SHANTHALA FMCG PRODUCTS LIMITED

(Formerly known as Shanthala FMCG Products Private Limited)

CIN: U51109KA2014PLC073756

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

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Date: August 26, 2024

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 Thursday, September 19, 2024 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 September 12, 2024 to September 19, 2024 (both days inclusive).

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

Thanking You,
Yours faithfully,
For Shanthala FMCG Products Limited

BANTWAL MANJUNATH MALLYA
Digitally signed by BANTWAL MANJUNATH MALLYA
Date: 2024.08.26 18:39:44 +05'30'

Bantwal Manjunath Mallya
Chairman and Managing Director
DIN - 06793251

SHANTHALA
FMCG PRODUCTS LTD

ANNUAL REPORT 2023-24

QUALITY SERVICES • STRONG CUSTOMER FOCUS • ON TIME DELIVERY

General Information

Board of Directors

Mr. Bantwal Manjunath Mallya	:	Chairman & Managing Director
Mrs. Bantwal Shobitha Mallya	:	Director
Mr. Ravikant Moreshwar Mhatre	:	Independent Director
Ms. Shivani Shivshankar Tiwari	:	Independent Director
Ms. Smita Arjun Patil :	:	Independent Director

Executive Management

Company Secretary & Compliance Officer	:	Ms. Snehal Bhagwat
Chief Financial Officer	:	Mr. Yogish Mallya

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. Manjunatha and Shobhavathi No. 688/1A, 16th Main Road, Saraswathipuram, Mysuru - 570009 Email: cashobhavathi@gmail.com
Secretarial Auditor	:	M/s. Deep Shukla & Associates, Company Secretaries, Mumbai
Registered Office	:	7th Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu- 571218, Karnataka, India, Phone: 08274298999 / 09945694963 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

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Management Note

Dear Shareholders,

We are pleased to reach out to you all today and express my gratitude for your continued support and faith in our Company. It is our privilege to write to you and present the 10th Annual Report for financial year 2023-24. With immense pride, here with you that we have achieved significant growth in the past year. Our improved performance is a result of our employees' hard work and dedication and the trust and support of our stakeholders. We are confident that we will continue to achieve success and create value for our shareholders. The Company is focused on earning the trust of its consumers, and promises that each of the brands it sells enhances the shopper's experience.

SHANTHALA FMCG PRODUCTS LIMITED (formerly known as *Shanthala FMCG Products Private Limited*) was established in the year 2014 by Mr. Bantwal Manjunath Mallya. SHANTHALA FMCG PRODUCTS LIMITED is FMCG product distributor for the large size FMCG Companies in India. We distribute Branded packaged foods, Personal care products, Education & Stationery products, Matches & Agarbatti and tobacco products. We are also distributors for one of the largest FMCG MNC Company in India by providing branded Beauty & wellbeing, Nutritional, Personal & Home care products.

As you all know, we recently hit yet another milestone of Initial Public Offering (IPO) with our rigorous efforts, and it has been an exciting and inspiring journey for us so far. The IPO has provided us with the opportunity to expand our operations and tap new opportunities thereby widening our horizons.

In the coming years we intend to focus on new avenues to engage Company into trading activities with present product line, with an expectation to grow its business in upcoming year. Moreover, the company has witnessed upward trend in its revenue and profit after tax.

I wish to express my appreciation for the support that we continue to receive from our banking and financial community as well. Our auditors provide us with invaluable advice and I would like to thank them for their support.

Our Diversified and highly experienced Board members are a great source of strength to us and I deeply appreciate the collaboration and guidance that we receive from them.

On behalf of our Board and my team members I would like to express my gratitude for your consistent support and unwavering faith in our Company.

In conclusion, we are in the midst of shaping our future to become a more trusted and admired organization, one which is built on excellent capability, exceptional culture and authenticity. By all counts it promises to be an exciting, meaningful and fulfilling journey for each of us and we look forward to a bright future ahead.

Annual General Meeting Notice

NOTICE is hereby given that 10th Annual General Meeting of the Members of **SHANTHALA FMCG PRODUCTS LIMITED** (formerly known as *Shanthala FMCG Products Private Limited*) will be held on Thursday, September 19, 2024 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 Audited Standalone Financial Statements.

To receive, consider and adopt the Standalone Audited Financial Statements for the year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2024 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 Mrs. Bantwal Shobitha Mallya (DIN: 06793259) as Director, liable to retire by rotation.

To reappoint a Director in the place of Mrs. Bantwal Shobitha Mallya (DIN: 06793259), who retires by rotation pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and being eligible, offer himself for reappointment.

"**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 Mrs. Bantwal Shobitha Mallya (DIN: 06793259) as a Director, to the extent that he is required to retire by rotation."

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-
B Manjunath Mallya
Chairman & Managing Director
(DIN: 06793251)

Sd/-
B Shobitha Mallya
Director
(DIN: 06793259)

Place: Kodagu
Date: 23/08/2024

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

NOTES:

1. Pursuant to the General Circular Nos. 14/2020 dated April 8,2020 and 17/2020 dated April 13, 2020, read with other related circulars including General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs, ("MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12,2020 read with other related SEBI circulars including Circular No.SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7,2023 issued by SEB1 ("SEBI Circulars"), companies are allowed to hold EGM through VC, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. Electronic copy of the Annual Report for the financial year 2024 is being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2024 and Notice of the 10th AGM of the Company, may send request to the Company's e-mail address at cs@shanthalafmcg.com mentioning Folio No./DP ID and Client ID. .

2. In compliance with Section 108 of the Companies Act, 2013 (the "Act") (including any statutory modifications or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), as amended from time to time, read with MCA Circulars, SEBI Circular and pursuant to Regulation 44 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 ("the Listing Regulations"), permitted the holding of Annual General Meeting through Video Conference (VC) or Other Audio-Visual Means (OAVM) without the physical presence of Members at a common venue, the 10th Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, the Members can attend and participate in the ensuing 10th AGM through VC/OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue for the 10th AGM.

3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 10TH 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 10TH 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.

4. 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 VC/OAVM 10th AGM and providing remote e-voting facility for the 10th AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.

5. 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 10th AGM. The result will also be submitted to the www.nseindia.com and also will be disseminated on https://shanthalafmcg.com.

6. The Notice of the 10th Annual General Meeting along with the Annual Report for the financial year 2023-24 is being sent only by electronic mode to those Members whose email addresses are registered with the M/s. Bigshares Services Private Limited/ Depositories pursuant to the MCA Circulars 10/2022 dated December 28, 2022 read with Securities and Exchange Board of India Circular SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 by the. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2023-24 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 10th Annual General Meeting through VC/OAVM facility only.

7. The Members attending the 10th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum pursuant to Section 103 of the Act.

8. Members seeking any information with regard to the accounts or any matter to be placed at the 10th AGM, are requested to write to the Company at least 03 days before the 10th AGM on 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.

9. Those Members who intend to speak at the 10th AGM can register themselves as Speaker by marking their email to cs@shanthalafmcg.com at least 03 days before the 10th AGM. Those shareholders who have registered themselves as a speaker will only be allowed to express their questions during the meeting.

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

11. 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.

12. 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 cs@shanthalafmcg.com with a copy marked to csoffice@deepshukla.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.

13. 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 10th Annual General Meeting.

14. The Register of Members and share transfer books of the Company will remain closed from September 12, 2024 to September 19, 2024 (both days inclusive).

15. The Company has fixed cutoff date i.e., September 11, 2024 for determining the eligibility for e-voting by electronic means at 10th AGM.

16. Members are requested to promptly notify any changes in their addresses to the Registrar and Share Transfer Agent i.e., M/s.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.

