



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 / 0994569496

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

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting (AGM) of **SHANTHALA FMCG PRODUCTS LIMITED** (FORMERLY KNOWN AS SHANTHALA FMCG PRODUCTS PRIVATE LIMITED) to be held on Tuesday, July 18, 2023 at 11.00 AM (IST) at the registered office of the Company to conduct the following businesses at *shorter notice*.

ORDINARY BUSINESS:

1. **Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditor's thereon.

2. **Appointment of a Director in place of Mr. Bantwal Manjunath Mallya (DIN: 06793251), who retires by rotation and being eligible, offers himself for re-appointment by rotation;**

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Bantwal Manjunath Mallya (DIN: 06793251), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company.”

3. **Appointment of M/s. Kale Malde & Co. Chartered Accountants (Firm Registration No. 154422W) as statutory auditor of the Company;**

To consider the appointment of M/s. Kale Malde & Co. Chartered Accountants (Firm Registration No. 154422W) as statutory auditors of the Company for a period of 05 years until the conclusion of Annual General Meeting to be held in the year 2028 and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) M/s. Kale Malde & Co. Chartered Accountants (Firm Registration No. 154422W) be and is hereby appointed as the statutory auditors of

the Company for the term of five years i.e., to hold office till the conclusion of the AGM of the Company to be held in the year 2028.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to fix such remuneration payable to them, as may be determined by the board in consultation with the auditors and that such remuneration may be paid as may be agreed upon between the auditors and the Board of Directors and to do all such acts, deeds, matters and things as may be deemed expedient in this matter including filing of necessary Forms with Registrar of Companies, Bangalore, Karnataka.”

SPECIAL BUSINESS:

4. Issue of Bonus Shares

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

“**RESOLVED THAT** pursuant to the provisions of Section 63 and other applicable provisions, *if any*, of the Companies Act, 2013 read with Rules 14 of the Companies (Share Capital and Debentures) Rules 2014 made thereunder (*including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force*), and pursuant to the relevant provision contained in Articles of Association of the Company the consent of the shareholders be and is hereby accorded to the Board for Capitalization of sum not exceeding INR 4,31,52,060/- (Indian Rupees Four Crore Thirty One Lakhs Fifty Two Thousand Sixty only) out of free reserves and Securities Premium Account of company for the purpose of issuance of 43,15,206 (Forty Three Lakhs Fifteen Thousand Two Hundred Six) Equity Shares of INR 10/- (Indian National Rupees Ten only) each as “Bonus Shares” to the existing Equity Shareholders of the Company in the ratio 7 New Equity Shares of INR 10/- (Indian Rupees Ten only) each as fully paid for every 1 Equity Shares of INR 10/- (Indian Rupees Ten only) each held by them as on the record date i.e. July 14, 2023 by capitalizing an amount out of the free reserves and Securities Premium Account.

“**RESOLVED FURTHER THAT** the bonus shares shall rank pari passu with existing shares of the company except that the bonus shares shall not be entitled to Dividend declared before the allotment thereof.

“**RESOLVED FURTHER THAT** any of the directors of the Company and/or Company Secretary of the Company, be and are hereby authorised *severally* authorized to file all relevant forms along with all relevant documents as may be deemed expedient by him with the Ministry of Corporate Affairs (Registrar of Companies, Karnataka, Bangalore) and to take all effective steps as may be deemed necessary by him for and on behalf of the Board of Directors of the Company.”

5. *Change in designation of Mr. Bantwal Manjunath Mallya as a Chairman and Managing Director of the Company:*

To consider and, if thought fit, to pass with or without modifications, the following resolution as an *Ordinary Resolution:*

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association, the approval of the Members of the Company be and is hereby accorded to change the designation of Mr. Bantwal Manjunath Mallya (DIN: 06793251), as a Chairman and Managing Director of the Company, on terms and conditions as decided by the Board of Directors, which may vary from time to time, for a term of five consecutive years commencing from July 18, 2023 upto July 17, 2028 or as the Board of Directors may decide, whichever is earlier.

