



## SHANTHALA FMCG PRODUCTS LIMITED

(Formerly known as Shanthala FMCG Products Private Limited)

**CIN: U51109KA2014PLC073756**

**Regd Office:** 7<sup>th</sup> Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu- 571218, Karnataka, India.

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### NOTICE

NOTICE is hereby given that the 9<sup>th</sup> 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 THAT**the 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 be 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. 09<sup>th</sup> 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 14<sup>th</sup> 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 14<sup>th</sup> 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 14<sup>th</sup> 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).**

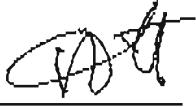
At the board meeting of the Company held on 14<sup>th</sup> July, 2023, the Board of Directors of the company had pursuant to the applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 approved 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. 09<sup>th</sup> 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



## SHANTHALA FMCG PRODUCTS PRIVATE LIMITED

(Formerly known as Shanthala Traders Private Limited)

**CIN: U51109KA2014PTC073756**

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

GST: 29AAUCS2983H1ZI | Phone: 08274298999 / 0994569496

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

### Directors' Report

To,  
The Members,  
**Shanthala FMCG Products Private Limited**  
(Formerly known as Shanthala Traders Private Limited)  
**CIN: U51109KA2014PTC073756**  
7<sup>th</sup> Block, Gandhinagar Bye Pass Road, Virajpet,  
Kodagu-571218, Karnataka, India.

Your Directors have pleasure in presenting their 09<sup>th</sup> Annual Report on the Audited Statement of Accounts of the **Shanthala FMCG Products Private Limited** (Formerly known as Shanthala Traders Private Limited) ["Company"] for the Financial Year ended March 31, 2023.

#### 1. FINANCIAL RESULTS:

The summarized financial performance of the Company for the FY 2022-23 and FY 2021-22 is given below:

PARTICULARS	[Amount in '000]	
	2022-23	2021-22
Revenue from operation	4,05,159	3,22,587
Other income	2,565	2,870
<b>Total income</b>	<b>4,07,725</b>	<b>3,25,457</b>
<b>Total Expenditure</b>	<b>4,05,100</b>	<b>3,24,822</b>
Profit / (Loss) Before Tax	2,625	635
<b>Tax Expenses:</b>		
Current Tax Expenses	846	183
Current Tax Expenses relating to prior years	-	-
Deferred tax liability	6	-
<b>Net Profit/ (Loss) After Tax</b>	<b>1,773</b>	<b>453</b>



## **2. REVIEW OF OPERATIONS:**

During the financial year under review, the Company has posted revenue from its operations of INR 40,51,59,384/- as against INR 32,25,87,170/- for the corresponding previous year.

Further, the company has earned a profit after tax of INR 17,72,509/- as against INR 4,52,048/- for the corresponding previous year.

For the financial year ended 31<sup>st</sup> March, 2023, no amount was carried to General reserve account by the company.

## **3. STATE OF AFFAIRS AND FUTURE PROSPECTS:**

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 2022-23.

## **5. SHARE CAPITAL:**

As on March 31, 2023, the authorized capital of the company is INR 11,00,00,000/- (Indian Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

Further, the issued, subscribed and paid-up share capital of the company is INR 50,00,000/- (Indian Rupees Fifty Lakhs only) divided into 5,00,000 (Five Lakhs) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

### **5.1. Changes in Authorised Capital:**

During the financial year, the Company has reclassified its share capital in form of subdivision i.e., equity shares of INR 100 each is subdivided into equity shares of INR 10 each.

Further, the company has increased its authorized capital from INR 50,00,000 (Indian Rupees Fifty Lakhs only) to INR 11,00,00,000 (Indian Rupees Eleven Crores only) by creation of additional 1,05,00,000 (One Crore Five Lakhs) Equity Shares of Rs. 10 (Indian Rupees Ten Only) each aggregating to INR 10,50,00,000 (Indian Rupees Ten Crores Fifty Lakhs only) and same was approved by the members of the company at the Extra-Ordinary General Meeting held on March 27,2023.



## 5.2. Changes in Paid up Capital:

There was no change in the issued, subscribed and paid-up share capital of the company during the financial year under review.

The company has on 27<sup>th</sup> 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 20<sup>th</sup> April, 2023 by the members of the company.