17. 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., September 11, 2024.

18. 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.

19. In terms of Section 152 of the Act, Mrs. Bantwal Shobitha Mallya (holding DIN: 06793259), Director is liable to retire by rotation at this 10th Annual General Meeting and being eligible, has offered himself for reappointment.

20. 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.

21. Pursuant to MCA and SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this 10th 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.

22. The remote e-Voting period will commence on September 16, 2024, at 9.00 A.M. (IST) and end on September 18, 2024, 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 September 11, 2024 may cast their vote by remote e-Voting.

23. 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.

24. The e-Voting module on the day of the 10th AGM shall be activated during the proceeding of the 10th AGM and shall be disabled by M/s. Bigshare Services Private Limited for voting 15 minutes after the conclusion of the 10th AGM.

25. 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 10th 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 10th 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 September 16, 2024 and will end at September 18,2024 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., September 11, 2024.

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.

Bigsharei-Vote E-Voting System

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

i. The voting period begins on 09:00 AM (IST) on September 16, 2024 and will end at September 18,2024 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 September 11, 2024 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 e-voting is in progress as per the information provided by company. On clicking the e-voting 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 or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e.**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 home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting 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

Type of shareholders	Login Method
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.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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 tolaunch 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 your '**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 "**INFAVOUR**", "**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 Bigsharei-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.
    - o Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
    - o 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.)
    - o 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: 1800 22 54 22.

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.comunder 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 "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 areas 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: 1800 22 54 22.

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	Mrs. Bantwal Shobitha Mallya
Date of Birth	01/01/1979
Actual date of Appointment	20/02/2014
Qualifications	She has completed five-year LL.B. degree course from Mangalore University in 2002.
Expertise in Specific Functional Area	She is founding Promoter and Director on the Board of the Company since incorporation and is redesignated as Executive Director w.e.f. July 18, 2023.She has more than 10 years of experience in the field of office administration, coordinating and streamlining purchases. Due to her efficient purchasing abilities, our Company has been able to maintain just in time inventory and efficiently manage working capital cycle.
Directorships held in other listed companies (As on March 31, 2024)	NIL
Chairmanships/ Memberships of the Committees of the Board of Directors of other listed companies (As on March 31, 2024)	NIL
Shareholding of Director (As on March 31, 2024)	80,000
Relationship between Directors inter-se	Mrs. Bantwal Shobitha Mallya is a wife of Mr. B Manjunath Mallya who is a Chaiman & Managing Director of the company.

Board's Report

To,
The Members,
SHANTHALA FMCG PRODUCTS LIMITED
(formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

Your directors are pleased to present the 10thAnnual Report of the business and operations of your Company (hereinafter referred to as the said "Company" or "SHANTHALA") accompanied with AuditedFinancial Statements for the Financial Year ended on March 31, 2024. The standalone performance of the Company hasbeen considered whenever required.

1. FINANCIAL RESULTS

The summarized financial performance for the financial year under review compared to the previous financial year is given here-in-below:

[Amount in Lakhs]

PARTICULARS	2023-24	2022-23
Revenue from operation	4133.06	4051.59
Other income	53.85	25.65
Total income	**4186.91**	**4077.25**
Total Expenditure	**4148.93**	**4051.00**
Profit / (Loss) Before Tax	**37.98**	**26.25**
Tax Expenses:		
Current Tax Expenses	10.09	8.46
Current Tax Expenses relating to prior years	(1.06)	0.00
Deferred tax liability	(0.47)	0.06
Net Profit/ (Loss) After Tax	**29.42**	**17.73**
Earnings per equity share – Basic and diluted	0.67	31.56

2. REVIEW OF OPERATIONS

During the financial year under review, the Company has posted revenue from its operations of INR 41,33,05,861/- as against INR 40,51,59,384/- for the corresponding previous year.

Further, the Company has earned a profit after tax of INR 29,42,173/- as against INR 17,72,509/- for the corresponding previous year.

For the financial year ended 31st March, 2024, no amount was carried to General reserve account by the Company.

3. STATE OF AFFAIRS AND FUTURE OUTLOOK:

Your Board is exploring new avenues to engage Company into trading activities with present product line, with an expectation to grow its business in upcoming year. Moreover, the Company has witnessed upward trend in its revenue and profit after tax. The Company is hopeful to do better in upcoming future.

4. DIVIDEND AND RESERVES:

In order to conserve the profit for future years, the company do not recommend dividend for the financial year 2023-24.

5. SHARE CAPITAL

Changes in Paid up Capital:

1. The company has on 27th May, 2023, allotted fully paid-up 1,16,458 (One Lakh Sixteen Thousand Four Hundred Fifty Eight) Equity Shares of face value of INR 10/- (Indian Rupees Ten only) each on preferential issue basis to the respective allottees which was approved by way of special resolution at the Extra-ordinary General meeting held on 20th April, 2023 by the members of the Company.
2. Further, on 18th July, 2023, the Company has allotted 43,15,206 (Forty Three Lacs Fifteen Thousand Two Hundred and Six) Equity Shares through bonus issue to the existing shareholders vide members approval in the Extra- Ordinary General Meeting of the Company on 18th July, 2023 in the ratio of 7 new equity shares for every 1 shares held of INR 10.00 (Indian Rupees Ten Only) each to the shareholders whose names appear in the Register of Members as on the record date i.e., 14th July, 2023.
3. The Company has issued and allotted 17,66,400 equity share of INR 10/- each at a price of INR 91/- per share through an Initial Public Offer on 01st November, 2023.

   As on March 31, 2024, 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.

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

a. Change in the nature of the business of the Company

1. The Board of Directors at their meeting held on April 03, 2023, approved Shifting of Registered office of the Company within local limits of the city i.e., from D.No.193, 14, Race Course Road, Madikere, Kodagu – 571201, Karnataka, India to 7th Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu- 571218, Karnataka, India, w.e.f. 7th April, 2023.
2. During the financial year under review, there has been no change in the nature of the business of the Company. As per the special resolution passed by the members of the Company at the Extra-ordinary General Meeting held on June 12, 2023, approved the conversion of the Company from a Private Limited Company to a Public Limited Company and altered its Articles of Association (AoA) and Memorandum of Association (MoA). Consequently, the Company's name was changed from 'SHANTHALA FMCG PRODUCTS PRIVATE LIMITED' to 'SHANTHALA FMCG PRODUCTS LIMITED', by removing the word "Private" before the word "Limited".

b. Initial Public Offer ("IPO") and Listing

Pursuant to Section 23 (1) of the Companies Act, 2013 and other provision under the said Act and rules made thereunder read with chapter IX of the securities and exchange board of India (issue of capital and disclosure requirements) regulations, 2018 ("SEBI (ICDR) regulations"), as amended in terms of rule 19(2)(b) of the securities contracts (regulation) rules, 1957 had made Initial Public Offer aggregating to INR 1607.42 Lakhs ("Issue Size") and has issued and allotted 17,66,400 equity share of INR 10/- each at a price of INR 91/- per share through an Initial Public Offer. Furthermore, the Equity Shares of your Company were listed on National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") on Thursday, November 03, 2023.