"**RESOLVED FURTHER THAT** any of the directors of the Company and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution, including submission of relevant forms/returns to Ministry of Corporate Affairs."

6. *Change in designation of Mrs. Shobitha Malya as an Executive Director of the company:*

To consider and, if thought fit, to pass with or without modifications, the following resolution as an *Ordinary Resolution:*

"**RESOLVED THAT** in accordance with the provisions of Sections 152 and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Articles of Association of the company, the approval of the Members of the Company be and is hereby accorded to change in designation of Mrs. Shobitha Malya (DIN: 06793259), as an Executive Director, on terms and conditions as decided by the Board of Directors, which may vary from time to time, for a term of five consecutive years commencing from July 18, 2023 up to July 17, 2028 or as the Board of Directors may decide, whichever is earlier.

"**RESOLVED FURTHER THAT** any of the directors of the Company and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution, including submission of relevant forms/returns to Ministry of Corporate Affairs.

7. Authorise the Board to sell, lease or otherwise dispose undertaking of the company pursuant to Section 180(1)(a) of the Companies Act, 2013:

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

“RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situated, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding INR 100,00,00,000/- (Rupees One Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalize the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranche(s) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

8. Approval of borrowing limits of the company:

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

“RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company’s business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding shall be in excess of the aggregate of the paid-up share capital and free reserves, securities premium apart from temporary loans obtained from the company’s bankers in the ordinary course of business but not exceeding INR 100,00,00,000/- (Rupees One Hundred Crores only) over and above the paid up share capital and free reserves for the time being of the Company.

RESOLVED FURTHER THATthe Board of Directors of the Company be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee."

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary be and hereby are authorized to submit/file the relevant copy of the forgoing resolution along with such annexure its may be required with the concerned authority to comply with the applicable rules and regulations."

9. Approval for giving of loans and guarantees, providing of securities and making investments by company pursuant to section 186 of the Companies Act, 2013:

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

"RESOLVED THAT pursuant to the provisions of section 186(3) and any other applicable provisions of the Companies Act, 2013, read with relevant rules made thereunder, including any statutory modification(s) and re-enactment(s) thereof for the time being in force, subject to the terms of Articles of Association of the Company and subject to such other approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, the consent of the member be and is hereby accorded to the Board of Directors for making investments in excess of limit specified under Section 186 of the Companies Act, 2013 from time to time in acquisition of securities of any Body Corporate or for giving loans, guarantees or providing securities to any body corporate or other person/ entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs 100,00,00,000 (Indian Rupees One Hundred Crore Only) notwithstanding that such acquisition together with existing investments of the Company in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under Section 186(3) of the Companies Act, 2013, i.e. limits applicable to company is sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby, severally authorized to file all relevant forms along with all relevant documents as may be deemed expedient by him with the Ministry of Corporate Affairs (Registrar of Companies, Karnataka, Bangalore) and to take all effective steps as may be deemed necessary by him for and on behalf of the Board of Directors of the Company."