Consequently, the paid up share capital of the company as on date of this report stands at INR 61,64,580 (Indian Rupees Sixty One Lakhs Sixty Four Thousand Five Hundred Eighty Only) comprises of 6,16,458 (Six Lakhs Sixteen Thousand Four Hundred Fifty Eight) Equity Shares of Rs 10/- (Indian Rupees Ten Only) each.

## 6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as there was no unclaimed dividend.

## 7. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the financial years to which these financial statements relate on the date of this report.

However, 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 7<sup>th</sup> Block, Gandhinagar Bye Pass Road, Virajpet, Kodagu- 571218, Karnataka, India, w.e.f. 7<sup>th</sup> April, 2023.

Further, as per the special resolution passed by the members of the company at the Extra-Ordinary General Meeting held on April 03, 2023, approved change in the name of the Company from "SHANTHALA TRADERS PRIVATE LIMITED" to "SHANTHALA FMCG PRODUCTS PRIVATE LIMITED". In addition to this, 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 Private Limited Company to Public Limited Company and consequently altered its Articles of Association (AoA) and Memorandum of Association (MoA) and the name of the Company stands changed from 'SHANTHALA FMCG PRODUCTS PRIVATE LIMITED' to 'SHANTHALA FMCG PRODUCTS LIMITED' by removing the word 'Private' before the word 'Limited'.



The necessary filing with the respective Registrar of Companies, have been made by the company. The approval for status change is still awaited.

Also the company has empanelled its shares on both Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) post which the company has received International Securities Identification Number (ISIN) for its fully paid-up Equity shares i.e., INE0Q9Q01017 on June 20, 2023.

#### **8. ANNUAL RETURN:**

Pursuant to Notification dated 28<sup>th</sup> 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 in Form MGT-7 will be made available at the website of the Company at [www.shanthalafmcg.com](http://www.shanthalafmcg.com).

#### **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the financial year under review, there were no changes in the composition of Board of Directors of the company.

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, Compliance etc.

Further, post March 31, 2023, 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

Approvals of members were accorded wherever required.

#### 10. DISCLOSURES BY THE DIRECTORS:

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.

#### 11. INDEPENDENT DIRECTORS DECLARATION:





The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act that he/she meets the criteria of independence as laid out in Section 149(6) of the Act.

## 12. 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; and
- (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.

## 13. MEETINGS OF THE BOARD OF DIRECTORS:

During the Financial Year 2022-23, the Company held 5 (Five) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 was adhered to while considering the time gap between two meetings.

Sr No.	Date of Meetings	Board Strength	No. of Directors Present
1.	30/06/2022	2	2
2.	23/07/2022	2	2
3.	12/11/2022	2	2
4.	01/03/2023	2	2
5.	29/03/2023	2	2

The necessary quorum was present at all the Board Meetings and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



#### 14. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

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

#### 15. STATUTORY AUDITORS:

Mr. A Gopalkrishna, Chartered Accountant, (Membership Number - 209318) was appointed as the statutory auditor of the company at the Annual General meeting held on December 31, 2020 for a period of 5 years from April 01, 2020 till March 31, 2025. Further he has tendered his resignation with effect from May 02, 2023. The Board of Directors, in their meeting held on 27<sup>th</sup> May, 2023 approved the appointment of M/s. Kale Malde & CO., Mumbai (Firm Registration Number - 154422W) Chartered Accountant, as the statutory auditors of the Company to fill the Casual Vacancy caused by the resignation of Mr. A Gopalkrishna, Chartered Accountant, (Membership Number - 209318) to hold the office till next Annual General Meeting which was approved by members in an Extraordinary General Meeting held on June 12, 2023.

The Board of Directors of the Company ('the Board'), proposed to re-appoint M/s. Kale Malde & CO., Mumbai (Firm Registration Number - 154422W) Chartered Accountant, as the Statutory Auditors of the Company for a period of five years from the conclusion of ensuing AGM till the conclusion of the AGM to held for the FY 2027-28.

#### EXPLANATION(S)/ COMMENT(S) PURSUANT TO SECTION 134(3)(f)(i), IF ANY, OF THE COMPANIES ACT, 2013:

There are no adverse remarks/Qualifications made in Statutory Report issued by Statutory Auditor of the Company.