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:

During the financial year under review, the following changes took place:

Appointments and change in designations of Directors and Key Managerial Personnel:

Sr. No.	Name Of Directors/ KMP's	DIN/Membership No	Date of Appointment	Designation
1	Ms. Shivani Tiwari	09359208	May 09, 2023	Additional, Non –executive Director
			June 12, 2023	Change in designation as Non –executive, Independent Director
2	Mr. Ravikant Mhatre	06362676	May 09, 2023	Additional, Non –executive Director
			June 12, 2023	Change in designation as Non –executive, Independent Director
3	Ms. Smita Patil	10147488	May 09, 2023	Additional, Non –executive Director
			June 12, 2023	Change in designation as Non –executive, Independent Director
4	Mr. Yogish Mallya B P	NA	May 09, 2023	Chief Financial Officer
5	Ms. Snehal Bhagwat	A68895	June 01, 2023.	Company Secretary & Compliance Officer
6	Mr. B Manjunath Mallya	06793251	July 18, 2023	Change in designation as Chairman and Managing Director
7	Mrs. Bantwal Shobitha Mallya	06793259	July 18, 2023	Change in designation as Executive Director

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mrs. Bantwal Shobitha Mallya [DIN: 06793259], Director (Executive Director) of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 10th Annual General Meeting. The Board recommends the said reappointment for shareholders' 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.

Further, Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are:

Sr. No.	Name of KMP	Designation
1	Mr. Bantwal Manjunath Mallya	Chairman and Managing Director
2	Mr. Yogish Mallya B P	Chief Financial Officer
3	Ms. Snehal Bhagwat	Company Secretary & Compliance Officer

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.

Sr. No.	Name of Directors	Designation as on March 31, 2024	Date of Meeting – 18.03.2024
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 working of its committees. 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, 2024, the Board had 5 (Five) members, consisting of 2 (Two) executive Directors, 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 2023-24, the

Company held 15 (Fifteen) board meetings of the Board of Directors as per Section173 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	03-04-2023	2	2
2	19-04-2023	2	2
3	09-05-2023	2	2
4	27-05-2023	5	2
5	02-06-2023	5	2
6	30-06-2023	5	2
7	14-07-2023	5	2
8	18-07-2023	5	2
9	04-09-2023	5	2
10	16-10-2023	5	2
11	17-10-2023	5	2
12	23-10-2023	5	2
13	01-11-2023	5	2
14	23-11-2023	5	5
15	19-03-2024	5	3

Attendance details of Directors for the year ended March 31, 2024 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	15	15
Mrs. Bantwal Shobitha Mallya	Executive Director	15	15
Mr. Ravikant Mhatre	Independent & Non Executive Director	12	2
Ms. Shivani Tiwari	Independent & Non Executive Director	12	1
Ms. Smita Patil	Independent & Non Executive Director	12	1

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, 2024, the dates of which are July 18, 2023, October 16, 2023, November 23, 2023 and March 19, 2024.

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	4
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, 2024, 1(One) meeting of the Committee was held on March 19, 2024.

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	1	1
2	Ms. Shivani Tiwari	Member, Independent Director	1	1
3	Ms. Smita Patil	Member, Independent Director	1	1

Nomination and Remuneration Policy:

The Board of Directors has framed a policy, as detailed in ***Annexure V,*** 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.

Sr. No.	Name of Director	Designation	Remuneration per annum (In ₹)
1	Mr. B Manjunath Mallya	Chairman and Managing Director	₹ 18,00,000/-
2	Mrs. Bantwal Shobitha Mallya	Director	₹ 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. 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, 2024, the date of which is March 19, 2024.

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
4	Mr. B Manjunath Mallya	Member, Managing Director	1	1

The details of complaints received and resolved during the Financial Year ended March 31, 2024 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 2023-24:

Particulars	No. of complaints
Opening as on April 1, 2023	0
Received during the year	0
Resolved during the year	0
Closing as on March 31, 2024	0

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, 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) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a 'going concern' basis;

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 ₹ 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/JOINT VENTURES/ ASSOCIATE COMPANIES:

The Company is in process to incorporate two subsidiary companies, namely, Ind-Edge Industries Limited and M/s. STPL Commtrade Private Limited (WOS).

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.

Explanation as required under Sec 134(3)(f)(i) of the Companies Act, 2013:

Re: 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:

Explanation: 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 2024, as required under Section 204 of the Act.

The Secretarial Auditors' Report is enclosed as ***Annexure III*** to the Board's report, which forms part of this Integrated Annual Report.

20. INTERNAL AUDIT & CONTROLS:

The Company has in place adequate internal financial controls with reference to the financial statement. During the year, such controls were tested and no reportable material weakness in the design or operation was noticed. The Audit Committee of the Board periodically reviews the internal control systems with the management and Statutory Auditors.

Further, M/s. Manjuanatha & Shobhavathi, Chartered Accountants (Firm Reg. No. 011554S) acting as an Internal Auditor of the Company for a term of five (5) years i.e., from Financial Year 2023-24 to 2027-28.

21. EMPLOYEES' STOCK OPTION PLAN:

The Company has not provided stock options to any employee.

22. VIGIL MECHANISM:

In 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 has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

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:

Your Company is committed to achieving and adhering to the highest standards of Corporate Governance. However, 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 provision is applicable to the Company the same will be duly complied with in the period of 6 months.

25. DEPOSITS:

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section76 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, 2024.

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.

27. RELATED PARTY TRANSACTIONS:

Related party transactions, if any, that were entered into during the period ended March 31, 2024, 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: IV)***

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 energyintensive,significant measures are taken to reduce energy consumption by using energy-efficient equipment. TheCompany 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.

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. 2024-25. 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) arecovered under this policy. During the year ended 31st March 2024, Company has not received any complaint of harassment.

32. LISTING WITH STOCK EXCHANGE:

The shares of the Company were listed on National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") on Friday, November 03, 2024-23 only.

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. ACKNOWLEDGEMENT:

The Directors would like to thank all shareholders, customers, bankers, suppliers and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-
B Manjunath Mallya
Chairman & Managing Director
(DIN: 06793251)

Sd/-
B Shobitha Mallya
Director
(DIN: 06793259)

Place: Kodagu
Date: 23/08/2024

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

Management Discussion and Analysis

ANNEXURE – I

Source of image: https://www.ibef.org/industry/fmcg

In year 2023-24, the industry was significantly impacted by following factors :

- high commodity prices,
- rising interest rates and
- the continuing impact of Russia-Ukraine war.
- Further, the long-term effects of these factors continue to be felt extensively, giving rise to fears of an impending recession in major economies. Although commodity prices were volatile and inflation was at unprecedented levels, the post-covid normalisation of economic activities supported growth throughout the year.. Your Company was able to successfully navigate these challenging circumstances and deliver strong performance through focused efforts, robust cost efficiency programs, brand marketing and timely price increases. Global warming is also having a significant impact on food availability and the environment in general. In this context, your Company's decision to place sustainability at the core of its business practices is timely and was based on the conviction that growth is meaningful only if it contributes positively to the environment and society.

FINANCIAL AND OPERATIONAL PERFORMANCE:

The key highlights of the financials are:

(₹ In Lakhs)

Particulars	2023-24	2022-23
Revenue from Operations	4133.06	4051.49
Profit after Tax	29.42	17.73

Outlook for the year 2024-25

As we look ahead to the year 2024-25, it is essential to recognize that the challenges from 2023-24 are expected to persist.

Revival in most large economies remains elusive, impacting global financial health. However, the Indian economy is anticipated to continue its expansion, presenting opportunities for growth.

Your Company has proactively initiated measures to navigate these challenges and drive growth. Key focus areas include optimizing supply chain efficiencies, expanding capacities, marketing and operational capabilities. By addressing these areas strategically, your company is poised to overcome obstacles and thrive in the evolving business landscape of 2024-25.