10. Approval to the Initial Public Offering (IPO) of Equity shares of the Company:

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

“RESOLVED THAT, pursuant to provisions of Sections 23 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, and all other applicable rules made thereunder, including the Companies (Share Capital and Debenture) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any amendments / modifications thereto or re-enactment thereof, for the time being in force) (collectively the “Companies Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to and in accordance with any other applicable law or regulation, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI (ICDR) Regulations”), the relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or repealed (the “Companies Act, 1956”), the Securities Contracts (Regulation) Act, 1956, as amended (“SCRA”), and the rules framed thereunder (including any amendment thereto or re-enactment thereof, for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”), the listing agreements to be entered into by the Company with the BSE Limited and National Stock Exchange of India Limited (collectively the “Stock Exchanges”) where the equity shares of the Company having face value of Rs.10/- (“Equity Shares”) are to be listed (“Listing Agreements”) the Foreign Exchange Management Act, 1999 (“FEMA”) as amended from time to time, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by the Government of India (“GOI”), Department of Industrial Policy and Promotion, Government of India (DIPP) the Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), Stock Exchanges, the Registrar of Companies, the Department of Economic Affairs, the Ministry of Finance and/or any other competent authorities (“Competent Authorities”) and subject to such approval(s), consent(s), permission(s) and sanction(s) as may be required from such Competent Authorities and subject to such condition(s) and modification(s) as may be prescribed, stipulated or imposed by such Competent Authorities while granting such approval(s), consent(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which expressions shall deemed to include any committee(s), constituted/to be constituted by the Board and/or any Director(s) of the Company, delegated with the powers necessary for the purpose, to exercise its powers including the powers conferred by this resolution), consent of the members of the Company be and is hereby granted for an initial public offering of the equity shares of the Company, and the Board be and is hereby authorized to create, offer, issue and allot equity shares of the face value of Rs.10/- (Rupees Ten only) (the “Equity Shares”) each for an aggregate of up to 20,00,000 (Twenty Lakhs shares Only) Equity Shares by way of a fresh issuance Equity Shares for cash at a price to be decided by board (“Issue Price”), out of the authorized share capital of the Company,

including the issue and allotment of Equity Shares to the stabilizing agent pursuant to the green shoe option, if any, in terms of the SEBI (ICDR) Regulations), to such person or persons, who may or may not be the members of the Company and as the Board may, at its sole discretion, decide in consultation with the Lead Manager/s ("LMs"), so appointed including foreign/ resident investors, eligible Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), sub-accounts of eligible FIIs/FPIs, Foreign Venture Capital Investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, qualified institutional buyers, eligible employees of the Company, retail investors, bodies corporate, any other company/companies, private or public or other body corporate(s) or entities whether incorporated or not, and such other persons in one or more combinations thereof, and/ or any other categories of investors ("Issue" / "Initial Public Offer" / "IPO"), which shall include, reservation of a certain number of Equity Shares for any category or categories of persons as permitted under applicable laws, including, without limitation, eligible employees, customers and shareholders (the "Reservation"), the price including the premium to be determined through the book building process or through a fixed price, in one or more tranches and in the manner, and on the terms and conditions as the Board may, in its absolute sole discretion, decide, in consultation with the LMs, whether the price at which the Equity Shares are to be issued, at par or at premium and whether for cash or other consideration, including discount for any category of investors, as permitted under applicable laws, and the decision to determine the category or categories of investors to whom the issue and allotment/ transfer shall be made to the exclusion of all other categories of investors on such terms and conditions as may be finalized by the Board, in consultation with the LMs, and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit and to list the equity shares on the stock exchange/s as may be decided by the Board from time to time.

RESOLVED FURTHER THAT allotment of a portion of the Issue be made to high net worth individuals or such other investors as Pre IPO Placement, as may be determined by the Company in its absolute discretion, at such price as the Company may determine in light of the then prevailing market conditions in accordance with the Applicable Laws and the Board to take any and all action in connection with the Pre-IPO Placement, from time to time, in its absolute discretion, including, without limitation, negotiate, finalize and execute any document or agreement, in preliminary or final form, and any amendments, supplements, notices or corrigenda thereto; open any bank account, shares/securities account or escrow or custodian account, as permitted under Applicable Laws; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, deem necessary, proper, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing."