#### 16. DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### 17. LOANS & GUARANTEES:

During the financial year under review, the Company has not provided any loan, guarantee, security or made any investment pursuant to the provisions of Section 186 of the Companies Act, 2013 to any person or other body corporate.

#### 18. RELATED PARTY TRANSACTIONS:

During the financial year under review, all related party transactions entered into by the Company were at arm's length and in the ordinary course of business the details of which are provided in the notes to Accounts of 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: I)

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

**A. Conservation of Energy:**

The company is into the business of dealing in commodities, goods, etc. and carry on hospitality business. However, we continue to strengthen our energy conservation efforts. We are always in lookout for energy efficient measures for operation, and value conservation of energy through usage of latest technologies for quality of services. Although the equipments used by the Company are not energy sensitive by their very nature, still the Company is making best possible efforts for conservation of energy, which assures that the computers and all other equipments purchased by the Company strictly adhere to environmental standards, and they make optimum utilization of energy.

**B. Research and Development (R&D)**

The Company believes that in order to improve the quality and standards of services, the Company should have a progressive Research and Development Process, which should keep on increasing along with the scale of operations of the Company.

**C. Technology absorption, adaptation and innovation**

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

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

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

**F. Foreign exchange earnings and Outgo:**

(In '000)

<b>Earnings</b>	NIL
<b>Outgo</b>	NIL



## 20. PARTICULARS OF MANAGERIAL REMUNERATION:

Pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, none of the employees of the Company are in receipt of remuneration exceeding Rs. 1,02,00,000/- per annum, if employed for whole of the year or Rs. 8,50,000/- per month, if employed for part of the year and hence no disclosure are required in this regard.

## 21. RISK MANAGEMENT:

Pursuant to section 134(3)(n) of the Act, the Company has a Risk Management (RM) framework to identify, monitor, evaluate business risks and opportunities. The framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Risk Management framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risk trend, exposure and potential impact analysis at a Company Level.

The Risk Management Policy formulated by the Company has identified the key business risks and also plans to mitigate the risks.

## 22. VIGIL MECHANISM / WHISTLE BLOWER:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder, the Company has formulated and implemented Vigil Mechanism/ Whistle Blower Policy for disclosing of any unethical behavior, actual or suspected fraud or violation of company's code of conduct and other improper practices or wrongful conduct by employees or directors of the Company.



**23. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment.

During the financial year ended 31<sup>st</sup> March, 2023, there were no cases filed /reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**24. GENERAL:**


During the financial year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

**25. 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**

**For Shanthala FMCG Products Private Limited**  
*(Formerly Known As Shanthala Traders Private Limited)*



**B Manjunath Mallya**  
Director  
[DIN: 06793251]



**Shobitha Malya**  
Director  
[DIN: 06793259]

Place: Kodagu

Date: June 30, 2023

## 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 Malliya
2	Nature of Contract	Rent paid
3	Duration of Contract	9 Years
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	24/05/2014
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

For Shanthala FMCG Products Private Limited  
(Formerly Known As Shanthala Traders Private Limited)



B Manjunath Mallya  
Director  
[DIN: 06793251]



Shobitha Malya  
Director  
[DIN: 06793259]

Place: Kodagu  
Date: June 30, 2023



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**INDEPENDENT AUDITORS' REPORT**

TO,

**THE MEMBERS OF SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(Formerly known as Shanthala Traders Private Limited)

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SHANTHALA FMCG PRODUCTS PRIVATE LIMITED** (Formerly known as *Shanthala Traders Private Limited*), which comprise the Balance Sheet as at **31/03/2023**, 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 **31/03/2023**, 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.







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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.

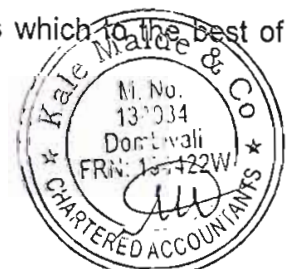
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.





- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the **cash flow statement** dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2023** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2023** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii (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.

- iii. 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.