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 2023-24	*F.Y 2022-23
1	Debtors Turnover Ratio	0.01%	3.12%
2	Inventory Turnover Ratio	22.53%	36.02%
3	Interest Coverage Ratio	2.84%	1.67%
4	Current Ratio	8.24%	1.04%
5	Debt Equity Ratio	0.01%	3.12%
6	Operation Profit Margin	0.18%	1.02%
7	Net Profit Margin	0.007%	0.004%

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

RISKS AND CONCERNS:

The growth of e-commerce and online platforms will increase the competition and innovation as well as the need for more efficient and sustainable logistics and delivery systems.

The economy at global level is becoming uncertain due to, high inflation, turmoil in financial markets, geo-political tensions, and recessionary trends along with global financial conditions, climatic changes, environmental issues due to global warming pose significant risks to growth.

However the economy of India has exhibited remarkable growth so far, it may not be immune to a prolonged global slowdown.

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/-
B Manjunath Mallya
Chairman & Managing Director
(DIN: 06793251)

Sd/-
B Shobitha Mallya
Director
(DIN: 06793259)

Place: Kodagu
Date: 23/08/2024

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

Particulars of Remuneration

ANNEXURE – II

[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 2023-24; 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 2023-24.

Name & Designation	*Remuneration of each Director & KMP for Financial Year 2023-24 (Amount in ₹)	% increase/ decrease in remuneration in the Financial Year 2022-23	Ratio of remuneration of each Directors to median remuneration of employees
Directors			
Mr. B manjunath Mallya (Managing Director)	₹ 18,00,000	-	1200:01
Mrs. Bantwal Shobitha Mallya	₹ 9,00,000	-	600:01
Key Managerial Personnel			
Mr. Yogish Mallya (CFO)	-	-	-
Ms. Snehal Bhagwat (CS)	₹ 2,80,000	-	187:01

Notes:

1. Median remuneration of all the employees of the Company for the financial year 2023-24 is ₹ 1,50,000/-

iii. The percentage increase/decrease in the median remuneration of employees in the financial year 2022-23.

Particulars	Financial Year 2023-24 (Amount in ₹)	Financial Year 2022-23 (Amount in ₹)	Increase by %
Median remuneration of all employees	1,50,000	1,40,000	07.14%

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 permanents employees on the rolls of Company as on March 31, 2024.

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.

Average percentile increases in the salaries of employee other than the Key managerial personnel in the Financial Year 2023-24.

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. 23-24 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the F.Y. 23-24): 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/-
B Manjunath Mallya
Chairman & Managing Director
(DIN: 06793251)

Sd/-
B Shobitha Mallya
Director
(DIN: 06793259)

Place: Kodagu
Date: 23/08/2024

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

Annexure III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

[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

(Formerly known as Shanthala FMCG Products Private 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: U51109KA2014PLC073756] (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 2024 ('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 2024 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; *(Not applicable during period).*

(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;

(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 following observations/ qualifications:*

Based on our verification and audit report provided by Statutory Auditor, the Company has not implemented the audit trail facilities in his accounting software for maintaining it's books of accounts during the financial year under review.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the resolutions were passed with consent of majority Directors.

I further report that:

- there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

  I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES
(Peer Review Certificate No.: 2093/2022)

Sd/-
DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652F000980516

Place: Mumbai
Date: 14/08/2024

Annexure to Secretarial Report and forming part of the report

To,
The Members,
SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as Shanthala FMCG Products Private 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: F005652F000980516

Place: Mumbai
Date: 14/08/2024

ANNEXURE – IV

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 arms 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**	Mr. B Manjunath Mallya
2	**Nature of Contract**	Rent paid
3	**Duration of Contract**	F.Y. 2023-24
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.
5	**Date of approval by the Board**	03/04/2023
6	**Date of Approval of Member**	-
7	**Amount paid as advances, if any**	INR 16,57,750/- being rent deposit paid as advance.

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-
B Manjunath Mallya
Chairman & Managing Director
(DIN: 06793251)

Sd/-
B Shobitha Mallya
Director
(DIN: 06793259)

Place: Kodagu
Date: 23/08/2024

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

Annexure - V

POLICY ON NOMINATION AND REMUNERATION

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

  To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS:

"Act" shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" Shanthala FMCG Products Limited.

"Directors" mean Directors of the Company.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes –

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

"Policy" or **"This policy"** means Nomination and Remuneration Policy.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"Senior Management" Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE AND POWER OF THE COMMITTEE:-

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i) Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term / Tenure

a. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. Removal

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or

otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(i) General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii). Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- Fixed pay:

  The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

  If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

  If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(iii). Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission:

  The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees

  The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:

  Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- Stock Options:

  An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP:-

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated

by the Board of Directors.

CHAIRMAN:-

- Chairman of the Committee shall be an Independent Director;
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

- Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

- Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

ON BEHALF OF THE BOARD OF DIRECTORS
SHANTHALA FMCG PRODUCTS LIMITED

Sd/-
B Manjunath Mallya
Chairman & Managing Director
(DIN: 06793251)

Sd/-
B Shobitha Mallya
Director
(DIN: 06793259)

Place: Kodagu
Date: 23/08/2024

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

Independent Auditors' Report

To,
THE MEMBERS OF SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as Shanthala FMCG Products Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **SHANTHALA FMCG PRODUCTS LIMITED***(Formerly known as Shanthala FMCG Products Private Limited)*, which comprise the Balance Sheet as at **March 31, 2024** 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, 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 **March 31, 2024** and its **Profit and its cash flows** for the year ended on that date.

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 **March 31, 2024** taken on record by the

Board of Directors, none of the directors is disqualified as on **March 31, 2024** from being appointed as a director in terms of Section 164 (2) of the 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

(Laxman Kale)
Partner
M.No: 110882
Date: 27/05/2024
Place: Dombivli
UDIN: 24110882BKAKVL5145

Annexure-A to Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SHANTHALA FMCG PRODUCTS LIMITED *(Formerly known as Shanthala FMCG Products Private 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, the company does not own any immovable properties; hence verification of title deeds is not applicable.

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, 2024 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)]

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

The Company has not given any loans, secured or unsecured to companies, firms or any other parties if so:

a. In terms of information and explanation given to us and the books of accounts and records examined by us, the terms and conditions of the grant of loans and advances in the nature of loans during the year are not prejudicial to the interest of the Company.

b. The aforesaid loans and advances do not carry any interest. Salary advance is generally being recovered as per stipulation. All other loans and advances are against performance of contract and in the nature of trade advance. Hence there is no stipulation of repayment.

c. In respect of above loans and advances, there is no amount which is overdue for more than ninety days.

d. In respect of aforesaid loans and advances, there are no amounts has fallen due during the year and no renewal or extension has been granted or settled by fresh loans.

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

In our opinion and according to the information and explanations given to us, the Company does not have any transactions with respect to the loans, investments, guarantees and securities covered under section 185 and 186 of the Act. Therefore, paragraph 3(iv) of the Order is not applicable.

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, 2024 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 31.03.2024

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. On an overall examination of the financial statements of the Company, the Company had not any subsidiary, joint venture or associates hence reporting on 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)]

a. During the year, the company has raised moneys by way of initial public offer for issuing 17,66,400 equity shares of ₹ 10/- each at a premium of ₹ 81/- per share. The moneys as raised have been partially applied till March 31, 2024 and remaining amount is held as short-term deposits and bank balances as follows:

(₹ 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	100.00	1050.00
Initial Public offer	General Corporate Purposes (Including IPO expenses apportioned)	457.42	457.42	Nil
	Total	**1607.42**	**557.42**	**1050.00**

b. During the year, the Company has issued 1,16,458 equity having face value of Rs. 10/- each at securities premium of Rs. 330/- each during the year by way of private placement cum preference allotment.