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalise and execute all such agreements and arrangements as well as amendments, supplements, notices or corrigenda thereto in connection with the IPO, with any LMs, underwriters, market maker,

guarantors, escrow agents, registrars, accountants, legal counsel, depository(ies), custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the IPO and to remunerate all such agencies in cash or otherwise, including by way of payment of commission, brokerage, fees, or reimbursement for expenses incurred in relation to the IPO;

RESOLVED FURTHER THAT allocation of a portion of the Issue be made available to any category or categories of persons as permitted under the SEBI (ICDR) Regulations pursuant to the Reservation, including without limitation, eligible shareholders and eligible employees in accordance with applicable laws and/or to provide a discount to offer price to retail individual applicants (the "Discount"); and to take any and all action in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, proper, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any alteration, addition or variation in relation to the Initial Public Offer, in consultation with the LMs or SEBI or such other authorities as may be required and without prejudice to the generality of the aforesaid, decide the exact issue structure and the exact component of the issue structure.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares pursuant to the Initial Public Offer, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Equity Shares on one or more stock exchanges in India.

RESOLVED FURTHER THAT the Equity Shares issued and allotted pursuant to the Issue, including any Pre-IPO Placement, Reservation shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company, except as otherwise provided pursuant to the terms of the Issue and in any offering document.

RESOLVED FURTHER THAT such of the Equity Shares to be issued as are not subscribed in the Issue may be disposed of by the Board to such persons and in such manner and on such terms as the Board may, in its absolute discretion, deem beneficial to the Company, including offering or placing them with banks / financial institutions / investment institutions / mutual funds / foreign institutional investors / bodies corporate / such other persons or otherwise as the Board may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares pursuant to the Initial Public Offer, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the Equity Shares including the number of Equity Shares that may be offered and proportion thereof, timing for issuance of such Equity Shares and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, market making, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to draft red herring prospectus, prospectus and/or offer documents and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares pursuant to the Initial Public Offer and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, appointment of intermediaries, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to delegate all or any of the powers herein conferred in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any issue and allotment of Equity shares pursuant to the IPO, the Board and any other committee thereof, be and is hereby authorized to determine the terms of the IPO including the class of investors to whom the securities are to be allotted, the number of securities to be allotted in each tranche, issue price, premium amount, discount to retail individual bidders, listing on one or more stock exchanges in India as the Board in its absolute discretion deems fit and do all such acts deeds, matters and things and to negotiate, finalize and execute such deeds, documents and agreements; as it may, in its absolute discretion, deem necessary proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the offering, issue, allotment and utilization of IPO proceeds, if applicable and such other activities as may be necessary in relation to the IPO and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions of the IPO as may be required by SEBI, the LMs, syndicate members or other authorities or agencies involved in or concerned with the IPO or as the Board in its absolute discretion deem fit and proper in the best interest of the Company, without requiring any further approval of the members and that all or any of the powers conferred on

the Company and the Board pursuant to these resolutions may be exercised by the Board or such committee thereof as the Board may constitute in this behalf.

RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all other acts of things as may be necessary appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the IPO; and any such documents so executed and delivered or acts and things done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.

RESOLVED FURTHER THAT certified copies of this resolution be provided to those concerned under the hands of a Director or Company Secretary of the Company, wherever required”

11. Approval to the Draft Prospectus of the proposed public issue of the Company:

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

“**RESOLVED THAT** pursuant to Section 23(1)(a) of the Companies Act, 2013 (the “Act”) and other applicable provisions of the Act, Rules made thereunder, subject to Memorandum and Articles of Association of the Company; and the applicable Guidelines, Rules and Regulations laid down by the Securities Exchange Board of India, the Draft prospectus for proposed public issue duly initialed by the Chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT the Draft Prospectus be signed by all the Directors and Chief Financial Officer or their authorized nominees before being delivered to the Registrar of Companies for registration.

RESOLVED FURTHER THAT Mr. Bantwal Manjunath Mallya (Managing Director) and/or Mrs. Shobitha Malya (Director) be and is/are hereby authorized to make such alterations, modifications or changes as may be suggested by the lead manager, Stock Exchange, Registrar of Companies, etc. while approving the Draft Prospectus.

