio	0.11	0.01%
2	Inventory Turnover Ratio	26.30	22.50%
3	Interest Coverage Ratio	34.78	49.69
4	Current Ratio	5.20%	4.71%
5	Debt Equity Ratio	2.71%	0.01%
6	Operation Profit Margin	0.57%	0.64%
7	Net Profit Margin	4.08%	1.83%

*Previous year's Figures have been regrouped / rearranged wherever necessary.

Future Outlook:

The outlook for the Indian FMCG sector remains supported by India's expanding consumer base, rising disposable incomes, increasing urbanisation, rural consumption, improving infrastructure and rapid adoption of digital commerce.

The evolution of distribution channels is expected to remain an important feature of the sector. Traditional trade will continue to remain significant, while modern trade, e-commerce and quick-commerce are creating additional avenues for product discovery and consumption. NielsenIQ's recent industry observations indicate continued expansion of e-commerce within FMCG, alongside changing dynamics between rural and urban markets.

The medium- to long-term opportunity for FMCG companies is supported by increasing consumer awareness, premiumisation in selected categories, demand for convenience, product innovation and greater access to organised retail and digital channels. At the same time, affordability and value-for-

money propositions will remain important considerations across a large section of Indian consumers.

Your Company intends to remain focused on strengthening its operational capabilities and pursuing opportunities in a disciplined manner. Key areas of focus are expected to include improving supply-chain efficiency, strengthening distribution and market reach, enhancing operational productivity, maintaining product quality, managing input costs and responding to changing consumer preferences.

The Company will continue to evaluate opportunities for sustainable growth while maintaining appropriate financial and operational discipline. The management believes that the Company's continued focus on its business, operational efficiency will support its efforts to build a stronger foundation for future growth.

Risks and concerns:

Risk is an inherent aspect of business and may arise from various factors, including market conditions, economic developments, competition, regulatory changes, input cost volatility, supply-chain disruptions, technology, financial conditions and environmental factors. As an FMCG company, the Company is exposed to risks arising from changes in consumer preferences, demand patterns, competitive intensity and affordability, as well as fluctuations in the prices and availability of raw materials, packaging materials and other inputs. Changes in taxation, product and labelling regulations, environmental requirements and other applicable laws may also impact operations and compliance requirements. Further, economic factors such as inflation, interest rates and consumer spending, along with potential disruptions in procurement, transportation and distribution, may affect business performance. The increasing use of digital systems also necessitates appropriate information security and data protection measures, while product quality and regulatory compliance remain important for maintaining consumer confidence and the Company's reputation.

The Company seeks to mitigate these risks through appropriate internal controls, prudent financial and operational management, regular monitoring, compliance mechanisms and management oversight. The risks and their potential impact are periodically reviewed by the management, and appropriate measures are undertaken to manage and mitigate them based on the nature and requirements of the Company's business.

Cautionary statement:

Statements in this Management Discussion and Analysis Report, Describing the Company's objectives, expectations and estimates may constitute Forward-Looking Statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-	**Sd/-**
Santosh Kudva	**Shobitha Malya**
Director	**Managing Director**
(DIN: 00040892)	**(DIN: 06793259)**

Date: 31/10/2026

Registered Address:
7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218,
Karnataka, India.

Annexure –II

Particulars of Remuneration

[Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016].

i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26; and

ii. The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary of the Company in the financial year 2025-26.

Name & Designation	***Remuneration of each Director & KMP for Financial Year 2025-26 (Amount in Rs.)**	**% increase/ decrease in remuneration in the Financial Year 2025-26.**	**Ratio of remuneration of each Directors to median remuneration of employees**
Directors			
Late Mr. B Manjunath Mallya (Managing Director)	4,80,000	-	3.2:1
Mrs. Bantwal Shobitha Malya	9,00,000	-	6:1
Key Managerial Personnel			
Mr. Yogish Mallya (CFO)	-	-	
Ms. Snehal Bhagwat (CS)	7,50,000	28%	5:1

Notes:

Median remuneration of all the employees of the Company for the financial year 2025-26 is Rs. 1,50,000/-.

iii. The percentage increase/decrease in the median remuneration of employees in the financial year 2025-26.

Particulars	**Financial Year 2025-26 (Amount in Rs)**	**Financial Year 2024-25 (Amount in Rs)**	**Increase/Decrease by %**
Median remuneration of all employees	150000	1,50,000	-

Note: The calculation of % increase in the median remuneration has been done based on comparable employees.

iv. The number of permanent employees on the rolls of Company.

There were 34 permanent employees on the rolls of Company as on March 31, 2026.

v. Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. Nil

vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

- Names of other employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakhs during the F.Y. 2025-26 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the F.Y. 2025-26): NA

- If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: NA

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-	**Sd/-**
Santosh Kudva	**Shobitha Malya**
Director	**Managing Director**
(DIN: 00040892)	**(DIN: 06793259)**

Date: 31/10/2026

Registered Address:
7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218,
Karnataka, India.

Annexure - III

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries / Associate companies / joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies Accounts) Rules, 2014

Part"A": Subsidiaries

(in INR Lakhs)

Particulars	Details
Name of the subsidiary	STPL Commtrade Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
Reporting currency and Exchange rate as on the Last date of the relevant financial year in the case of foreign subsidiaries.	INR
Share capital	1.00
Reserves &surplus	3.39
Total assets	64.20
Total Liabilities	59.81
Investments	0.00
Turnover	286.83
Profit before taxation	4.40
Provision for Deferred Tax	0.00
Profit after taxation	3.39
Proposed Dividend	0.00
% of shareholding	100%

Note: There are no other subsidiary of the Company

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures –NA

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-	**Sd/-**
Santosh Kudva	**Shobitha Malya**
Director	**Managing Director**
(DIN: 00040892)	**(DIN: 06793259)**

Date: 31/10/2026

Registered Address:
7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218,
Karnataka, India.

Annexure - IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2026

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

To,
The Members,
SHANTHALA FMCG PRODUCTS LIMITED
Regd. Office: 7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218, Karnataka, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shanthala FMCG Products Limited [CIN: L51109KA2014PLC073756] (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my said 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 31st March 2026 *('Audit Period')* 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 the Company for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; (*to the extent as may be applicable to the Company)*

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(to the extent as may be applicable to the Company)*;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; *(Not Applicable to the Company during the Audit Period)*;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the Company during the Audit Period)*;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit Period)*;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;*(Not Applicable to the Company during the Audit Period)*; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;*(Not Applicable to the Company during the Audit Period)*;

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with the Stock Exchange *viz* NSE Ltd along with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *subject to the following observations:*

- *As reported in the Forensic Audit and Investigation Report dated October 9, 2026, there was a non-deposit of customer cash collections of ₹760.79 lakh and unauthorised transfers of ₹569.19 lakh to two related parties, of which ₹57.84 lakh remained outstanding as at March 31, 2026. The Company has recognised the former amount as recoverable from the CFO and provided for full impairment. Further, the requisite approvals of the Audit Committee and the Board of Directors for the above transactions were not obtained, as the transactions were undertaken without prior intimation to the Audit Committee or the Board, thereby contravening the provisions of section 177, 185 & 186 of the Companies Act, 2013;*

- *Owing to the forensic audit matters, delays occurred in filing the Financial Results under Regulation 33 and submitting the CA Certificate on the utilisation of IPO proceeds, along with the Statement of Deviation(s) and Variation(s), as required under Regulation 32 of the SEBI (LODR) Regulations, 2015, for the half year and financial year ended March 31, 2026;*

- *Owing to the forensic audit matters, delays occurred in filing the Annual Report under Regulation 34 and submitting the prior intimation under Regulation 29 of the SEBI (LODR) Regulations, 2015, in connection with the Board Meeting convened to consider and approve the financial results for the half year and financial year ended March 31, 2026*

I further report that:

- The composition of the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on date of issuance of this report;

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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;

- All the decisions at the Board Meetings and the Committee Meetings were carried out by majority / unanimously as recorded in the minutes of the Board of Directors and minutes of the Committee Meetings as the case may be.

I further report that:

- The systems and processes in place within the Company are inadequate and require strengthening, considering the size and nature of its operations, to effectively monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, no specific events or actions having a major bearing on the affairs of the Company were undertaken pursuant to the aforesaid laws, rules, guidelines and standards, except for the matters highlighted in the observations above and arising from the findings disclosed in the forensic audit report.

For: M/S. Deep Shukla &Associates
Company Secretaries
(Peer Review Certificate No.: 2093/2022)

Sd/-
Deep Shukla
{Proprietor}
FCS: 5652
CP No.5364
UDIN: F005652H002097601

Place: Mumbai
Date: 31/10/2026

Annexure to Secretarial Report and forming part of the report

To,
The Members,
SHANTHALA FMCG PRODUCTS LIMITED
Regd. Office: 7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218, Karnataka, India.

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the 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;

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;

4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc;

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non –compliance;

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.

For: M/S. Deep Shukla &Associates
Company Secretaries
(Peer Review Certificate No.: 2093/2022)

Sd/-
Deep Shukla
{Proprietor}
FCS: 5652
CP No.5364
UDIN: F005652H002097601

Place: Mumbai
Date: 31/10/2026

Annexure – V

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis.**

SR.NO	PARTICULARS	DETAILS
1	Name (s) of the related party & nature of relationship	NA
2	Nature of contracts/arrangements/transaction	NA
3	Duration of the contracts/arrangements/transaction	NA
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5	Justification for entering into such contracts or arrangements or transactions'	NA
6	Date of approval by the Board	NA
7	Amount paid as advances, if any	NA
8	Date on which the resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr No	Particulars	Details		
1	Name of parties	Late Mr. B Manjunath Mallya	Ms. Shobbitha Malya	Shanthala Enterprise
2	Nature of Contract	Rent paid	Rent paid	Purchases
3	Duration of Contract	February 2024 to October 2027	February 2024 to October 2027	F.Y 2025-26
4	Salient terms of the contracts or arrangements or transactions including the value, if any	Being property taken on lease for rent in the range of INR 2,00,000/- to INR 3,00,000/- p.a	Being property taken on lease for rent in the range of INR 2,00,000/- to INR 3,00,000/- p.a	Purchases aggregating to an amount of Rs. 12,40,000
5	Date of approval by the Board	16-10-2023	23-08-2025	-
6	Date of Approval of Member	-	-	-
7	Amount paid as advances, if any	INR 1,05,000/- being rent deposit paid as advance.	INR 1,05,000/- being rent deposit paid as advance.	-

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-
Santosh Kudva
Director
(DIN: 00040892)

Sd/-
Shobitha Malya
Managing Director
(DIN: 06793259)

Date: 31/10/2026

Registered Address:
7th Block, Gandhinagar Bye Pass Road,
Virajpet, Kodagu - 571218,
Karnataka, India.