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

a. During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company which were noticed or reported during the year, nor have we been informed of any such instances by the management.

b. During the year, no report under sub-section (12) of section 143 of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government has been filed.

c. According to the information and explanation given to me and based on my examination of the books of account of the company, no whistle blower complaints have been received during the year by the company. Accordingly reporting under paragraph clause 3 (xi) (c) of the order is not applicable.

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)]

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by 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 persons 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) is not applicable.

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 in the Financial Year 2023-24 and in the immediately preceding financial year.

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

As per the information provided, A Gopalakrishna, Chartered Accountant, the statutory auditors of the company have resigned with effect from 02nd May, 2023 and as informed no objections or concerns have been raised by the outgoing auditors.

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 based on our examination of the evidence supporting the Assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) 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)]

(i) Since the company does not have any subsidiary, there is no consolidation of account and hence reporting under clause 3(xxi) of the order is not applicable.

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

(Laxman Kale)
Partner
M.No: 110882
Date: 27/05/2024
Place: Dombivli
UDIN: 24110882BKAKVL5145

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, *(Formerly known as Shanthala FMCG Products Private Limited)*** as on March 31, 2024 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 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.

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, 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Laxman Kale
Partner
M.No. : 110882
Date: 27/05/2024
Place: Dombivli
UDIN: 24110882BKAKVL5145

Balance Sheet

as at 31st March , 2024

(₹ in Lacs)

Particulars	31-Mar-24	31-Mar-23
I. EQUITY AND LIABILITIES		
(1) Shareholder's funds		
(a) Share capital	669.81	50.00
(b) Surplus	1,506.21	93.21
	2,176.02	**143.21**
(2) Non-current liabilities		
(a) Long-term borrowings	17.70	168.64
(b) Deferred Tax (Liability)	-	0.06
(3) Current liabilities		
(a) Trade payables	68.97	37.98
(b) Short Term Borrowings	-	278.40
(c) Other current liabilities	15.78	11.34
(d) Short-term provisions	16.35	17.59
	101.10	**345.31**
Total	**2,294.82**	**657.22**
II. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment and Intangible assets		
(i) Property, plant and equipment	238.25	235.67
(ii) Capital work-in-progress	-	-
(b) Other Non Current Assets	1,188.08	45.48
(c) Deferred Tax (Asset)	0.41	-
(d) Long term loans and advances	34.80	16.93
	1,461.54	**298.08**
(2) Current assets		
(a) Inventories	247.14	107.50
(b) Trade receivables	322.80	99.85
(c) Cash and cash equivalents	171.44	137.58
(d) Short-term loans and advances	91.90	14.02
(e) Other Current Assets	-	0.19
	833.28	**359.14**
Total	**2,294.82**	**657.22**

Significant accounting policies

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For **KALE MALDE & CO.**
Chartered Accountants
ICAI F.R.No. 154422W

(CA. Laxman Kale)
Partner
M.No. : 110882
Date: 27/05/2024
Place: Dombivli
ICAI UDIN: 24110882BKAKVL5145

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED
(formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

B Manjunath Mallya
Chairman and Managing Director
DIN : 06793251
Date: 27/05/2024
Place: Kodagu

Shobitha Malya
Director
DIN : 06793259
Date: 27/05/2024
Place: Kodagu

Yogish Mallya
Chief Financial Officer
Date: 27/05/2024
Place: Kodagu

Snehal Bhagwat
Company Secretary
Date: 27/05/2024
Place:- Mumbai

Statement of Profit and Loss

for the period ended 31st March , 2024

(₹ in Lacs)

Particulars	31-Mar-24	31-Mar-23
Revenue from operations	4,133.06	4,051.59
Other income	53.85	25.65
Total Income	**4,186.91**	**4,077.25**
Expenses:		
Purchase Cost	3,995.36	3,935.81
Employee benefit expense	59.25	49.01
Financial costs	23.25	40.92
Depreciation and amortisation cost	3.16	1.78
Other expenses	67.91	23.48
Total expenses	**4,148.93**	**4,051.00**
Profit before tax	**37.98**	**26.25**
Tax expense:		
(1) Current tax	10.09	8.46
(2) Deferred tax	(0.47)	0.06
(3) Excess / Short Provision of Income Tax	(1.06)	
Total Tax Expenses	**8.56**	**8.52**
Profit/(Loss) for the period	**29.42**	**17.73**
Earning per equity share:		
Face value per equity shares ₹ 10/- fully paid up.		
(1) Basic	0.67	31.56
(2) Diluted	0.67	31.56

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For **KALE MALDE & CO.**
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Snehal Bhagwat
Company Secretary
Date: 27/05/2024
Place:- Mumbai

Cash flow statement

for the year ended 31st March, 2024

(₹ In Lacs)

Particulars	31-Mar-24		31-Mar-23	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Taxation		37.98		26.25
Adjustments for -				
Depreciation/Amortisation	3.16		1.78	
Interest Income	(33.94)		(2.34)	
Interest Expense	23.25		40.92	
		(7.53)		40.35
Operating profit before working capital changes		**30.45**		**66.60**
Adjustments for -				
Short Term Loans & advances	(77.88)		49.98	
Long Term Loans & advances	(17.87)		(0.35)	
Inventories	(139.64)		3.54	
Other Current Assets	0.19		4.05	
Other Non- Current Assets	(1,142.60)		(2.07)	
Trade Receivable	(222.94)		(24.34)	
Trade and Other Payables	30.99		23.28	
Other Current Liabilities	4.44		4.21	
Short Term Provisions	(1.24)		15.31	
		(1,566.54)		73.60
Cash generated from operations		**(1,536.10)**		**140.21**
Direct Taxes paid (including Fringe Benefits Tax and net of refund of taxes)		(10.09)		(8.46)
Excess / (Short) Provision in Income Tax		1.06		
Net cash from operating activities		**(1,545.12)**		**131.74**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(5.74)		(0.67)	
Interest received	33.94		2.34	
Net cash used in investing activities		**28.20**	-	**1.68**

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
C. CASH FLOW FROM FINANCING ACTIVITIES		-
Proceeds from/(Repayment of) Short-term Borrowings	(278.40)	16.90
Proceeds from/(Repayment of) Long-term Borrowings	(150.95)	(36.05)
Interest paid	(23.25)	(40.92)
Isuue of Share	188.29	
Securities Premium	1,815.10	
Net cash used in financing activities	**1,550.79**	**(60.07)**
Net (decrease)/increase in cash and cash equivalents	**33.86**	**73.35**
Cash and Cash Equivalents - Opening Balance	**137.58**	**64.23**
Cash and Cash Equivalents - Closing Balance	**171.44**	**137.58**

Notes:

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on (Revised) Cash Flow Statements, issued by the Institute of Chartered Accountants of India.

2 Cash and cash equivalents at the end of the year represents cash and bank balances

As per our report of even date
For **KALE MALDE & CO.**
Chartered Accountants
ICAI F.R.No. 154422W

(CA. Laxman Kale)
Partner
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Date: 27/05/2024
Place: Kodagu

Snehal Bhagwat
Company Secretary
Date: 27/05/2024
Place:- Mumbai

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant Accounting Policies

1 Basis of Preparation:

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.

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.

2 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."

3 Plant, Property and Equipment (PPE)

(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.

4 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.

5 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.

6 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

7 Preliminary Expenditures :

Preliminary expenditure has been w/off for five years

8 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.

9 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.

10 Purchases:

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

11 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.

12 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.

13 Impairment:

The Company makes reasonable estimate of the carrying value of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

14 Earning Per Shares:

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.