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

  
(ALPESH MALDE)

Partner  
M.No. : 138034  
Date : 30/06/2023  
Place : Dombivli  
UDIN : 23138034BGPNG8239





**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SHANTHALA FMCG PRODUCTS PRIVATE LIMITED. (Formerly known as Shanthala Traders Private Limited)**

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

We have audited the internal financial controls over financial reporting of **SHANTHALA FMCG PRODUCTS PRIVATE LIMITED, (Formerly known as Shanthala Traders Private Limited)** as of March 31, 2023 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 about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





### Meaning of Internal Financial Controls over Financial Reporting

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


### 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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

  
(ALPESH MALDE)  
Partner

M.No. : 138034  
Date : 30/06/2023  
Place : Dombivli  
UDIN : 23138034BGPNN8239





**ANNEXURE 'B' TO THE 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 PRIVATE LIMITED (Formerly known as Shanthala Traders 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. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
  - a) (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.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

- (a) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
- (b) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (c) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (d) (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.
- (e) The Company has not made investments in, Companies and granted unsecured loans to other parties, during the year.





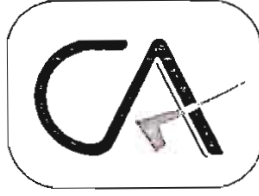
- (f) The Company has not made any investment hence this clause is not applicable .
- (g) The Company has not made any investment hence this clause is not applicable.
- (h) The Company has not made any investment hence this clause is not applicable
- (i) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (j) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

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.

- ii. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- iii. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- iv. 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.
- v. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- vi. 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).







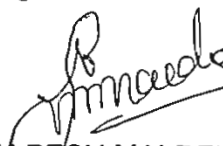
- vii. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (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 has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- viii. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- ix. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- x. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xi. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xii. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- xiii. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



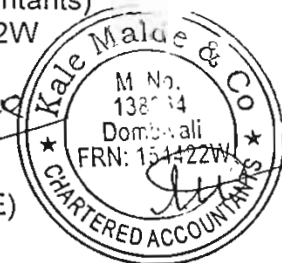


- xiv. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xv. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xvi. Auditor has resigned from his office as an statutory auditors of the Company before expiry of his term.
- xvii. 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.
- xviii. This clause is not applicable to the company hence we have not verify that weather there are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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

  
(ALPESH MALDE)  
Partner

M.No. : 138034  
Date : 30/06/2023  
Place : Dombivli  
UDIN : 23138034BGPNN8239



**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

CIN : U51109KA2014PTC073756

Balance Sheet as at 31st March, 2023

(Rs. In '000)

Particulars	Note	31st March 2023	31st March 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share capital	2	5,000	5,000
(b) Surplus	3	9,321	7,549
		<b>14,321</b>	<b>12,549</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	16,864	20,469
(b) Deferred Tax		6	-
<b>(3) Current liabilities</b>			
(a) Trade payables	5	3,796	1,470
(b) Short Term Borrowings	6	27,840	26,150
(c) Other current liabilities	7	1,134	713
(d) Short-term provisions	8	1,759	228
		<b>34,529</b>	<b>28,561</b>
<b>Total</b>		<b>65,721</b>	<b>61,579</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment and Intangible assets	9		
(i) Property, plant and equipment		23,567	23,679
(b) Non-current investments	10	4,548	4,340
(c) Long term loans and advances	11	1,693	1,658
<b>(2) Current assets</b>			
(a) Inventories	12	10,750	11,104
(b) Trade receivables	13	9,985	7,550
(c) Cash and cash equivalents	14	13,757	6,423
(d) Short-term loans and advances	15	1,402	6,400
(e) Other Current Assets	16	19	425
<b>Total</b>		<b>65,721</b>	<b>61,579</b>

Significant accounting policies

1

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. Alpesh Malde)

Partner

M.No. : 138034

Date:- 30-06-2023

Place:- Mumbai

UDIN:-23138034BGPNN8239



For & On Behalf of the Board

SHANTHALA FMCG PRODUCTS PRIVATE LIMITED

B Manjunath Mallya

Director

DIN : 06793251

Date:- 30-06-2023

Place:- Kodagu

Yogish Mallya

Chief Financial Officer

Date:- 30-06-2023

Place:- Kodagu

Shobitha Malya

Director

DIN : 06793259

Date:- 30-06-2023

Place:- Kodagu

Snehal Bhagwat

Company Secretary

Date:- 30-06-2023

Place:- Mumbai

**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

CIN : U51109KA2014PTC073756

**Statement of Profit and Loss for the year ended 31st March, 2023**

(Rs. In '000)