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF SHANTHALA FMCG PRODUCTS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SHANTHALA FMCG PRODUCTS LIMITED**, which comprise the Balance Sheet as at **31/03/2026**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report** , the aforesaid financial statements give the information required by 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 **31/03/2026**, and its **loss and its cash flows** for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to Notes No 18 to 20 of the standalone financial statements relating to the discrepancies identified in the Forensic Audit and Investigation Report dated October 9, 2026, as included in the accompanying Statement of Standalone Financial Results as on 31st March, 2026.

As reported in the Forensic Audit Report, an amount of ₹760.79 lakh collected in cash from customers during the year was not deposited into the Company's bank accounts. The Chief Financial Officer (CFO) was responsible for the day-to-day financial operations of the Company and had full access and authority over its financial transactions and banking operations.

Based on the findings of the Forensic Audit Report and pursuant to the resolution passed by the Board of Directors, the Company has recognised the said amount as recoverable from the CFO. Considering the uncertainty regarding its recoverability, the Company has recognised an impairment loss of ₹760.79 lakh in the Standalone Statement of Profit and Loss under Exceptional Items, with a corresponding allowance against the amount recoverable.

Further, during the year, ₹569.19 lakh was transferred to two related parties without requisite approvals of the Audit Committee and the Board of Directors, of which ₹57.84 lakh remained outstanding as at March 31, 2026.

We have considered the Forensic Audit Report, the Board Resolution and the information and explanations provided by the Management. However, in the absence of sufficient appropriate audit evidence regarding the

recoverability of the said amount, we are unable to determine whether any further adjustments or disclosures are necessary in the standalone financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and the Rules there under, 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibility of Management and Those Charged with Governance (TCWG)

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position , financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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.

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

Auditor's Responsibility

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

As part of an audit in accordance with SAs, we exercise professional 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order,2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

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.

(a) 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.

(b) The Company has no branch office and hence the company is not required to conduct audit under section 143(8) of the Companies Act, 2013.

(c) The Balance Sheet, the Statement of Profit and Loss, and **the cash flow statement** dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet & Statement of Profit & Loss dealt comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on **31/03/2026** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2026** from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

(g) In our opinion and according to information & explanation given to us, the company has adequate internal financial control system in place and has proper operating effectiveness of such control

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations on it, therefore the question of its disclosure of impact on financial statement does not arises.

ii. During the year, the Company has not entered into any long term contracts including derivative contracts, and therefore question of provisioning for material foreseeable does not arises.

iii. During the year the company is not required to transfer any amount to Investor Education and Protection Fund.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than 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.

(b) The management has represented, that, to the best of its knowledge and belief, other than 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; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

vi. Based on our examination, the company has not implemented the audit trail facility in its accounting software for maintaining its books of account during the current financial year

FOR KALE MALDE & CO.
(Chartered Accountants)
Reg No. :0154422W

Sd/-
(CA. Laxman Kale)
Partner
M.No: 110882
Date: 31/10/2026
Place: Dombivli
UDIN: 26110882TYLCZF4258

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.("the Act")

We have audited the internal financial controls over financial reporting of SHANTHALA **FMCG PRODUCTS LIMITED,** as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence amount the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Basis for Qualified Opinion

As described in the Basis for Qualified Opinion section of our Independent Auditor's Report on the standalone financial statements, the Forensic Audit and Investigation Report dated October 9, 2026, identified instances of customer collections amounting to ₹760.79 lakh not being deposited into the Company's bank accounts and transfers aggregating to ₹569.19 lakh to two related parties without obtaining the requisite approvals of the Audit Committee and the Board of Directors, as applicable.

These instances indicate deficiencies in the Company's internal financial controls relating to cash collection, banking operations, segregation of duties, payment authorisation and monitoring of related-party transactions.

Based on our evaluation of the design and operating effectiveness of the relevant controls, we have identified material weaknesses in the Company's internal financial controls with reference to financial statements as at March 31, 2026, in the areas described above.

Consequently, the Company did not maintain, in all material respects, adequate internal financial controls with reference to financial statements, and such controls were not operating effectively in the areas identified above.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to financial statements includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company.

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.

Qualified Opinion

In our opinion, except for the effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above, the Company has, in all material respects, maintained an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2026, 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 issued by the Institute of Chartered Accountants of India.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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 issues by the Institute of Chartered Accountants of India.

FOR KALE MALDE & CO.
(Chartered Accountants)
Reg No. :0154422W

Sd/-
(CA. Laxman Kale)
Partner
M.No: 110882
Date: 31/10/2026
Place: Dombivli
UDIN: 26110882TYLCZF4258

ANNEXURE'A'TO INDEPENDENTAUDITOR'S REPORT

(Referred to paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SHANTHALA FMCG PRODUCTS LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i) PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS [Clause 3(i)]:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.

b. As explained to us, the fixed assets including Property Plant and Equipment have been physically verified by the Management at regular intervals in accordance with a phased programme of verification adopted by the Company, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no materials discrepancies were noticed on such verification, however, the same has been properly dealt with in the books of accounts.

c. According to the information and explanations given to us, and based on our examination of the relevant records, the title Deeds of immovable properties disclosed in the Financial statements are held in name of the company.

d. The Company has not revalued any of its Property, Plant and Equipment (Including right of use assets) and intangible assets during the year.

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

ii) INVENTORY [Clause 3(ii)]

a. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

b. The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.

iii) LOAN GIVEN BY COMPANY [Clause 3(iii)]

During the year, the Company granted loans aggregating to ₹569.19 lakh to two related parties, which were repayable on demand. An amount of ₹57.84 lakh remained outstanding as of 31 March 2026.

a. The Company has recognized an amount of ₹760.79 lakh as recoverable from the Chief Financial Officer (CFO) and has transferred ₹569.19 lakh to two related parties during the year. The outstanding balance as at March 31, 2026, for the said related parties is ₹57.84 lakh. Other than these transactions, the Company has not provided any loans, advances in the nature of loans, stood guarantee, or provided security to any other entity during the year.

The aggregate amount of loans granted during the year and the balance outstanding as of 31 March 2026 are as follows:

Particulars	**Aggregate amount granted during the year (₹ in lakh)**	**Balance outstanding as at 31 March 2026 (₹ in lakh)**
Subsidiaries, joint ventures and associates	98.34	57.84
Parties other than subsidiaries, joint ventures and associates	470.85	0.00
Total	569.19	57.84

b. In respect of the fund transfers to two related parties amounting to ₹569.19 lakh, the transactions were executed without the requisite prior approvals of the Audit Committee and the Board of Directors. In the absence of sufficient appropriate audit evidence and formal agreements, the terms and conditions of such transfers are prima facie prejudicial to the interest of the Company.

c. In respect of the amount of ₹760.79 lakh recognized as recoverable from the CFO, the company has provided a 100% impairment loss in the Statement of Profit and Loss due to uncertainty of recovery. No regular schedule of repayment has been stipulated, and consequently, we are unable to comment on the regularity of repayment.

d. Since no regular schedule of repayment has been stipulated for the balance recoverable from the CFO and related parties, we are unable to state whether any amount is overdue for more than ninety days and whether reasonable steps have been taken for recovery.

e. No loan or advance in the nature of loan granted by the Company has fallen due during the year, which has been renewed or extended or liquidated by the grant of fresh loans.

f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except for the un-stipulated balances mentioned in clause (a) above.

g. The Company has granted loans repayable on demand during the year. The aggregate amount and percentage thereof to the total loans granted during the year, together with the amount granted to promoters and related parties as defined under Section 2(76) of the Companies Act, 2013, are as follows:

Particulars	**Aggregate amount (₹ in lakh)**	**Percentage of total loans granted(%)**
Loans repayable on demand	569.19	100.00
Of which, loans granted to promoters	0.00	0.00
Of which, loans granted to related parties under Section 2(76)	569.19	100.00

iv) LOAN TO DIRECTORS AND INVESTMENT BY COMPANY [Clause 3(iv)]

These transactions were entered into without obtaining the mandatory prior approvals required under Section 177 and Section 188 of the Companies Act, 2013. In the absence of adequate documentation and formal compliance trails, we report that the provisions of Sections 185 and 186 of the Companies Act, 2013 have not been complied with.

v) DEPOSITS [Clause 3(v)]

The Company has not accepted any deposits from the public, hence the directives issued by the Reserve bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Company's Act and the rules framed there under, are not applicable to it.

vi) COST RECORDS [Clause 3(vi)]

The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii) STATUTORY DUES [Clause 3(vii)]

a. According to the information and explanations provided to us, and according to the records of the company, undisputed statutory dues, including Income-tax, Custom Duty, Goods & Service Tax and other material statutory dues, have been generally regularly deposited with the appropriate authorities except for employees' state insurance, labor welfare fund, provident fund and profession tax of the Employees, as the company is in process to obtain registration number of the same..

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, Goods and service tax and other material statutory dues were in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

c. In our opinion and according to the information and explanations given to us there were no dues of Excise, customs, MVAT and Goods & Service Tax which have not been deposited as on 31.03.2026

viii) SURRENDERED OR DISCLOSED AS INCOME [Clause 3(viii)]

According to the information and explanations given to us. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).hence clause 3(viii) of the order is not applicable to the company.

ix) REPAYMENT OF DUES [Clause 3(ix)]

a. The Company has not defaulted in repayment of loans or borrowings from financial institution and bank.

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

c. The term loan has been applied for the purpose for which the loan was obtained.