RESOLVED FURTHER THAT Mr. Bantwal Manjunath Mallya (Managing Director) and/or Mrs. Shobitha Malya (Director) or any other person(s) authorised by the Board be and is/are hereby authorized to do all the acts, deeds, things, sign the documents papers etc., filing forms physically/digitally to file the Draft Prospectus with National Stock Exchange Emerge Platform for Small and Medium Enterprise Initial Public Offering (SME IPO) of the Company for their approval and also to the Registrar of Companies, Bangalore, Kamataka for registration and the

same be issued within the prescribed time limit by complying with all other formalities in this regard.”

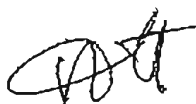
12. Approval of the Sitting Fees of the Non-executive Independent Director(s).

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

“RESOLVED THAT pursuant to provisions of Section 197 (5) of the Companies Act, 2013, read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company; approval of the Members of the Company be and is hereby accorded for the payment of sitting fees to the Non-executive Independent Directors of the Company for attending meetings of the Board and/or Committees thereof existing or new and such other meeting attended as member, which shall not exceed INR 1,00,000/- per annum plus applicable Goods and Service Tax (GST) on reverse charge mechanism basis payable by the Company w.e.f. 09th May, 2023 and any other expense incurred for and on behalf of the Company as the Board may approve as per the Company’s policy.”

For SHANTHALA FMCG PRODUCTS LIMITED

(Formerly Known As Shanthala FMCG Products Private Limited)



Bantwal Manjunath Nayya

Director

[DIN: 06793251]



Date: July 14, 2023

Place: Kodagu

NOTES:

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company.

The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

1. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company, so as to reach the registered office of the Company at least two days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
3. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 2 days of notice in writing is given to the Company.
5. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

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

SPECIAL BUSINESS:

Item No. 04: Issue of Bonus Shares:

Considering the Outstanding amount in Free Reserves and Securities Premium Account of the Company as on date, the Board of Directors have recommended Capitalization of INR 4,31,52,060/- (Indian Rupees Four Crore Thirty One Lakhs Fifty Two Thousand Sixty only) standing to the credit in Free Reserves and Securities Premium Account by Issue of 43,15,206 (Forty Three Lakhs Fifteen Thousand Two Hundred Six) Bonus Equity Shares of Face Value INR 10/- (Indian Rupees Ten only) each to the eligible Equity Shareholders of the Company in the ratio 7 new Equity Shares of INR 10/-(Indian Rupees Ten only) each as fully paid for every 1 Equity Shares of INR 10/- (Indian Rupees Ten only) each held by them as on the record date i.e., July 14, 2023 by capitalizing an amount out of the free reserves and Securities Premium Account. The Proposal for capitalization of reserves and Securities Premium Account and the said issue of Bonus shares is now placed for consideration and approval of the Members.

With a view of expansion and growth in the operations of our company and to capitalize the amount outstanding in free reserves and securities premium account, the board of directors of the company at their meeting held on July 14, 2023 considered it desirable to recommend issue of Bonus Shares in the abovementioned ratio, subject to approval of shareholders and such other authorities as may be necessary. The issue of Bonus Shares by capitalization is authorized by the Articles of Association in conformity of the Companies act, 2013.

The New Equity shares shall rank pari passu with existing shares of the company except that the bonus shares shall not be entitled to Dividend declared before the allotment thereof, if any.

The Board recommends the resolution set out in Item no. 04 of the accompanying notice for approval of the members of the Company as Ordinary resolution.

None of the Directors of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in item no. 04 of the Notice except to the extent of their shareholding in the Company.