15 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.

16 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.

17 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 2024 disclosures relating to

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

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.

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

19 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.

20 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.

21 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.

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

As per our report of even date
For **KALE MALDE & CO.**
Chartered Accountants
ICAI F.R.No. 154422W

(CA. Laxman Kale)
Partner
M.No. : 110882
Date: 27/05/2024
Place: Dombivli
ICAI UDIN: 24110882BKAKVL5145

For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED
(formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

B Manjunath Mallya
Chairman and Managing Director
DIN : 06793251
Date: 27/05/2024
Place: Kodagu

Shobitha Malya
Director
DIN : 06793259
Date: 27/05/2024
Place: Kodagu

Yogish Mallya
Chief Financial Officer
Date: 27/05/2024
Place: Kodagu

Snehal Bhagwat
Company Secretary
Date: 27/05/2024
Place:- Mumbai

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 2 : Share capital

(₹ In Lacs)

Particulars			31-Mar-24	31-Mar-23
Authorised share capital				
1,10,00,000 Equity Shares of ₹ 10/- each			1,100.00	1,100.00
(1,10,00,000 shares of ₹ 10/- each)				
Issued, subscribed & paid-up share capital			669.81	50.00
61,98,064 shares issued out of which 18,82,858 Equity Shares of ₹ 10/- each fully paid up for cash and 43,15,206 share issued for other than cash as a bonus shares				
(Previous Year- 5,00,000 Equity Shares of ₹ 10/- each)				
Share holding pattern and details Above 5%				
Shareholder	**% holding**	**No.of shares**		
B Manjunath Mallya	26.30	17,62,200		
Sneha Kudva	17.78	11,91,400		
Yogish Mallya	11.69	7,83,200		
Total share capital			**669.81**	**50.00**

Note 2.1 : Reconciliation of number of shares outstanding is set out below:

Particulars	31-Mar-24	31-Mar-23
Equity shares at the beginning of the year	500,000.00	50,000.00
Add: Shares issued during the current financial year	61,98,064	450,000.00
18,82,858 Equity Shares issued fully paid up for cash and 43,15,206 share issued for other than cash as a bonus shares		
Equity shares at the end of the year	**66,98,064**	**500,000.00**

Note 2.2 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 2.3 : There is fresh issue during the year through the initial public offer of 17,66,400 No of shares of ₹ 10 each at ₹ 91

Note 2.4 : There is change in the number of shares outstanding at the beginning and at the end of the year.

Note 2.5 : There is change in the pattern of shareholding during the year.

Sr. No.	Shares held by promoters at the end of the year 31st March, 2024			% Change during the year***
	Promoter Name	No. of Shares**	% of total shares**	
1	B Manjunath Mallya	1,762,200	26.31	-71.69%
2	Sneha Kudva	1,191,400	17.79	17.79%
3	Shobitha Malya	80,000	1.19	-0.81%
4	Yogish Mallya	783,200	11.69	11.69%
	Total	**3,816,800**	**56.98**	

** Details shall be given separately for each class of shares.

*** Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Sr. No.	Shares held by promoters at the end of 31st March, 2023			% Change during the year***
	Promoter Name	No. of Shares**	% of total shares**	
1	B Manjunath Mallya	489,500.00	98.00	-
2	Shobitha Malya	10,000.00	2.00	-
	Total	**499,500.00**	**100%**	**-**

Note 3: RESERVES & SURPLUS:

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
SURPLUS:		
Opening balance	93.21	75.49
Add:- Profit for the year	29.42	17.73
Less: Utilised for Bonus Share issue	(47.21)	
	75.43	**93.21**
Securities Premium		
Opening balance	-	-
Add during the year	1,815.10	-
Less: Utilised for Bonus Share issue	(384.31)	-
	1,430.78	**-**
Gross Total	**1,506.21**	**93.21**

Note 4 : Long term borrowings

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
LONG TERM BORROWING:		
Secured Loan:		
Term Loan		
From Banks - *	2.83	129.17
Unsecured Loan:		
From Related parties	**14.87**	**39.47**
TOTAL	**17.70**	**168.64**

* Note: Secured Against Equitable mortgage charges over House Property known as DHS Residence Situated at Survey No. 59-2B.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 5 : Trade payables

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises	68.97	37.97
and small enterprises	-	-
Total	**68.97**	**37.97**

Note 5.1

Note 5.1 : 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, 2024 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.

Trade Payables ageing schedule: As at 31st March, 2024

(₹ In Lacs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	-	-	-	-	-
(i) MSME	-	-	-	-	-
(ii) Others	69	-	-	-	69
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**69**	**-**	**-**	**-**	**69**

Trade Payables ageing schedule: As at 31st March 2023

(₹ In Lacs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	-	-	-	-	-
(i) MSME	-	-	-	-	-
(ii) Others	38	-	-		38
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**38**	**-**	**-**	**-**	**38**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 6 : Short Term Borrowings

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
Secured Borrowings		-
Loans Repayable on demand from Bank	-	170.00
Against Hypothecation of Stock in Trade	-	108.40
Total	**-**	**278.40**

Note 7 : Other Current Liabilities

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
Sundry Creditors for Expenses	11.25	6.83
Statutory Dues	3.27	3.26
Rent Deposits	1.25	1.25
Total	**15.78**	**11.34**

Note 8 : Short Term Provisions

(₹ In Lacs)

Particulars	31-Mar-24	31-Mar-23
Provision for income tax (Net of Income Tax and TDS)	10.09	8.46
Provision for Expenses	6.26	9.13
Total	**16.35**	**17.59**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 9 : Property, plant & equipments as on 31st March, 2024

(As per the Companies Act, 2013)

(₹ In Lacs)

Details of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As On 01st April, 2023	Additions	Deductions	Total	As On 01st April, 2023	For The Year	Deductions	As on 31st March, 2024	As At 31st March, 2024	As At 31st March, 2023
TANGIBLE ASSETS										
Apartments	227.91	-	-	227.91	-	-	-	-	227.91	227.91
Computers	0.87	0.13	-	1.00	0.54	0.27	-	0.81	0.19	0.33
	-			-					-	-
Furniture	4.55	4.00	-	8.55	2.05	1.12	-	3.17	5.39	2.50
	-			-	-			-	-	-
Office Equipment	4.57	1.61	-	6.18	1.28	1.26	-	2.54	3.64	3.29
	-			-	-			-	-	-
Vehicles	5.91	-	-	5.91	4.28	0.51	-	4.79	1.12	1.63
	243.81	**5.74**	-	**249.55**	**8.15**	**3.16**	-	**11.30**	**238.25**	**235.67**
INTANGIBLE ASSETS										
	-	-	-	-	-	-	-	-	-	-
Total	**243.81**	**5.74**	-	**249.55**	**8.15**	**3.16**	-	**11.30**	**238.25**	**235.67**
Figures of previous year	**243.15**	**0.67**	-	**243.81**	**6.36**	**1.78**	-	**8.15**	**235.67**	**236.79**

As per our report of even date
For **KALE MALDE & CO.**
Chartered Accountants
ICAI F.R.No. 154422W

(CA. Laxman Kale)
Partner
M.No. : 110882
Date: 27/05/2024
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Chief Financial Officer
Date: 27/05/2024
Place: Kodagu

Snehal Bhagwat
Company Secretary
Date: 27/05/2024
Place:- Mumbai

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 10 : Other Non current Assets

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Balance with Bank in Fixed Deposits	1,125.68	45.48
2	Deferred IPO Expenses	62.40	-
		-	-
	Total	**1,188.08**	**45.48**