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

e. Based on the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associates or joint ventures during the year. Accordingly, reporting under Clause 3(ix)(e) of the Order is not applicable..

f. According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate hence reporting on clause 3(ix) (f) of the Order is not applicable.

x) UTILISATION OF INTIAL AND FURTHER PUBLIC OFFER [Clause 3(x)]

In our opinion and according to the information and explanations given to us, the Company had raised moneys by way of Initial Public Offer (IPO) during the previous financial year, for issuing 17,66,400 equity shares of ₹10/- each at a premium of ₹81/- per share. The funds so raised have been applied during the current year for the purposes for which they were raised. The unutilized portion of the IPO proceeds as at March 31, 2026, is held in short-term deposits and bank balances:

(Rs in Lakhs)

Nature of the fund raised	**Purpose for which funds were raised**	**Total Amount Raised /opening unutilized balance**	**Amount utilized for the purpose**	**Unutilized balance as at balance sheet date**
Initial Public offer	Funding Additional Working capital requirements	1150.00	606.15	543.85
Initial Public offer	General Corporate Purposes	457.42	457.42	Nil

	(Including IPO expenses apportioned)			
	Total	**1607.42**	**1063.57**	**543.85**

xi) FRAUD AND WHISTLE-BLOWER COMPLAINTS [CLAUSE 3(xi)]

a. *Based upon the audit procedures performed and the findings incorporated in the Forensic Audit and Investigation Report dated October 9, 2026, a material misappropriation of the company funds has been noticed and reported during the year. Cash collections from customers amounting to ₹760.79 lakh were misappropriated and not deposited into the Company's bank accounts by the Chief Financial Officer (CFO). The Company has recognized a corresponding 100% impairment loss for the entire amount under Exceptional Items.*

b. *As at the date of this report, we have not filed Form ADT-4 with the Central Government in respect of the misappropriation of funds amounting to ₹760.79 lakh, as reported in the Forensic Audit and Investigation Report dated October 9, 2026. The matter has been reported to the Board/Audit Committee of the Company in accordance with Rule 13 of the Companies (Audit and Auditors) Rules, 2014. We are in the process of completing the prescribed procedural requirements and filing Form ADT-4 within the applicable statutory timeline*

c. As represented to us by the management, no whistle-blower complaints were received by the

xii) NIDHI COMPANY [Clause 3(xii)]

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) RELATED PARTY TRANSACTION [Clause 3(xiii)]

a. *According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company granted loans aggregating to ₹569.19 lakh to two related parties, repayable on demand, without obtaining the requisite approvals of the Audit Committee and the Board of Directors. An amount of ₹57.84 lakh remained outstanding as of 31 March 2026.*

b. *The aforesaid transactions have been examined with reference to the applicable provisions of Sections 177 and 188 of the Companies Act, 2013. To the extent Section 177 is applicable, the requisite Audit Committee approvals were not obtained. The applicability of Section 188 has been*

considered separately, having regard to the nature of the transactions, since a loan is not, merely by reason of being granted to a related party, a transaction specified under Section 188.

c. *The details of related-party transactions are required to be disclosed in the financial statements in accordance with the applicable accounting standards*.

xiv) INTERNAL AUDIT [Clause 3(xiv)]

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

b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

xv) NON-CASH TRANSACTION [Clause 3(xv)]

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or people connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) REGISTER UNDER RBI ACT, 1934 [Clause 3(xvi)]

a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year and hence, the company is not required to obtain certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(c) of the order is not applicable.

c. The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India and hence, reporting under clause 3(xvi)

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

xvii) CASH LOSSES [Clause 3(xvii)]

The Company has not incurred cash losses during the financial year ended 31 March 2026. The Company has not incurred any cash losses during the immediately preceding financial year ended 31 March 2025.

xviii) RESIGNATION OF STATUTORY AUDITORS [Clause 3(xviii)]

According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year

xix) MATERIAL UNCERTAINTY ON MEETING LIABILITIES [Clause 3(xix)]

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, and except for the uncertainties regarding the recovery of balances from the CFO and related parties as detailed in the Basis for Qualified Opinion, no material uncertainty exists as on the date of the audit report that the Company is 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.

xx) TRANSFER TO FUND SPECIFIED UNDER SCHEDULE VII OF COMPANIES ACT, 2013 [Clause 3(xx)]

In our opinion and according to the information & explanation given to us, the Company is not covered under section 135 of the Companies act relating to the CSR activities. Accordingly reporting under clause 3(xx) (a) & (b) of the order is not applicable for the year.

xxi) ADVERSE REMARKS IN CONSOLIDATED FINANCIAL STATEMENTS [Clause 3(xxi)]

With respect to the matters specified in Clause 3(xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020, we report that qualifications or adverse remarks have been made in the CARO report issued by us on the standalone financial statements of the Holding Company. The details of such qualifications or adverse remarks are as follows:

Sr. No.	Name of the Company	CIN	Relationship	Paragraph numbers of CARO report containing qualifications/adverse remarks
1	Shanthala FMCG Products Limited	L51109KA2014PLC073756	Holding Company	3(iii), 3(iv), 3(xi), 3(xiii), 3(xix)
2	STPL Comm Trade Private Limited	U46300KA2024PTC192554	Subsidiary Company	Nil

For KALE MALDE& CO.
(Chartered Accountants)
Reg No. :0154422W

Sd/-
(LAXMAN KALE)
Partner
M.No: 110882
Date: 31/10/2026
Place: Dombivli
UDIN: 26110882TYLCZF4258

SHANTHALA FMCG PRODUCTS LIMITED
CIN : L51109KA2014PLC073756
Standalone Balance Sheet as at 31st March, 2026
All amounts in INR Lakhs, unless otherwise stated

Particulars	Note	As at March 31, 2026	As at March 31, 2025
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	669.81	669.81
Reserves and Surplus	4	1013.93	1602.74
		1683.74	**2272.55**
Non-current liabilities			
Long-Term Borrowings	5	-	11.37
Deferred Tax Liabilities (Net)	6	-	.89
		-	**12.26**
Current liabilities			
Short-Term Borrowings	7	45.63	-
Trade Payables			
total outstanding dues of micro and small	8	-	-
total outstanding dues of creditors other than	8	37.02	140.87
Other current liabilities	9	10.94	14.79
Short-Term Provisions	10	72.93	50.11
		166.52	**205.77**
TOTAL EQUITY AND LIABILITIES		**1850.26**	**2490.58**
II. ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	11	233.37	234.78
Non-current investments	12	1.00	1.00
Long-term loans and advances	13	18.73	34.80
Other non-current assets	14	730.61	1251.30
Deffered Tax Assets (Net)	15	1.06	-
		984.77	**1521.88**
Current assets			
Inventories	16	203.55	221.81
Trade Receivables	17	169.43	436.91
Cash and Cash Equivalents	18	276.10	217.42
Short-term loans and advances	19	167.74	.84
Other current assets	20	48.67	91.73
		865.49	**968.70**
TOTAL ASSETS		**1850.26**	**2490.58**

The accompanying notes are an integral part of the Financial Statements
As per our report of even date attached

For Kale Malde & Co.

Chartered Accountants
Firm Regn No : 154422W

For and on behalf of Board Directors
Shanthala FMCG Products Limited

Sd/-
CA Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
ICAI UDIN: 26110882TYLCZF4258

Sd/-
Shobitha Malya
Managing Director
DIN : 06793259
Date: 31/10/2026
Place : Kodagu

Sd/-
Santosh Kudva
Director
DIN : 00040892
Date: 31/10/2026
Place : Navi Mumbai

Sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED

CIN : L51109KA2014PLC073756

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

All amounts in INR Lakhs, unless otherwise stated

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue From Operations	21	5592.79	5274.62
Other Income	22	102.22	103.15
Total Income		**5695.01**	**5377.77**
EXPENSES			
Purchases of Stock-in-Trade	23	5285.34	5038.47
Changes in Inventories of Stock-in-Trade	24	18.26	25.33
Employee Benefits Expense	25	66.32	75.69
Finance costs	26	6.77	2.76
Depreciation and Amortisation Expense	27	1.94	3.40
Other Expenses	28	87.49	101.28
Total Expenses		**5466.12**	**5246.93**
Profit before tax and before Exceptional and Extraordinary Items and Tax		**228.89**	**130.84**
Exceptional and Extraordinary Items and Tax			
Impairment Loss on Amount Recoverable		760.79	-
PROFIT BEFORE TAX		**-531.90**	**130.84**
TAX EXPENSES	29		
Current Tax		57.74	33.02
Deferred Tax		-1.95	1.29
Net Adjustment of Earlier Year Tax		1.12	-
Total Tax Expenses		**56.91**	**34.31**
PROFIT FOR THE YEAR		**-588.81**	**96.53**
EARNINGS PER EQUITY SHARE			
Basic (Face value of Rs.10 each)	30	(8.79)	1.44
Diluted (Face value of Rs.10 each)	30	(8.79)	1.44

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For and on behalf of Board Directors
Shanthala FMCG Products Limited

Sd/-
CA Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
ICAI UDIN: 26110882TYLCZF4258

Sd/-
Shobitha Malya
Managing Director
DIN : 06793259
Date: 31/10/2026
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Santosh Kudva
Director
DIN : 00040892
Date: 31/10/2026
Place : Navi Mumbai

Sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED

CIN : L51109KA2014PLC073756

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

All amounts in INR Lakhs, unless otherwise stated

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-531.90	130.84
Adjustments for :		
Interest income	-87.26	-84.32
Interest expense	6.77	2.76
Depreciation and Amortization Expense	1.94	3.40
Operating Profit Before Working Capital Changes	**-610.45**	**52.68**
Increase / (Decrease) in Trade Payables	-103.85	71.90
Increase / (Decrease) in Other liabilities	-3.86	-.98
Increase / (Decrease) in Provisions	22.82	33.75
Decrease / (Increase) in Inventories	18.26	25.33
Decrease / (Increase) in Trade Receivables	267.48	-114.10
Decrease / (Increase) in loans and advances	-150.83	-.36
Decrease / (Increase) in Other assets	563.76	-63.23
Cash generated from / (used in) Operations	**3.32**	**4.99**
Income taxes paid	-58.86	-33.02
Net Cash generated from / (used in) Operating Activities	**-55.54**	**-28.03**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	-.53	-.23
Purchase of Non-current investments	-	-1.00
Interest received	87.26	84.32
Net Cash generated from / (used in) Investing Activities	**86.73**	**83.09**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	-	-
Repayment of Long-Term Borrowings	-11.37	-6.33
Proceeds from Short-Term Borrowings	45.63	.00
Interest paid	-6.77	-2.76
Net Cash generated from / (used in) Financing Activities	**27.49**	**-9.09**
Net Increase / (Decrease) In Cash and Cash Equivalents	**58.68**	**45.97**
Cash and Cash Equivalents at the Beginning	217.42	171.44
Cash and Cash Equivalents at the End	**276.10**	**217.42**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For and on behalf of Board Directors
Shanthala FMCG Products Limited

Sd/-
CA Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
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Date: 31/10/2026
Place : Navi Mumbai

Sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

1. General Information

SHANTHALA FMCG PRODUCTS LIMITED (the 'Company') is a Public Limited Company, domiciled in India with its registered office located at Block No 7 Bye Pass Road, Gandinagar, Virajpet. The Registration Number of the Company is L51109KA2014PLC073756. The Company is engaged in the business of The Company is engaged in the business of Company is a FMCG product distributor for the large size FMCG Companies in India. it distribute Branded packaged foods, Personal care products, Education & Stationery products, Matches & Agarbatti and tobacco products. Comany also distributors for one of the largest FMCG MNC Company in India. We distribute branded Beauty & wellbeing, Nutrition, Personal care & Home care products for them. it also distribute Oil, Sugar and Atta for M. K. Agrotech Pvt. Ltd. sold under their brand name Sunpure.