Item No. 05: Change in designation of Mr. Bantwal Manjunath Mallya as a Chairman and Managing Director of the Company:

At the board meeting of the Company held on 14th July, 2023, the Board of Directors of the company approved change in the designation of Mr. Bantwal Manjunath Mallya (DIN:

06793251) from an Executive Director to Chairman and Managing Director of the Company for a period of five years, from July 18, 2023 upto July 17, 2028 on the terms of remuneration mentioned herein below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof:

- i. Remuneration: Up to maximum of INR 30,00,000/- (Indian Rupees Thirty Lakhs Only) per annum.
- ii. The Managing Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including the salary of Driver to be borne by the Company.
- iii. Reimbursement of any other expenses properly incurred by him in accordance with rules of the Company.
- iv. Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- v. Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

This resolution is being proposed as an Ordinary resolution in view of the relevant provisions of Schedule V to the Act for payment of minimum remuneration in the event of loss or inadequacy of profits.

Mr. Bantwal Majunath Mallya is interested in the resolution set out at Item No. 05 of the Notice with regard to his appointment. Relatives of Mr. Bantwal Majunath Mallya may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary resolution set out in Item No. 05 for approval by shareholders.

Item No. 06: Change in designation of Mrs. Shobitha Malya as an Executive Director of the company:

At the board meeting of the Company held on 14th July, 2023, the Board of Directors of the company approved change in the designation of Mrs. Shobitha Malya (DIN: 06793259) as an Executive Director of the Company for a period of five years, from July 18, 2023 up to July 17, 2028 on the terms of remuneration mentioned herein below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof:

- i. Remuneration: Up to maximum of INR 20,00,000/- (Indian Rupees Twenty Lakhs Only) per annum.
- ii. The Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including the salary of Driver to be bon-re by the Company.
- iii. Reimbursement of any other expenses properly incurred by him in accordance with rules of the Company.
- iv. Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- v. Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

This resolution is being proposed as an Ordinary resolution in view of the relevant provisions of the Act.

Mrs. Shobitha Malya is interested in the resolution set out at Item No. 06 of the Notice with regard to his appointment. Relatives of Mrs. Shobitha Malya may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary resolution set out in Item No. 06 for approval by shareholders.

Item No. 07: Authorise the Board to sell, lease or otherwise dispose undertaking of the company:

The Company may borrow monies by way of debentures, bonds, loans, hire purchase finance either in rupee or in foreign currency from Financial Institutions / Banks / Insurance Companies and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and / or charge on all or some of the immovable and movable properties of

the Company, both present and future, in favour of the lenders / trustees. To create mortgage and / or charge upto the limit of INR 100,00,00,000/- (Rupees One Hundred Crores only), approval of the Members is required to be obtained pursuant to Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. Hence the resolution is placed before the Members for their approval.

Your Directors recommend passing the above resolution as special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item no. 07 of the Notice.

Item No. 08: Approval of borrowing limits not exceeding INR 100 Crores pursuant to Section 180 (1)(c) of the Companies Act 2013:

Your Board of Directors is of the opinion that for any future business expansion or diversification which may be carried out by the Company, the Company requires infusion of additional funds. Hence, the requirement for mobilization of the funds has been substantially increased. Therefore, it is considered desirable to increase the Board's borrowing powers up to the limit of INR 100,00,00,000/- (Rupees One Hundred Crores only) over and above the paid-up share capital and free reserves of the Company.

Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1)(c) of the Companies Act, 2013.

Your Directors recommend passing the above resolution as special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the Special Resolution set out at item no. 08 of the Notice.

Item No. 09: Approval for giving of loans and guarantees, providing of securities and making investments by company pursuant to section 186 of the Companies Act, 2013:

The Board of Directors of your Company wishes to inform the Members that your Board has recommended for seeking approval of the Members of the Company to make investments, provide security and give guarantees up to a limit of INR 100,00,00,000/- (Rupees One Hundred Crores only) in any identified Body Corporate as may be benchmarked by the Board of Directors in the best interest of the shareholders of the Company.

Your approval for the said special resolution is sought as the said limit exceeds the prescribed limit of 60% of the aggregate of the paid-up share capital and free reserves and/or 100% of the aggregate of free reserves of the Company as provided under Section 186 of the Companies Act, 2013.

The Board of Directors of the Company accordingly recommends the said special resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the Special Resolution set out at item no. 09 of the Notice.