Note 11 : Long term loans and advances

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
I)	**Security deposit**		
	a) Unsecured, considered good	34.80	16.93
	Total	**34.80**	**16.93**

Note 12 : Inventories

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Finished Goods	247.14	107.50
	*Valued at lower of cost and net realizable value		
	Total	**247.14**	**107.50**

Note 13 : Trade receivables

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	**Outstanding for more than six months**		
	a) Secured, considered good	-	-
	b) Unsecured, considered good	-	-
	c) Doubtful	-	-
2	**Others**	-	-
	a) Secured, considered good	-	-
	b) Unsecured, considered good	322.81	99.84
	c) Doubtful	-	-
	(Unsecured not Considered good under litigation)		
	Total	**322.81**	**99.84**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 13.1

Trade Receivables ageing schedule as at 31st March, 2024 (₹ In Lacs)

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables -considered good	323			-	-	323
(ii)	Undisputed Trade receivables -considered doubtful		-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-		
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-
Total		**323**	**-**	**-**	**-**	**-**	**323**

Trade Receivables ageing schedule as at 31st March, 2023 (₹ In Lacs)

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables -considered good	100				-	100
(ii)	Undisputed Trade receivables -considered doubtful	-	-			-	-
(iii)	Disputed trade receivables considered good	-	-	-	-		
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-
Total		**100**	**-**	**-**	**-**	**-**	**100**

Note 14 : Cash and bank balances

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	**Cash and cash equivalent**		
	Cash on Hand	110.21	105.84
	Sub total (A)	**110.21**	**105.84**
2	**Bank balances**		
	Balance with Bank in Current	61.23	31.74
	Sub total (B)	**61.23**	**31.74**
	Total [A + B]	**171.44**	**137.58**

Note 15 : Short terms loans and advances

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Other Current Assets	91.90	14.02
	Total	**91.90**	**14.02**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 16 : Other Current Assets

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	**Preliminary Expenses** (to the Extent not written off)	-	0.19
	Total	**-**	**0.19**

Note 17 : Revenue from operations

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Sales of products	4,133.06	4,051.59
			-
	Total	**4,133.06**	**4,051.59**

Note 18 : Other income

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	FD Interest	33.94	2.30
2	Income Tax Refund Interest	-	0.04
3	Marketing Activity & Support Service	-	9.64
4	Room Rent	18.36	13.61
5	Other Income	0.81	-
6	Round Off	-	0.05
7	Discount Received	0.74	-
	Total	**53.85**	**25.65**

Note 19 : Cost of Goods Sold

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Opening Stock	107.50	111.04
2	Purchases	4,135.00	3,932.26
		4,242.50	**4,043.31**
	Less: Closing Stock	247.14	107.50
	Total	**3,995.36**	**3,935.81**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 20 : Employment benefit expenses

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Salaries	32.25	22.01
2	Director Remuneration * (Note 27)	27.00	27.00
	Total	**59.25**	**49.01**

* Considered as Related Party Transaction. Refer to note no. 25 for related party disclosure.

Note 21 : Financial cost

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Bank Charges, commission & Processing Fees	2.56	1.76
2	Bank Interest on Overdraft	6.14	15.41
3	Interest on Term Loan & Others	12.95	21.34
4	Interest paid on unsecured loans	1.60	2.40
	Total	**23.25**	**40.92**

Note 22 : Depreciation and amortised cost

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Depreciation and amortised cost	3.16	1.78
	Total	**3.16**	**1.78**

Note 23 : Other expenses

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	**Other Administrative Expenses**		
	Payment to Auditors (Note 26)	2.50	2.50
	Apartment Maintenance	0.62	1.55
	Accounting Charges	1.50	-
	Computer & Software Maintenance	1.14	1.04
	Conveyance expenses	1.31	0.29
	Distrubution Expenses	8.61	2.42
	Electricity Expenses	1.98	1.47
	Trade Licences	0.16	0.06
	GST Arrears	0.15	0.35
	Insurance	0.97	0.53
	Interest & Late Fee	0.05	0.13
	Miscellaneous expenses	0.72	0.27
	Municipality Tax	0.33	0.07
	Oyo Commission	-	2.01
	Printing & Stationery	0.14	0.34

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Sr. No.	Particulars	31-Mar-24	31-Mar-23
	Professional Fees Paid	4.70	0.24
	Profession Tax Paid	0.15	0.05
	Rent Paid	6.93	4.86
	Telephone Expenses	0.98	0.87
	Transportation Expenses	14.72	1.37
	Vehicle Maintenance	4.23	2.86
	Repair & Maintenance	0.25	-
	Commission	12.53	-
	Sales Promotion	1.93	-
	Office Expenses	0.03	-
	Website Expenses	0.37	-
	FSSAI License	0.01	-
	Debit Bal W/off	0.03	-
	TDS Arrears	0.66	-
	Preliminary Expenses written off	0.19	0.19
	Total	**67.91**	**23.48**

Note 24 : Earning per share

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Net profit after tax	29.42	17.73
2	Weighted average number of equity shares	43.63	0.56
	Earning per share (face value of ₹ 10/-fully paid)	**0.67**	**31.56**

Note 25 : Disclosure as required by Para 20 of Accounting Standard -AS 18 "Related Parties" of the Companies (Accounting Standard) Rules, 2006:

Names of related parties and description of relationship : Relevant Para of the CARO 2020 - 3(xiii)

(₹ In Lacs)

Sr. No.	Name	Relation
1	B. Manjunath Mallya	Managing Director
2	Shobitha Mallya	Director
3	Shanthala Enterprises	Relative of Directors which has significant interest
4	Shwetha Kudva	Relative of Directors
5	Snehal Bhagwat	Company Secretary
6	Yogish Mallya	CFO
7	Smita Arun Patil	Director
8	Shivani Shivshankar Tiwari	Director
9	Ravikant Moreshwar Patil	Director

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Transactions with related parties for the year ended 31st March, 2024 (₹ In Lacs)

Sr. No.	Name	Director Remuneration/ Interest expenses		Loan O/s		Rent Expenses	
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
1	B. Manjunath Malya	18.00	18.00	14.87	19.47	2.85	2.40
2	Shobitha Malya	9.00	9.00	0.00	.00		
3	Shwetha Kudva (Interest)	1.60	2.40	0.00	20.00	0.00	0.00
4	Snehal Bhagwat	2.80	0.00				
5	Smita Arun Patil	0.50	0.00				
6	Shivani Shivshankar Tiwari	0.50	0.00				
7	Ravikant Moreshwar Patil	0.50	0.00				

Note 26 Payment to Auditors

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	Statutory Audit Fees	2.00	2.00
2	Tax Audit Fees	0.50	0.50
	Total	**2.50**	**2.50**

Note 27 Director Remuneration

(₹ In Lacs)

Sr. No.	Particulars	31-Mar-24	31-Mar-23
1	B Manjunath Mallya	18.00	18.00
2	Shobitha Malya	9.00	9.00
	Total	**27.00**	**27.00**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Note 28: Deferred Tax Liability/Asset - AS 22

(₹ In Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Tax effect on items constituting Deferred Tax Liability		
- On difference between Book Balance and Tax Balance of Fixed Assets	1.62	0.11
- On expenditure deferrable in books but allowed in Income tax	-	-
- Others	-	-
Net deferred tax (liability) / asset	**1.62**	**0.11**
Tax Effect	0.41	0.06
Tax effect on items constituting Deferred Tax Asset		
- Provision for compensated absences, gratuity and other employee benefits	-	-
- Provision for doubtful debts / advances		
- Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	-
- On difference between Book Balance and Tax Balance of Fixed Assets	-	-
- Unabsorbed depreciation carried forward	-	-
- Brought forward business losses	-	-
- Others	-	-
Tax Effect	-	-
Net deferred tax (liability) / asset	**0.41**	**0.06**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Groupings forming part of Balance Sheet as at 31st March, 2024