2. Significant Accounting Policies

(I) Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost conversion or accrual basis of accounting and in accordance with generally accepted accounting principles and the mandatory accounting standards issued by ICAI. The accounting policies, in all material respects, have been consistently applied, and or consistent with this in the previous year. The estimates and Assumptions used in the preparation of financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Differences between the actual and estimates are recognized in the period in which the results are materialized

(II)Use of Estimates

Use of estimates: The preparation of financial statements requires the management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the managements best knowledge of correct events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

Changes in Accepting Policy: There is no change in accounting policy during the period

(III)Method of Accounting

The Books of Accounts are maintained using accrual basis of accounting. The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

(IV)Property, Plant and Equipments

(i) PPE is recognised 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.
(ii) All PPEs are stated at original cost including non-refundable purchase taxes and any directly attributable costs of bringing the assets to its working condition for its intended use, net of tax/ duty credits availed, if any, after deducting resale/ trade discount less accumulated depreciation and accumulated impairment losses if any. Gains and losses arising from disposal of assets are recognised in statement of profit and loss in the year of disposed. The assets is derecognised on disposal or no economic benefit flow to the companies.

(iii) Subsequent costs are included in the assets carrying amount or recognised as a separate assets as appropriate, only when it is probable that future economic benefits associated with them will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss during the period in which they are incurred.

(V)Depreciation

Depreciation on PPE for the year have been provided on written down value method prorate for the period of use, as per the useful lives prescribed under schedule-II to the companies Act, 2013.

(VI)Investments

Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary

Current investments are stated at the lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net assets value is taken as fair value.

(VII)Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets

(VIII)Preliminary Expenditure

Preliminary expenditure has been w/off for five years

(IX)Inventories

Valuation of Inventories: Inventories are valued at cost price excluding GST. Company is having the policy that the GST on purchase and sales are considered as non revenue item. GST collected is set off against GST paid on purchase and the difference is paid.

(X)Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Interest income is recognized on the time proportion basis taking into account the amount outstanding and applicable interest rate. However the management has relied on certificates and confirmations issued by the depositee. All revenue from services recognized which is relating to the period. The revenue is recognized net of taxes carrying on such services.

(XI)Purchases

Purchases are exclusive of GST Tax charged by the suppliers. It also includes cost of Insurance, freight and octroi.

(XII)Sundry Debtors

The sundry debtors are stated after writing off debts considered as bad. Bad debts are written off during the period in which they are identified.

(XIII)Taxes on income

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Profit and Loss Account only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment year.
Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

(XIV)Earnings per Share

In accordance with Accounting Standard-20 “Earning per Share” issued by the Institute of Chartered Accountants of India, Basic earning per shares is computed by using weighted average number of shares outstanding during

the year.

(XV)Borrowing Cost
Borrowing Cost directly attributable to the construction of the qualifying assets are capitalised as part of the cost. Interest paid accounted net of reimbursed

(XVI)Provision for Contingent Liabilities and Assets
Provision for Contingent Liabilities and Assets Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(XVII)Details of dues to micro, small and medium enterprises as per Msmed act 2006:
Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2026, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

(XVIII) Previous year figures are re-grouped and re-classified wherever necessary Figures in the bracket indicates figures for the Previous Year.

(XIX) In the absence of confirmations, the entries recorded in the books of accounts have been relied upon, and therefore, such balances are as per the books of accounts of the company.

(XX) In the opinion of the board, unless otherwise stated in the Balance Sheet and schedules attached thereto, the current assets and loans and advances as stated in the balance sheet are approximately of the value realisable in the ordinary course of business and provisions for all known liabilities for the period have been made in the books of accounts of the company.

(XXI) The Company is small and medium sized company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Act, Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

(XXII) According Polices not specifically referred to are consistent with generally accepted Accounting Practices

As per our report of even date attached

For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For and on behalf of Board Directors
Shanthala FMCG Products Limited

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
CA Laxman Kale	**Shobitha Malya**	**Santosh Kudva**	**Snehal Bhagwat**
Partner	Managing Director	Director	Company Secretary
Membership No : 110882	DIN : 06793259	DIN : 00040892	Date: 31/10/2026
Date: 31/10/2026	Date: 31/10/2026	Date: 31/10/2026	Place:- Mumbai
Place : Dombivli	Place : Kodagu	Place : Navi Mumbai	

ICAI UDIN: 26110882TYLCZF4258

3. Share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
11,000,000 Equity shares of Rs. 10 each	1100.00	1100.00
Issued, subscribed and fully paid up		
6,698,064 Equity shares of Rs. 10 each	669.81	669.81
Total	**669.81**	**669.81**

Reconciliation of the number of Equity Shares outstanding

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the period	66,98,064	669.81	66,98,064	669.81
Add : Shares Issued during the period		-		-
Less : Deductions during the period		-		-
As at the end of the period	**66,98,064**	**669.81**	**66,98,064**	**669.81**

Rights, preferences and restrictions attached to shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. 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, in proportion to their shareholding. Any 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.

Equity Shares held by Shareholders holding more than 5% shares

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Shares	No. of Shares	% Shares
B Manjunath Mallya	-	-	17,62,200	26.31%
Sneha Kudva	11,91,400	17.79%	11,91,400	17.79%
Yogish Mallya	7,83,200	11.69%	7,83,200	11.69%
Shobitha Malya	18,42,200	27.50%	80,000	1.19%
		-		-
Total	**38,16,800**	**56.98%**	**38,16,800**	**56.98%**

Details regarding number and class of shares for the period of five years immediately preceding March 31, 2026

a) The company has not allotted any shares as fully paid-up without payment being received in cash.
b) The company has not alloted any shares as fully paid up bonus shares.
c) The company has not bought back any of its shares.

Other Details regarding issue of shares

There are no shares reserved for issue under options and contracts / commitments for the sale of shares.
There are no securities convertible into equity or preference shares.
There are no calls unpaid on any shares.
There are no forfeited shares.

Equity Shares held by Promoters at the end of the year

Promoter Name	As at March 31, 2026		As at March 31, 2025		% Change during year
	No. of Shares	%	No. of Shares	%	
B Manjunath Mallya	-	-	17,62,200	26.31%	-26.31%
Sneha Kudva	11,91,400	17.79%	11,91,400	17.79%	-
Yogish Mallya	7,83,200	11.69%	7,83,200	11.69%	-
Shobitha Malya	18,42,200	27.50%	80,000	1.19%	26.31%
		-			
Total	**38,16,800**	**56.98%**	**38,16,800**	**56.98%**	

4. Reserves and Surplus

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Opening Balance	1430.78	1430.78
(+) Additions	-	-
(-) Deductions	-	-
Closing Balance	1430.78	1430.78
Surplus		
Opening Balance	171.96	75.43
(+) Net Profit or (Loss) for the period	-588.81	96.53
Closing Balance	-416.85	171.96
Total	**1013.93**	**1602.74**

5. Long-Term Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Loans from related parties	-	11.37
Total	**-**	**11.37**

6. Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability [Net]	-	.89
Total	**-**	**.89**

7. Short-Term Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans repayable on demand from banks	45.63	-
Total	**45.63**	**-**

8. Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of other than micro and small enterprises	37.02	140.87
Total	**37.02**	**140.87**

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2026

Particulars			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
MSME							-
Others	-	36.71	0.31	-	-	-	**37.02**
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**36.71**	**0.31**	**-**	**-**	**-**	**37.02**

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2025

Particulars			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
MSME	-	-	-	-	-	-	-
Others	-	-	140.87	-	-	-	**140.87**
Disputed dues – MSME	-	-		-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**-**	**-**	**140.87**	**-**	**-**	**-**	**140.87**

9. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Employee Dues Payable	4.05	2.91
TDS Payable	1.21	2.20
GST Payable	.13	3.19
Statutory Dues Payable	.10	-
Security Deposits	1.05	1.25
Other payables	4.39	5.24
Total	**10.94**	**14.79**

10. Short-Term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Taxation	57.74	33.02
Provision for Other Expenses	15.19	17.09
Total	**72.93**	**50.11**

11. Property, Plant and Equipment and Intangible Assets for 'Current period'

Particulars	Gross Block				Depreciation and Amortisation				Net Book Value	
	As at March 31, 2025	Additions	Deductions	As at March 31, 2026	As at March 31, 2025	For the year	On Deductions	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
11A. Property, Plant and Equipment										
Freehold Land	227.91	-	-	227.91	.00	-	-	-	227.91	227.91
Furniture and Fixtures	8.25	-	-	8.25	4.46	.96	-	5.43	2.82	3.78
Office Equipment	6.41	.16	-	6.57	3.69	.86	-	4.55	2.02	2.72
Computers	1.00	.38	-	1.37	.93	.12	-	1.06	.32	.06
Vehicles	5.91	-	-	5.91	5.62	-	-	5.62	.30	.30
Total	**249.48**	**.53**	**-**	**250.01**	**14.70**	**1.94**	-	**16.64**	**233.37**	**234.78**

11. Property, Plant and Equipment and Intangible Assets for 'Previous period'

Particulars	Gross Block				Depreciation and Amortisation				Net Book Value	
	As at March 31, 2024	Additions	Deductions	As at March 31, 2025	As at March 31, 2024	For the year	On Deductions	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
11A. Property, Plant and Equipment										
Freehold Land	227.91	-		227.91	.00	.00	-	.00	227.91	227.91
Furniture and Fixtures	8.55	-	.31	8.25	3.17	1.30	-	4.46	3.78	5.39
Office Equipment	6.18	.23	-	6.41	2.54	1.15	-	3.69	2.72	3.64
Computers	1.00	-	-	1.00	.81	.13	-	.93	.06	.19
Vehicles	5.91	-	-	5.91	4.79	.82	-	5.62	.30	1.12
Total	**249.55**	**.23**	**.31**	**249.48**	**11.30**	**3.40**	-	**14.70**	**234.78**	**238.25**

12. Non-current investments

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Trade Investments		
Unquoted		
Investments in Equity Instruments - Subsidiary		
STPL Commtrade Private Limited	1.00	1.00
Total	**1.00**	**1.00**
Aggregate amount of unquoted investments	1.00	1.00

13. Long-term loans and advances

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances to related parties	17.73	17.73
Advances to others	1.00	17.07
Total	**18.73**	**34.80**

14. Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Other non-current assets	730.61	1251.30
Total	**730.61**	**1251.30**

15 Deffered Tax Assets (Net)

Particulars	As at	As at
Deferred Tax Liability [Net]	1.06	-
Total	1.06	**.00**

16 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Finished goods	203.55	221.81
Total	**203.55**	**221.81**

17 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	169.43	436.91
Total	**169.43**	**436.91**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2026