Item No. 10: Approval to the Initial Public Offering (IPO) of Equity shares of the Company:

Members are requested to note that the Board of Directors of the Company at their meeting held on 14th July, 2023 considered and approved offer, issue and allot equity shares of the face value of Rs.10/- each (Rupees Ten only) (the "Equity Shares") each for an aggregate of up to 20,00,000 (Twenty Lakhs only) Equity Shares in accordance with the Chapter IX of the SEBI (ICDR) Regulations 2018, as amended, (as defined herein) and applicable Indian securities laws for cash at a price to be decided by board ("Issue Price") by way of a fresh issuance of Equity Shares, (the "Fresh Issue") out of the Authorised Share Capital of the Company in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") (the "Offer" or the "IPO") at a price to be determined in accordance with Book Building Process or Fixed Price under the ICDR Regulations.

Members are requested to note that the Company proposes to utilize the proceeds from the IPO towards augmenting its capital base to meet future capital requirements. The listing will also provide a public market for our Equity Shares.

Members are requested to note that in terms of Section 62(1)(c) of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014 any issue of equity shares which are offered to the persons who may or may not be the existing shareholders of the Company, requires the approval of the shareholders of the Company by way of a Special Resolution. Accordingly, approval of the Members of the Company is sought in terms of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed IPO.

The Board recommends the resolution set out at Item No. 10 in the Notice to the Members for their consideration and approval by way of a Special Resolution.

Except to the extent of the Equity Shares offered under Fresh Issue, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice.

Item No. 11: Approval to the Draft Prospectus of the proposed public issue of the Company:

As mentioned in Agenda no. 10, the Company is considering seeking fresh capital by way of an Initial Public Offer to fund its expansion plans.

Members are further requested to note that in order to fund the company fresh capital needs to be raised by way of an Initial Public Offer and consequently a draft prospectus needs to be approved and finalized.

Further members are also requested to note that the Board of Directors of the Company at their meeting held on July 14, 2023 considered and approved draft prospectus for raising capital from the public subject to members approval.

Members are requested to note that in terms of Section 23(1)(a) of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act, Rules made thereunder and subject to Memorandum and Articles of Association of the Company; and the applicable Guidelines, Rules and Regulations laid down by the Securities Exchange Board of India, draft prospectus requires the approval of the shareholders of the Company by way of a Special Resolution

The Board recommends the resolution set out at Item No. 11 in the Notice to the Members for their consideration and approval by way of a Special Resolution.

Except to the extent of the Equity Shares offered under Fresh Issue, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

Item No. 12 Approval of the Sitting Fees of the Non-executive Independent Director(s).

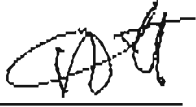
At the board meeting of the Company held on 14th July, 2023, the Board of Directors of the company had pursuant to the applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 approved the payment of Sitting Fees to the Non-executive Independent Director(s) of the company for attending meetings of the Board and/or Committees thereof existing or new and such other meeting attended as member, which shall not exceed Rs. 1,00,000/- per annum plus applicable Goods and Service Tax (GST) on reverse charge mechanism basis payable by the Company w.e.f. 09th May, 2023 and any other expense incurred for and on behalf of the Company as the Board may approve as per Company's policy.

Your Board of Directors recommends passing the above resolution as an Ordinary resolution.

Mr. Ravikant Mhatre, Ms. Shivani Tiwari and Ms. Smita Patil, Non-Executive Independent Directors of the company, are interested in the resolution set out at Item No. 12 of the Notice with regard to payment of sitting fees. Relatives of the aforesaid Non Executive Independent Directors, if any, may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

For SHANTHALA FMCG PRODUCTS LIMITED

(Formerly Known As Shanthala FMCG Products Private Limited)



Bantwal Manjunath Mallya

Director

[DIN: 06793251]



Date: July 14, 2023

Place: Kodagu