Particulars		31.03.2024 (₹)
Note 4 : Long term borrowings		
Secured Loan:		
Term Loan		
From Banks	-	
Bharat Bank Loan 002533510066830	-	
ICICI Bank Loan 048755000001	2.83	
	-	**2.83**
Unsecured Loan:		
From Related parties: Directors		
Manjunath Mallya Loan	14.87	
Shwetha Kudwa	-	
		14.87
Note 5 : Trade payables		
Total outstanding dues of creditors		
Other than micro enterprises and small enterprises		
Sundry Creditor for Goods		
ITC LIMITED	32.00	
M.K.AGROTECH PVT LTD	26.72	
Pure Fit Foods Pvt Ltd	0.06	
Hindustan Unilever	10.19	
	-	**68.97**
Note 6 : Short Term Borrowings		
Loans repayable on demand from Bank		
ICICI Bank Madikeri		-
Against Hypothecation of Stock in Trade		
SBI - Channel financing HUL Ltd	-	
SBI - Channel financing M K Agrotech	-	
Note 7 : Other Current Liabilities		
Sundry Creditors for Expenses		
Mahasala Transport	8.37	
Accounting Charges Payable	1.35	
Axel Elevator	0.25	
Bigshare Services Pvt Ltd	0.03	
CDSL	-0.05	
Digital arts	0.00	
CS Snehal	0.40	
KEB	0.03	
NSDL	0.11	
HDFC Credit card	0.27	

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Particulars		31.03.2024 (₹)
PACCS Rent	0.15	
Sebastian Rent	0.36	11.25
Statutory Dues		
GST Payable	0.18	
TCS Payable	0.02	
TDS Payable	3.08	**3.27**

Note 8 : Short Term Provisions

Telephone Expenses Provision	0.09	
Provision for Audit fee	2.25	
Manjunath Mallya -Director Remuneration Payable	3.11	
Shobitha Mallya-Director Remuneration Payable	0.82	**6.26**

Note 10 : Non current investment

Balance with Bank in Fixed Deposits		
ICICI FD	770.10	
SBI FD	355.58	**1,125.68**

Note 11 : Other Non Current Assets

Deferred IPO Expenses	62.40	**62.40**

Note 11 : Long term loans and advances

Security deposit		
a) Unsecured, considered good		
Godown Advance	1.00	
NSE Deposit Fees	16.07	
Rent Advance	17.73	**34.80**

Note 12 : Inventories

Finished Goods		
Stock ITC	161.80	
Stock MTR	-	
Stock Sunpure	26.03	
Stock HUL	59.31	**247.14**

Note 13 : Trade receivables

Outstanding for more than six months

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Particulars		31.03.2024 (₹)
Unsecured, considered good		
ITC	283.16	
MTR	0.33	
Sunpure	11.39	
HUL	19.56	
Great Sands Consulting Pvt Ltd	4.24	
Oyo Hotels and Homes Pvt Ltd	1.25	
Sebastain	1.88	
Others	1.00	**322.81**

Note 14 : Cash and bank balances

Bank balances		
Balance with Bank in Current/Savings Account		
Bharat Bank 002512100008717	0.04	
HDFC Bank 50200015632360	0.03	
ICICI Bank 048705005376	22.03	
Union Bank 510101004110101	0.00	**22.10**
Bank OD Balances		
ICICI Bank Madikeri	23.70	
SBI - Channel financing HUL Ltd	6.95	
SBI - Channel financing M K Agrotech	8.48	39.13
Total	-	**61.23**

Note 15 : Short terms loans and advances

Other Current Assets		
Cess	56.15	
Prepaid Expenses	0.37	
Advance Tax	6.00	
TCS Receivables	0.06	
TDS	3.56	
GST Receivables	24.77	
Unclaimed ITC	0.30	
VAT	0.69	**91.90**

Note 30 : Financial ratio analysis

Sr. No.	Ratio Analysis	Numerator	₹	₹	Denominator	₹	₹	31-Mar-24	31-Mar-23	Variation	% of Variation
1	Current Ratio	Current Assets	833.27	359.15	Current Liabilities	101.10	345.31	8.24	1.04	7.20	6.92
2	Debt Equity Ratio	Total Liabilities	17.70	447.04	Shareholder's Equity	2,176.02	143.21	0.01	3.12	-3.11	-99.74
3	Debt Service Coverage Ratio	Net Operating Income	55.83	60.42	Debt Service	139.29	51.30	0.4008	1.1778	-0.78	-65.97
4	Return on Equity Ratio	Profit for the period	29.42	17.73	Avg. Shareholders Funds	1,159.61	132.09	0.0254	0.1342	-0.11	-81.09
5	Inventory Turnover Ratio	Cost of Goods sold	3,995.36	3,935.81	Average Inventory	177.32	109.27	22.53	36.02	-13.49	-37.44
6	Trade Receivables Turnover Ratio	Net Credit Sales	4,133.06	4,051.59	Average Trade Receivables	211.32	3,824.97	19.56	1.06	18.50	1,746.40
7	Trade Payables Turnover Ratio	Total Purchases	4,135.00	3,932.26	Average Trade Payables (Creditor for Goods)	53.47	26.33	77.34	149.36	-72.02	-48.22
8	Net Capital Turnover Ratio	Net Sales	4,133.06	4,051.59	Average Working Capital	366.09	6.92	11.29	585.37	-574.08	-98.07
9	Net Profit Ratio	Net Profit	29.42	17.73	Net Sales	4,133.06	4,051.59	0.007	0.004	0.00	62.72
10	Return on Capital employed	EBIT	52.67	58.64	Capital Employed *	2,193.71	311.91	0.02	0.19	-0.16	-87.23
11	Return on Investment	Return/Profit/ Earnings	-	-	Investment **	-	-	not applicable	not applicable		

*** Capital Employed could be treated three ways**

Total Assets - Current Labilities

Fixed Assets + Working Capital

Equity + Long Term Debt

***ROI as per GN

ROI = {MV(T1) – MV(T0) – Sum [C(t)]}

{MV(T0) + Sum [W(t) * C(t)]}

where, T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

Companies may provide ROI separately for each asset class (e.g., equity, fixed income, money market, etc.).

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

	Computation of Ratios	UP TO 31.03.2024	31.03.2023
		₹	
I.	GROSS PROFIT RATIO		
	Opening Stock	108	111
	Purchases	4,135	3,932
		4,242	4,043
	Less: Closing Stock	4,000,247	108
	Direct Expenses (A)	(3,996,005)	3,936
	Sales Inculding Trading		
	Turnover (B)	4,133	4,052
	Gross Profit = (C)= (A)-(B)	4,000,138	116
	Gross Profit Ratio= (C)/(B)*100	**96,783.96**	**2.86**
II.	NET PROFIT RATIO BEFORE TAX		
	Net Profit as per P&L A/c=(A)	38	26
	Turnover - As computed in I above=(B)	4,133	4,052
	Net Profit Ratio = (A)/(B)*100	0.92	0.65
III.	STOCK IN TRADE/TURNOVER RATIO		
	Stock in Trade = Closing Stock =(A)	4,000,247	108
	Turnover - As computed in I above=(B)	4,133	4,052
	Stock in Trade/ Turnover Ratio= (A)/(B)*100	**96,786.61**	**2.65**

Notes

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