Particulars		Outstanding for following periods from Due Date of Payment					
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	-	162.32	7.11	-	-	-	**169.43**
Undisputed - Considered doubtful	-	-	-	-	-	-	**-**
Disputed - Considered Good	-	-	-	-	-	-	**-**
Disputed - Considered doubtful	-	-	-	-	-	-	**-**
Total	**-**	162.32	7.11	**-**	**-**	**-**	**169.43**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2025

Particulars		Outstanding for following periods from Due Date of Payment					
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good	-	436.91	-	-	-	-	**436.91**
Undisputed - Considered doubtful	-	-	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	-	-	-
Total	**-**	**436.91**	**-**	**-**	**-**	**-**	**436.91**

18 Cash and Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on Hand	102.73	174.04
Balances with Banks	173.37	43.38
Total	**276.10**	**217.42**

19 Short-term loans and advances

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances to employees	.36	.50
Advances to related parties	57.84	.34
Advances to Suppliers	109.54	-
Total	**167.74**	**.84**

20 Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance Tax and TDS	29.08	28.52
GST Receivable	18.96	63.21
Other Current Assets	.62	-
Other Loans & Advances to Related Party		
Amount Recovarable from CFO	760.79	-
Less: Impairment loss allowance	760.79	-
	-	-
Total	**48.67**	**91.73**

21 Revenue From Operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations		
Sale of products	5592.80	5274.62
Total	**5592.80**	**5274.62**

22 Other Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income		
Interest income on Advances and Deposits	87.26	84.32
Other non-operating income		
Room Rent	14.95	18.83
Other Income	.01	-
Total	**102.22**	**103.15**

23 Purchase of Stock in Trade

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of Stock in Trade	5285.34	5038.47
Total	**5285.34**	**5038.47**

24 Changes in Inventories of Stock-in-Trade

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Stock	221.81	247.14
Less: Closing Stock	203.55	221.81
Total	**18.26**	**25.33**

25 Employee Benefits Expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and wages	51.32	48.69
Directors Remuneration (Note No. 33)	15.00	27.00
Total	**66.32**	**75.69**

Considered as Related Party Transaction. Refer to note no. 33 for related party disclosure

26 Finance costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on Borrowings	4.85	1.46
Bank Charges, Commision and Processing fees	1.93	1.29
Total	**6.77**	**2.76**

27 Depreciation and Amortisation Expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on Property, Plant and Equipment	1.94	3.40
Total	**1.94**	**3.40**

28 Other Expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment to Auditors	3.00	2.50
Apartment Maintenance	1.39	3.41
Accounting Charges	3.00	3.00
Advertisement Expenses	.34	1.35
Computer & Software Maintenance	.39	.29
Conveyance expenses	.61	.95
Contract Staffing Services	3.01	3.10
Distrubution Expenses	3.14	3.86
Director Sitting Fees	3.00	3.00
Electricity Expenses	1.26	1.34
GST Arrears	.41	.01
Insurance	.80	.40
Miscellaneous expenses	1.05	1.21
Muncipality Tax	.61	.41
Printing & Stationery	-	.50
Professional Fees Paid	4.05	2.13
Profession Tax Paid	.10	.10
Rent Paid	8.17	8.18
Telephone Expenses	.47	.86
Transportation Expenses	3.52	20.34
Vehicle Maintenance	6.99	2.80
Repair & Maintenance	.84	.57
Commission	22.77	21.57
Share Listing Related Expenses	2.31	5.43
Website Expenses	.14	.14
Debit Bal W/off	1.18	1.33
Prelimenry Expenses written off	12.48	12.48
Travelling & Conveyances	1.23	-
Internal Audit Fees	1.00	-
Interest on TDS	.22	-
Total	**87.49**	**101.28**

Payment to Auditors includes:		
Statutory audit fees	2.50	2.00
Tax audit fees	.50	.50

29 Tax Expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current Tax		
Current Year	57.74	33.02
Net Adjustment of Earlier Year Tax	1.12	-
Deferred Tax		
Origination and reversal of Timing differences	-1.95	1.29

30 Earnings Per Share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Earnings attributable to equity shareholders (a)	-588.81	96.53
Weighted average number of equity shares for calculating basic earning per share (b)	66.98	66.98
Basic Earning per share (a/b) in Rs. (Face value of Rs.10 each)	**(8.79)**	**1.44**
Earnings attributable to potential equity shares (c)		
Earnings attributable to equity and potential equity shareholders (d=a+c)	-588.81	96.53
Weighted average number of potential equity shares (e)	66.98	66.98
Weighted average equity shares for calculating diluted earning per share (f=b+e)	-	-
Diluted Earning per share (d/f) in Rs. (Face value of Rs.10 each)	**(8.79)**	**1.44**

31 Analytical Ratios

Ratio	Numerator	Denominator	Year ended March 31,	Year ended March 31,	% Variance
Current ratio (in times)	Current assets	Current liabilities	5.20	4.71	10.46%
Debt - Equity ratio (in times)	Long Term Borrowings + Short Term	Equity shareholders' funds	0.02	0.01	264.65%
Debt Service coverage (in times)	Earnings available for debt service	Total debt service	13.02	15.08	-13.64%
Return on equity (in %)	Profit after taxes - Preference Dividend	Average equity shareholders' funds	9.56%	4.34%	120.27%
Inventory Turnover (in times)	Revenue from operations	Average inventories	26.30	22.50	16.90%
Trade receivables turnover (in times)	Revenue from operations	Average trade receivables	12.51	13.89	-9.92%
Trade payables turnover (in times)	COGS + Other Expenses - Non Cash Expenditure	Average trade payables	153.90	49.23	212.61%
Net capital turnover (in times)	Revenue from operations	Average of Current assets - Current liabilities	4.91	7.06	-30.48%
Net profit ratio (in %)	Profit after taxes	Revenue from operations	4.08%	1.83%	122.90%
Return on capital employed (in %)	Profit before tax + Finance costs	Average capital employed	9.73%	5.97%	62.91%
Return on investment (in %)	Income from Investments	Time weighted average Investments	-	-	-

Earning available for debt service = Profit for the year (before taxes) + Finance costs + Depreciation and Amortisation Expense

Total debt service = Finance costs + Principal Repayments

Capital employed = Shareholders' funds + Long Term Borrowings + Short Term Borrowings + Deferred Tax Liabilities (Net) - Intangible assets - Intangible Assets under development

32 Other Disclosures

Disclosure requirements as notified by MCA pursuant to amended Schedule III:
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any Benami Property under Prohibition of Benami Property Transactions Act, 1988.
- The Company has not been declared a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter.
- The Company has no Scheme of Arrangement approved by the competent authority specified under Section 230 to 237 of the Companies Act, 2013.

Previous Period figures have been re-grouped / re-classified, wherever necessary, to make them comparable with Current Period's classification.

As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For and on behalf of BoardDirectors Shanthala FMCG Products Limited

sd/-
CA Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
ICAI UDIN: 26110882TYLCZF4258

sd/-
Shobitha Malya
Managing Director
DIN : 06793259
Date: 31/10/2026
Place : Kodagu

sd/-
Santosh Kudva
Director
DIN : 00040892
Date: 31/10/2026
Place : Navi Mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

Note 33 Related party transactions

A Names of related parties and nature of relationship where control exists:

Sr. No.	Name of Related Party	Relationship
1	B. Manjunath Mallya	Chairman and Managing Director
2	Shobitha Mallya	Managing Director
3	Santosh Kudva	Non executive Non Independent Director
4	Shanthala Enterprises	Relative of Directors which has significant interest
5	STPL Commtrade Private Limited	Wholly owned Subsidary
6	Shwetha Kudva	Relative of Directors
7	Snehal Bhagwat	Company Secretary
8	Yogish Mallya	CFO
9	Smita Arun Patil	Independent Director
10	Shivani Shivshankar Tiwari	Independent Director
11	Ravikant Moreshwar Mhatre	Independent Director

B Transactions during the year:

Transactions during the period with Related Parties for the period ended 31st March, 2026

Sr. No.	Nature of Trasaction	Director(s) & KMP(s)		Enterprises significantly influenced by Director(s) & KMP(s)	
		31st March 2026	31st March 2025	31st March 2026	31st March 2025
1	**Director(s) & KMP(s) remuneration during the reporting period**				
	B. Manjunath Mallya	4.80	18.00	-	-
	Shobitha Mallya	9.00	9.00	-	-
	Snehal Bhagwat	7.50	5.85	-	-
2	**Sitting Fees paid to Independent Directors**				
	Smita Arun Patil	1.00	1.00	-	-
	Shivani Shivshankar Tiwari	1.00	1.00	-	-
	Ravikant Moreshwar Mhatre	1.00	1.00	-	-
3	**Rent Paid**				
	B. Manjunath Mallya	1.00	3.00	-	-
	Shobitha Mallya	1.50	-	-	-
4	**Interest Receipt**				
	Shanthala Enterprises	-	-	8.37	-
	STPL Commtrade Private Limited	-	-	2.91	-

5	**Purchase**				
	Shanthala Enterprises	-	-	12.34	-
6	**Acceptance/(Repayment) of Loan**				
	Acceptance of Loan				
	B. Manjunath Mallya	0.00	9.50	-	-
	Repayment Loan				
	B. Manjunath Mallya	11.37	13.00	-	-
7	**Investments/Advances**				
	Advance Given				
	STPL Commtrade Private Limited	-	-	98.34	1.00
	Shanthala Enterprises	-	-	470.85	-
8	**Advance Received Back**				
	STPL Commtrade Private Limited	-	-	40.50	-
	Shanthala Enterprises	-	-	470.85	-

C **Balances as on 31st March, 2026**

Sl. No.	Nature of Trasaction	Director(s) & KMP(s)		Enterprises significantly influenced by Director(s) & KMP(s)	
		31st March 2026	31st March 2025	31st March 2026	31st March 2025
1	**Director(s) & KMP(s) Remuneration Payable**				
	B. Manjunath Mallya	-	9.28	-	-
	Shobitha Mallya	12.06	4.66	-	-
	Snehal Bhagwat	0.70	0.55	-	-
				-	-
2	**Sitting Fees paid to Independent Directors**				
	Smita Arun Patil	-	0.40	-	-
	Shivani Shivshankar Tiwari	0.45	0.00	-	-
	Ravikant Moreshwar Mhatre- Advances	0.15	0.15	-	-
3	**Rent and Maintenance Payable**				
	Shobitha Mallya	0.03	-	-	-
4	**Investments/Advances**				
	Shanthala Enterprises	-	-	-	-
	STPL Commtrade Private Limited	-	-	57.84	0.00

As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

sd/-
CA. Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
ICAI UDIN: 26110882TYLCZF4258

sd/-
Shobitha Malya
Managing Director
DIN : 06793259
Date: 31/10/2026
Place: Kodagu

sd/-
Santosh Kudva
Director
DIN : 00040892
Date: 31/10/2026
Place : Navi Mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

INDEPENDENT AUDITOR'S REPORT

THE MEMBERS OF SHANTHALA FMCG PRODUCTS LIMITED

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHANTHALA FMCG PRODUCTS LIMITED** ("the Holding Company") and its subsidiary (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to notes no 17 to 20 to the consolidated financial statements, the Forensic Audit and Investigation Report dated 9 October 2026 reported that customer collections aggregating to ₹760.79 lakh during the financial year were not deposited into the bank accounts of the Holding Company.

The Board of Directors has recognised the said amount as recoverable from the Chief Financial Officer (CFO) and, considering the uncertainty regarding its recoverability, has recognised an impairment loss of ₹760.79 lakh under Exceptional Items in the Statement of Profit and Loss, with a corresponding allowance against the receivable.

Further, the forensic audit reported that an amount of ₹569.19 lakh had been transferred to two related parties without obtaining the requisite approvals of the Audit Committee and the Board of Directors. An amount of ₹57.84 lakh remained outstanding as at 31 March 2026.

We were unable to obtain sufficient appropriate audit evidence regarding the recoverability of the outstanding amount of ₹57.84 lakh, including independent confirmations and other corroborative evidence. Consequently, we were unable to determine whether any further adjustments or disclosures were necessary in the consolidated financial statements in respect of this matter.

Our opinion is qualified in respect of the possible effects of the above matter.

We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of this report. We are independent of the Group in accordance with the ethical requirements relevant to our audit under the ICAI Code of Ethics and the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us and the evidence obtained by the other auditor, to the extent applicable, is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

The matter described in the Basis for Qualified Opinion section has been considered in forming our qualified opinion and is not described separately in this section.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

We have also audited the financial statements of the One subsidiary company , whose financial statements reflect total assets of ₹ 64.20 Lakhs as of 31st March 2026, total revenue of ₹ 286.83 lakhs and net cash flows of ₹ 22.64 Lakhs for the year then ended. These financial statements have been considered for the purpose of preparation of the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Our opinion is not modified in respect of this matter, except for the matter described in the Basis for Qualified Opinion section above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 purpose of our audit of the consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors of the Holding Company as on 31st March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, 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, in our opinion and to the best of our information and according to the explanations given to us:

I. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.
II. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India

FOR KALE MALDE & CO.
(Chartered Accountants)
Reg No. :0154422W

Sd/-
(CA. Laxman Kale)
Partner
M.No: 110882
Date: 31/10/2026
Place: Dombivli
UDIN: 26110882QQWXWA2567

Annexure A to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SHANTHALA FMCG PRODUCTS LIMITED** ("the Holding Company") and its subsidiary company (together referred to as "the Group"), as of 31st March 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company and its subsidiary company are 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 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 over financial reporting were established and maintained, and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls, 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control over financial reporting 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 authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, except for the effects of the material weaknesses described in the paragraph titled **"Basis for Qualified Opinion**" below, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such controls were operating effectively as at 31 March 2026, based on the aforesaid criteria.

Basis for Qualified Opinion

The forensic audit findings concerning customer collections aggregating to ₹760.79 lakh not deposited into the bank accounts of the Holding Company and transfers aggregating to ₹569.19 lakh to related parties without requisite approvals indicate potential deficiencies in controls over collection, custody, authorisation and monitoring of funds. Our testing identified the following specific material weaknesses

FOR KALE MALDE & CO.
(Chartered Accountants)
Firm Reg. No.: 0154422W

sd/-

(CA. Laxman Kale)
Partner
M. No.: 110882
Date: 31/10/2026
Place: Dombivli
UDIN: 26110882QQWXWA2567

SHANTHALA FMCG PRODUCTS LIMITED

CIN : L51109KA2014PLC073756

Consolidated Balance Sheet as at 31st March, 2026

All amounts in INR Lakhs, unless otherwise stated

Particulars	Note	As at March 31, 2026	As at March 31, 2025
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	669.81	669.81
Reserves and Surplus	4	1017.37	1602.74
		1687.18	**2272.55**
Non-current liabilities			
Long-Term Borrowings	5	-	11.37
Deferred Tax Liabilities (Net)	6	-	.89
		-	**12.26**
Current liabilities			
Short-Term Borrowings	7	103.47	-
Trade Payables			
total outstanding dues of micro and small	8	-	-
total outstanding dues of creditors other than micro	8	37.42	140.87
Other current liabilities	9	11.45	14.79
Short-Term Provisions	10	73.94	50.11
		226.29	**205.77**
TOTAL EQUITY AND LIABILITIES		**1913.47**	**2490.58**
II. ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	11	233.37	234.78
Long-term loans and advances	12	18.73	34.80
Other non-current assets	13	730.83	1251.30
Deffered Tax Assets (Net)	14	1.06	-
		983.99	**1520.88**
Current assets			
Inventories	15	226.85	221.81
Trade Receivables	16	185.24	436.91
Cash and Cash Equivalents	17	299.80	218.47
Short-term loans and advances	18	167.74	.84
Other current assets	19	49.85	91.67
		929.48	**969.70**
TOTAL ASSETS		**1913.47**	**2490.58**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

sd/-
CA. Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
ICAI UDIN: 26110882QQWXWA2567

sd/-
Shobitha Malya
Managing Director
DIN : 06793259
Date: 31/10/2026
Place: Kodagu

sd/-
Santosh Kudva
Director
DIN : 00040892
Date: 31/10/2026
Place : Navi mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED

CIN : L51109KA2014PLC073756

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

All amounts in INR Lakhs, unless otherwise stated

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue From Operations	20	5879.63	5274.62
Other Income	21	102.22	103.15
Total Income		**5981.85**	**5377.77**
EXPENSES			
Purchases of Stock-in-Trade	22	5584.82	5038.47
Changes in Inventories of Stock-in-Trade	23	-5.04	25.33
Employee Benefits Expense	24	66.87	75.69
Finance costs	25	9.72	2.76
Depreciation and Amortisation Expense	26	1.94	3.40
Other Expenses	27	90.19	101.28
Total Expenses		**5748.50**	**5246.93**
Profit before tax and before Exceptional and Extraordinary Items and Tax		**233.35**	**130.84**
Exceptional and Extraordinary Items and Tax			
Impairment Loss on Amount Recoverable		760.79	-
PROFIT BEFORE TAX		**-527.44**	**130.84**
TAX EXPENSES	28		
Current Tax		58.76	33.02
Deferred Tax		-1.95	1.29
Net Adjustment of Earlier Year Tax		1.12	-
Total Tax Expenses		**57.93**	**34.31**
PROFIT FOR THE YEAR		**-585.37**	**96.53**
EARNINGS PER EQUITY SHARE	29		
Basic (Face value of Rs.10 each)		(8.74)	1.44
Diluted (Face value of Rs.10 each)		(8.74)	1.44

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

sd/-
CA. Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
Place : Dombivli
ICAI UDIN: 26110882QQWXWA2567

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Shobitha Malya
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DIN : 06793259
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Director
DIN : 00040892
Date: 31/10/2026
Place : Navi mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED

CIN : L51109KA2014PLC073756

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

All amounts in INR Lakhs, unless otherwise stated

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-527.44	130.84
Adjustments for :		
Interest income	-87.26	-84.32
Interest expense	9.72	2.76
Depreciation and Amortization Expense	1.94	3.40
Operating Profit Before Working Capital Changes	**-603.04**	**52.68**
Increase / (Decrease) in Trade Payables	-103.45	71.90
Increase / (Decrease) in Other liabilities	-3.35	-0.98
Increase / (Decrease) in Provisions	23.84	33.75
Decrease / (Increase) in Inventories	-5.04	25.33
Decrease / (Increase) in Trade Receivables	251.67	-114.10
Decrease / (Increase) in loans and advances	-150.83	-0.31
Decrease / (Increase) in Other assets	562.30	-63.23
Cash generated from / (used in) Operations	**-27.91**	**5.04**
Income taxes paid	-59.88	-33.02
Net Cash generated from / (used in) Operating Activities	**-87.78**	**-27.98**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	-0.53	-0.23
Interest received	87.26	84.32
Net Cash generated from / (used in) Investing Activities	**86.73**	**84.09**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	-	-
Repayment of Long-Term Borrowings	-11.37	-6.33
Proceeds from Short-Term Borrowings	103.47	-
Interest paid	-9.72	-2.76
Net Cash generated from / (used in) Financing Activities	**82.38**	**-9.09**
Net Increase / (Decrease) In Cash and Cash Equivalents	**81.32**	**47.03**
Cash and Cash Equivalents at the Beginning	218.47	171.44
Cash and Cash Equivalents at the End	**299.80**	**218.47**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

sd/-
CA. Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
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Date: 31/10/2026
Place : Navi mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

1. General Information

Shanthala FMCG Products Limited (the "Parent Company" or "Company") is a public limited company incorporated in India under the Companies Act, 2013, having its registered office at Block No. 7, Bye Pass Road, Gandhinagar, Virajpet, Karnataka.

The Company is engaged in the distribution of branded packaged foods, personal care products, beauty and wellness products, nutrition products, education and stationery products, matches and agarbatti, tobacco products and other FMCG products.

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary, collectively referred to as the "Group".

2. Significant Accounting Policies

1 .Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Rules, 2021, and other applicable provisions of the Companies Act, 2013.

The consolidated financial statements have been prepared on the historical cost basis and under the accrual method of accounting, except where otherwise stated.

The consolidated financial statements are presented in Indian Rupees (INR), which is the reporting currency of the Parent Company. All amounts are presented in INR Lakhs, unless otherwise stated.

2 Principles of Consolidation

The consolidated financial statements comprise the financial statements of Shanthala FMCG Products Limited and its subsidiary, STPL Commtrade Private Limited.

The financial statements of the Parent Company and its subsidiary have been consolidated in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements, on the following basis:

1. The financial statements of the Parent Company and subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses.

2. The carrying amount of the Parent Company's investment in the subsidiary and the Parent Company's portion of equity of the subsidiary at the date of investment have been eliminated.

3. Goodwill or capital reserve arising on consolidation, if any, has been recognised in accordance with AS 21.

4. All material intra-group balances, transactions, income and expenses have been eliminated in full.

5. Unrealised profits and losses arising from intra-group transactions have been eliminated to the extent required under AS 21.

6. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances.

7. The results of the subsidiary have been included in the consolidated financial statements from the date on which the Parent-Subsidiary relationship came into existence.

3. Details of Subsidiary Company

The details of the subsidiary company considered for consolidation are as follows:

Particulars Details	
Name of subsidiary	STPL Commtrade Private Limited
Country of incorporation	India
Relationship	Wholly Owned Subsidiary
Holding company	Shanthala FMCG Products Limited
Percentage of shareholding	100%
Percentage of voting power	100%
Financial year	1 April 2025 to 31 March 2026

4 Use of Estimates

The preparation of consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities.

Actual results may differ from these estimates. Such estimates and underlying assumptions are reviewed periodically, and revisions are recognised prospectively in the period in which they are revised and in future periods, where applicable.

5 Uniform Accounting Policies

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Wherever necessary, adjustments have been made to the financial statements of the subsidiary to align its accounting policies with those adopted by the Parent Company.

6. Property, Plant and Equipments

(i) PPE is recognised 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.
(ii) All PPEs are stated at original cost including non-refundable purchase taxes and any directly attributable costs of bringing the assets to its working condition for its intended use, net of tax/ duty credits availed, if any, after deducting resale/ trade discount less accumulated depreciation and accumulated impairment losses if any. Gains and losses arising from disposal of assets are recognised in statement of profit and loss in the year of disposed. The assets is derecognised on disposal or no economic benefit flow to the companies.
(iii) Subsequent costs are included in the assets carrying amount or recognised as a separate assets as appropriate, only when it is probable that future economic benefits associated with them will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss during the period in which they are incurred.

7. Depreciation

Depreciation on PPE for the year have been provided on written down value method prorate for the period of use, as per the useful lives prescribed under schedule-II to the companies Act, 2013.

8. Investments
Long-term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary
Current investments are stated at the lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net assets value is taken as fair value.

9 .Borrowing Costs
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets

10. Preliminary Expenditure
Preliminary expenditure has been w/off for five years

11. Inventories
Valuation of Inventories: Inventories are valued at cost price excluding GST. Company is having the policy that the GST on purchase and sales are considered as non revenue item. GST collected is set off against GST paid on purchase and the difference is paid.

12. Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Interest income is recognized on the time proportion basis taking into account the amount outstanding and applicable interest rate. However the management has relied on certificates and confirmations issued by the depositee. All revenue from services recognized which is relating to the period. The revenue is recognized net of taxes carrying on such services.

13 Purchases
Purchases are exclusive of GST Tax charged by the suppliers. It also includes cost of Insurance, freight and

14.Sundry Debtors
The sundry debtors are stated after writing off debts considered as bad. Bad debts are written off during the period in which they are identified.

15.Taxes on income
Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Profit and Loss Account only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment year. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

16. Earnings per Share
In accordance with Accounting Standard-20 “Earning per Share” issued by the Institute of Chartered Accountants of India, Basic earning per shares is computed by using weighted average number of shares outstanding during the year.

17.Borrowing Cost
Borrowing Cost directly attributable to the construction of the qualifying assets are capitalised as part of the cost. Interest paid accounted net of reimbursed

18.Provision for Contingent Liabilities and Assets
Provision for Contingent Liabilities and Assets Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

19.Details of dues to micro, small and medium enterprises as per Msmed act 2006:
Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2026, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

20. Previous year figures are re-grouped and re-classified wherever necessary Figures in the bracket indicates figures for the Previous Year.

21. In the absence of confirmations, the entries recorded in the books of accounts have been relied upon, and therefore, such balances are as per the books of accounts of the company.

22. In the opinion of the board, unless otherwise stated in the Balance Sheet and schedules attached thereto, the current assets and loans and advances as stated in the balance sheet are approximately of the value realisable in the ordinary course of business and provisions for all known liabilities for the period have been made in the books of accounts of the company.

23. The Company is small and medium sized company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Act, Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

24 .According Polices not specifically referred to are consistent with generally accepted Accounting Practices

25. The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached
As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

sd/-	**sd/-**	**sd/-**	**sd/-**
CA. Laxman Kale	**Shobitha Malya**	**Santosh Kudva**	**Snehal Bhagwat**
Partner	**Managing Director**	**Director**	**Company Secretary**
Membership No : 110882	DIN : 06793259	DIN : 00040892	Date: 31/10/2026
Date: 31/10/2026	Date: 31/10/2026	Date: 31/10/2026	Place:- Mumbai
Place : Dombivli	Place: Kodagu	Place : Navi mumbai	
ICAI UDIN: 26110882QQWXWA2567			

3. Share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
11,000,000 Equity shares of Rs. 10 each	1100.00	1100.00
Issued, subscribed and fully paid up		
66,98,064 Equity shares of Rs. 10 each	669.81	669.81
Total	**669.81**	**669.81**

Reconciliation of the number of Equity Shares outstanding

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the period	66,98,064	669.81	66,98,064	669.81
Add : Shares Issued during the period	-	-	-	-
Less : Deductions during the period	-	-	-	-
As at the end of the period	**66,98,064**	**669.81**	**66,98,064**	**669.81**

Rights, preferences and restrictions attached to shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. 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, in proportion to their shareholding. Any 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.

Equity Shares held by Shareholders holding more than 5% shares

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Shares	No. of Shares	% Shares
B Manjunath Mallya	-	-	17,62,200	26.31%
Shobitha Malya	18,42,200	27.50%	80,000	1.19%
Sneha Kudva	11,91,400	17.79%	11,91,400	17.79%
Yogish Mallya	7,83,200	11.69%	7,83,200	11.69%
		-		-
Total	**38,16,800**	**56.98%**	**38,16,800**	**56.98%**

Details regarding number and class of shares for the period of five years immediately preceding March 31, 2026

a) The company has not allotted any shares as fully paid-up without payment being received in cash.
b) The company has not alloted any shares as fully paid up bonus shares.
c) The company has not bought back any of its shares.

Other Details regarding issue of shares

There are no shares reserved for issue under options and contracts / commitments for the sale of shares.
There are no securities convertible into equity or preference shares.
There are no calls unpaid on any shares.
There are no forfeited shares.

Equity Shares held by Promoters at the end of the year

Promoter Name	As at March 31, 2026		As at March 31, 2025		% Change during year
	No. of Shares	%	No. of Shares	%	
B Manjunath Mallya	-	-	17,62,200	26.31%	-26.31%
Sneha Kudva	11,91,400	17.79%	11,91,400	17.79%	-
Yogish Mallya	7,83,200	11.69%	7,83,200	11.69%	-
Shobitha Malya	18,42,200	27.50%	80,000	1.19%	26.31%
		-			
Total	**38,16,800**	**56.98%**	**38,16,800**	**56.98%**	

4. Reserves and Surplus

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Opening Balance	1430.78	1430.78
(+) Additions	-	-
(-) Deductions	-	-
Closing Balance	1430.78	1430.78
Surplus		
Opening Balance	171.96	75.43
(+) Net Profit or (Loss) for the period	-585.37	96.53
Closing Balance	-413.41	171.96
Total	**1017.37**	**1602.74**

5. Long-Term Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Loans from related parties	-	11.37
Total	**-**	**11.37**

6. Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability [Net]	-	0.89
Total	**-**	**0.89**

7. Short-Term Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans repayable on demand from banks	103.47	-
Total	**103.47**	**-**

8. Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of other than micro and small enterprises	37.42	140.87
Total	**37.42**	**140.87**

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2026

Particulars			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
MSME							-
Others		36.71	0.71				**37.42**
Disputed dues – MSME							-
Disputed dues – Others							-
Total	**-**	**36.71**	**0.71**	**-**	**-**	**-**	**37.42**

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2025

Particulars			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
MSME							-
Others			140.87				**140.87**
Disputed dues – MSME							-
Disputed dues – Others							-
Total	**-**	**-**	**140.87**	**-**	**-**	**-**	**140.87**

9. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Employee Dues Payable	4.05	2.91
TDS Payable	1.58	2.20
GST Payable	0.28	3.19
Statutory Dues Payable	0.10	-
Security Deposits	1.05	1.25
Other payables	4.39	5.24
Total	**11.45**	**14.79**

10. Short-Term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Taxation	58.76	33.02
Provision for Other Expenses	15.19	17.09
Total	**73.94**	**50.11**

11. Property, Plant and Equipment and Intangible Assets for 'Current period'

Particulars	Gross Block				Depreciation and Amortisation				Net Book Value	
	As at March 31, 2025	Additions	Deductions	As at March 31, 2026	As at March 31, 2025	For the year	On Deductions	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
11 Property, Plant and Equipment										
Freehold Land	227.91	-		227.91	-	-		-	227.91	227.91
Furniture and Fixtures	8.25	-		8.25	4.46	0.96		5.43	2.82	3.78
Office Equipment	6.41	0.16		6.57	3.69	0.86		4.55	2.02	2.72
Computers	1.00	0.38		1.37	0.93	0.12		1.06	0.32	0.06
Vehicles	5.91	-		5.91	5.62	-		5.62	0.30	0.30
Total	**249.48**	**0.53**	**-**	**250.01**	**14.70**	**1.94**	**-**	**16.64**	**233.37**	**234.78**

11. Property, Plant and Equipment and Intangible Assets for 'Previous period'

Particulars	Gross Block				Depreciation and Amortisation				Net Book Value	
	As at March 31, 2024	Additions	Deductions	As at March 31, 2025	As at March 31, 2024	For the year	On Deductions	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
11A. Property, Plant and Equipment										
Freehold Land	227.91	-		227.91	-	-		-	227.91	227.91
Furniture and Fixtures	8.55	-	0.31	8.25	3.17	1.30		4.46	3.78	5.39
Office Equipment	6.18	0.23		6.41	2.54	1.15		3.69	2.72	3.64
Computers	1.00	-		1.00	0.81	0.13		0.93	0.06	0.19
Vehicles	5.91	-		5.91	4.79	0.82		5.62	0.30	1.12
Total	**249.55**	**0.23**	**0.31**	**249.48**	**11.30**	**3.40**	**-**	**14.70**	**234.78**	**238.25**

12 Long-term loans and advances

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances to related parties	17.73	17.73
Advances to others	1.00	17.07
Total	**18.73**	**34.80**

13 Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Other non-current assets	730.84	1251.30
Total	**730.84**	**1251.30**

14 Deffered Tax Assets (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability [Net]	1.06	-
Total	1.06	**.00**

15 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Finished goods	226.85	221.81
Total	**226.85**	**221.81**

16 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	185.24	436.91
Total	**185.24**	**436.91**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2026

Particulars		Outstanding for following periods from Due Date of Payment					
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good		178.13	7.11				**185.24**
Undisputed - Considered doubtful							-
Disputed - Considered Good							-
Disputed - Considered doubtful							-
Total	-	**178.13**	**7.11**	-	-	-	**185.24**

Ageing for trade receivables from the due date of payment for each of the category as at March 31, 2025

Particulars		Outstanding for following periods from Due Date of Payment					
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered Good		436.91					**436.91**
Undisputed - Considered doubtful							-
Disputed - Considered Good							-
Disputed - Considered doubtful							-
Total	-	**436.91**	-	-	-	-	**436.91**

17 Cash and Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on Hand	121.74	174.04
Balances with Banks	178.06	44.43
Total	**299.79**	**218.47**

18 Short-term loans and advances

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances to employees	0.36	0.50
Advances to related parties	57.84	0.34
Advances to Suppliers	109.54	-
Total	**167.74**	**0.84**

19 Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance Tax and TDS	29.08	28.52
GST Receivable	20.14	63.16
Other Current Assets	0.62	-
Other Loans & Advances to Related Party		
Amount Recovarable from CFO	760.79	-
Less: Impairment loss allowance	760.79	-
	-	
Total	**49.85**	**91.68**

20 Revenue From Operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations		
Sale of products	5879.63	5274.62
Total	**5879.63**	**5274.62**

21 Other Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income		
Interest income on Advances and Deposits	87.26	84.32
Other non-operating income		
Room Rent	14.95	18.83
Other income	0.01	-
Total	**102.22**	**103.15**

22 Purchase of Stock in Trade

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of Stock in Trade	5584.82	5038.47
Total	**5584.82**	**5038.47**

23 Changes in Inventories of Stock-in-Trade

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Stock	221.81	247.14
Less: Closing Stock	226.85	221.81
Total	**-5.04**	**25.33**

24 Employee Benefits Expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and wages	51.87	48.69
Directors Remuneration (Note No. 32)	15.00	27.00

Total	**66.87**	**75.69**

Considered as Related Party Transaction. Refer to note no. 32 for related party disclosure

25 Finance costs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on Borrowings	7.75	1.46
Bank Charges, Commision and Processing fees	1.96	1.29
Total	**9.72**	**2.76**

26 Depreciation and Amortisation Expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on Property, Plant and Equipment	1.94	3.40
Total	**1.94**	**3.40**

27 Other Expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment to Auditors	3.50	2.50
Apartment Maintenance	1.39	3.41
Accounting Charges	3.60	3.00
Advertisement Expenses	0.34	1.35
Computer & Software Maintenance	0.39	0.29
Conveyance expenses	0.61	0.95
Contract Staffing Services	3.01	3.10
Distrubution Expenses	3.14	3.86
Director Sitting Fees	3.00	3.00
Electricity Expenses	1.26	1.34
GST Arrears	0.41	0.01
Insurance	0.80	0.40
Miscellaneous expenses	1.05	1.21
Muncipality Tax	0.61	0.41
Printing & Stationery	-	0.50
Professional Fees Paid	4.05	2.13
Profession Tax Paid	0.10	0.10
Rent Paid	9.37	8.18
Telephone Expenses	0.47	0.86
Transportation Expenses	3.52	20.34
Vehicle Maintenance	6.99	2.80
Repair & Maintenance	0.84	0.57
Commission	22.77	21.57
Share Listing Related Expenses	2.36	5.43
Website Expenses	0.14	0.14
Debit Bal W/off	1.18	1.33
Prelimenry Expenses written off	12.54	12.48
Travelling & Conveyances	1.23	-

Internal Audit Fees	1.00	-
Interest on TDS	0.22	-
Prior Period Expenses	0.30	-
Total	**90.19**	**101.28**
Payment to Auditors includes:		
Statutory audit fees	2.80	2.00
Tax audit fees	0.70	0.50

28 Tax Expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current Tax		
Current Year	58.76	33.02
Net Adjustment of Earlier Year Tax	1.12	-
Deferred Tax		
Origination and reversal of Timing differences	-1.95	1.29

29 Earnings Per Share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Earnings attributable to equity shareholders (a)	-585.37	96.53
Weighted average number of equity shares for calculating basic earning per share (b)	66.98	66.98
Basic Earning per share (a/b) in Rs. (Face value of Rs.10 each)	**(8.74)**	**1.44**
Earnings attributable to potential equity shares (c)		
Earnings attributable to equity and potential equity shareholders (d=a+c)	-585.37	96.53
Weighted average number of potential equity shares (e)	-	
Weighted average equity shares for calculating diluted earning per share (f=b+e)	66.98	43.63
Diluted Earning per share (d/f) in Rs. (Face value of Rs.10 each)	**(8.74)**	**1.44**

30 Analytical Ratios

Ratio	Numerator	Denominator	Year ended March 31, 2026	Year ended March 31, 2025	% Variance
Current ratio (in times)	Current assets	Current liabilities	4.11	4.71	-12.75%
Debt - Equity ratio (in times)	Long Term Borrowings + Short Term	Equity shareholders' funds	0.02	0.01	264.65%
Debt Service coverage (in times)	Earnings available for debt service	Total debt service	13.02	15.08	-13.64%
Return on equity (in %)	Profit after taxes - Preference Dividend	Average equity shareholders' funds	9.56%	4.34%	120.27%
Inventory Turnover (in times)	Revenue from operations	Average inventories	16.50	22.50	-26.65%
Trade receivables turnover (in times)	Revenue from operations	Average trade receivables	14.56	13.89	4.82%
Trade payables turnover (in times)	COGS + Other Expenses - Non Cash Expenditure	Average trade payables	52.55	49.23	6.74%
Net capital turnover (in times)	Revenue from operations	Average of Current assets - Current liabilities	4.91	7.06	-30.48%
Net profit ratio (in %)	Profit after taxes	Revenue from operations	4.08%	1.83%	122.90%
Return on capital employed (in %)	Profit before tax + Finance costs	Average capital employed	9.73%	5.97%	62.91%
Return on investment (in %)	Income from Investments	Time weighted average Investments	-	-	-

Earning available for debt service = Profit for the year (before taxes) + Finance costs + Depreciation and Amortisation Expense

Total debt service = Finance costs + Principal Repayments

Capital employed = Shareholders' funds + Long Term Borrowings + Short Term Borrowings + Deferred Tax Liabilities (Net) - Intangible assets - Intangible Assets under development

31 Other Disclosures

Disclosure requirements as notified by MCA pursuant to amended Schedule III:
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any Benami Property under Prohibition of Benami Property Transactions Act, 1988.
- The Company has not been declared a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter.
- The Company has no Scheme of Arrangement approved by the competent authority specified under Section 230 to 237 of the Companies Act, 2013.

Previous Period figures have been re-grouped / re-classified, wherever necessary, to make them comparable with Current Period's

classification.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached
As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

sd/-
CA. Laxman Kale
Partner
Membership No : 110882
Date: 31/10/2026
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ICAI UDIN: 26110882QQWXWA2567

sd/-
Shobitha Malya
Managing Director
DIN : 06793259
Date: 31/10/2026
Place: Kodagu

sd/-
Santosh Kudva
Director
DIN : 00040892
Date: 31/10/2026
Place : Navi mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

Note 32 Related party transactions

A Names of related parties and nature of relationship where control exists:

Sr. No.	Name of Related Party	Relationship
1	B. Manjunath Mallya	Chairman and Managing Director
2	Shobitha Mallya	Managing Director
3	Santosh Kudva	Non executive Non Independent Director
4	Shanthala Enterprises	Relative of Directors which has significant interest
	STPL Commtrade Private Limited	Wholly owned Subsidary
6	Shwetha Kudva	Relative of Directors
7	Snehal Bhagwat	Company Secretary
8	Yogish Mallya	Chief Financial Officer
9	Smita Arun Patil	Independent Director
10	Shivani Shivshankar Tiwari	Independent Director
11	Ravikant Moreshwar Mhatre	Independent Director

B Transactions during the year:

Transactions during the period with Related Parties for the period ended 31st March, 2026

Sr. No.	Nature of Trasaction	Director(s) & KMP(s)		Enterprises significantly influenced by Director(s) & KMP(s)	
		31st March 2026	31st March 2025	31st March 2026	31st March 2025
1	**Director(s) & KMP(s) remuneration during the reporting period**				
	B. Manjunath Mallya	4.80	18.00	-	-
	Shobitha Mallya	9.00	9.00	-	-
	Snehal Bhagwat	7.50	5.85	-	-
2	**Sitting Fees paid to Independent Directors**				
	Smita Arun Patil	1.00	1.00	-	-
	Shivani Shivshankar Tiwari	1.00	1.00	-	-
	Ravikant Moreshwar Mhatre	1.00	1.00	-	-
3	**Rent Paid**				
	B. Manjunath Mallya	1.00	3.00	-	-
	Shobitha Mallya	1.50	-	-	-
4	**Interest Receipt**				
	Shanthala Enterprises	-	-	8.37	-
5	**Purchase**				

	Shanthala Enterprises	-	-	12.34	-
6	**Acceptance/(Repayment) of Loan**				
	Acceptance of Loan				
	B. Manjunath Mallya	0.00	9.50	-	-
	Repayment Loan				
	B. Manjunath Mallya	11.37	13.00	-	-
7	**Investments/Advances**				
	Advance Given				
	Shanthala Enterprises	-	-	470.85	-
8	**Advance Received Back**				
	Shanthala Enterprises	-	-	470.85	-

C **Balances as on 31st March, 2026**

Sl. No.	Nature of Trasaction	Director(s) & KMP(s)		Enterprises significantly influenced by Director(s) & KMP(s)	
		31st March 2026	31st March 2025	31st March 2026	31st March 2025
1	**Director(s) & KMP(s) Remuneration Payable**				
	B. Manjunath Mallya	-	9.28	-	-
	Shobitha Mallya	12.06	4.66	-	-
	Snehal Bhagwat	0.70	0.55	-	-
				-	-
2	**Sitting Fees paid to Independent Directors**				
	Smita Arun Patil	-	0.40	-	-
	Shivani Shivshankar Tiwari	0.45	0.00	-	-
	Ravikant Moreshwar Mhatre- Advances	0.15	0.15	-	-
3	**Rent and Maintenance Payable**				
	Shobitha Mallya	0.03	-	-	-

As per our report of even date attached
For Kale Malde & Co.
Chartered Accountants
Firm Regn No : 154422W

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED

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CA. Laxman Kale
Partner
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Date: 31/10/2026
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Managing Director
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Director
DIN : 00040892
Date: 31/10/2026
Place : Navi Mumbai

sd/-
Snehal Bhagwat
Company Secretary
Date: 31/10/2026
Place:- Mumbai

SHANTHALA

SHANTHALA FMCG PRODUCTS

Registered Office

7th Block, Gandhinagr Bye Pass Road,
Virajpet, Kodagu, Virajpet, Kodagu,
Karnataka, 571218