Particulars	Note No.	31st March 2023	31st March 2022
Revenue from operations	17	4,05,159	3,22,587
Other income	18	2,565	2,870
<b>Total Income</b>		<b>4,07,725</b>	<b>3,25,457</b>
<b>Expenses:</b>			
Purchase Cost	19	3,93,581	3,13,255
Employee benefit expense	20	4,901	4,546
Financial costs	21	4,092	3,994
Depreciation and amortisation cost	22	178	170
Other expenses	23	2,348	2,857
<b>Total expenses</b>		<b>4,05,100</b>	<b>3,24,822</b>
Profit before tax		<b>2,625</b>	<b>635</b>
Tax expense:		-	-
(1) Current tax		846	183
(2) Deferred tax	5	6	
(3) Excess / Short Provision of Inocme Tax			
(4) Prior Period Items		-	
<b>Total Tax Expenses</b>		<b>852</b>	<b>183</b>
Profit/(Loss) for the period		<b>1,773</b>	<b>452</b>
Earning per equity share:	24		
Face value per equity shares Rs.10/- fully paid up.			
(1) Basic		35.45	9.04
(2) Diluted		35.45	9.04

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) Alpesh Malde  
Partner  
M.No.:138034  
Date:- 30-06-2023  
Place:- Mumbai  
UDIN:-23138034BGPNN8239



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

B Manjunath Mallya  
Director  
DIN : 06793251  
Date:- 30-06-2023  
Place:- Kodagu

Yogish Mallya  
Chief Financial Officer  
Date:- 30-06-2023  
Place:- Kodagu

Shobitha Malya  
Director  
DIN : 06793259  
Date:- 30-06-2023  
Place:- Kodagu

Snehal Bhagwat  
Company Secretary  
Date:- 30-06-2023  
Place:- Mumbai

**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

CIN : U51109KA2014PTC073756

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023**

(Rs. In '000)

Particulars	2022-23		2021-22	
<b>A. Cash flow from operating activities</b>				
Net Profit before Taxation		2,625		635
<b>Adjustments for -</b>				
Depreciation/Amortisation	178		170	
Income Tax Expenses				
Interest Income	(234)		(100)	
Sundry Balance written back	-		-	
Interest Expense	4,092		3,994	
Loss - Damages / Expired Goods	-		-	
		4,035		4,063
<b>Operating profit before working capital changes</b>		<b>6,660</b>		<b>4,698</b>
<b>Adjustments for -</b>				
Short Term Loans & advances	4,998		(5,997)	
Long Term Loans & advances	(35)		1,200	
Inventories	354		(3,197)	
Other Current Assets	405		7,068	
Trade Receivable	(2,435)		2,152	
Current Maturities of Long Term Borrowings	-		-	
Trade and Other Payables	2,327		(250)	
Other Current Liabilities	421		(1,093)	
Short Term Provisions	1,531		(359)	
		7,566		(476)
<b>Cash generated from operations</b>		<b>14,226</b>		<b>4,222</b>
Direct Taxes paid (including Fringe Benefits Tax and net of refund of taxes)		(846)		(183)
<b>Net cash from operating activities</b>		<b>13,380</b>		<b>4,039</b>
<b>B. Cash flow from investing activities</b>				
Changes in Non-Current Investments	(207)		(4,340)	
Purchase of Fixed Assets	(67)		(109)	
Interest received	234		100	
Net cash used in investing activities		(39)		(4,348)
<b>C. Cash flow from financing activities</b>				
Proceeds from/(Repayment of) Short-term Borrowings	1,690		11,883	
Proceeds from/(Repayment of) Long-term Borrowings	(3,605)		(6,020)	
Interest paid	(4,092)		(3,994)	
Net cash used in financing activities		(6,007)		1,869
Net (decrease)/increase in cash and cash equivalents		7,334		1,560
Cash and Cash Equivalents - Opening Balance		6,423		4,863
Cash and Cash Equivalents - Closing Balance		13,757		6,423

**Notes:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements,
- Cash and cash equivalents at the end of the year represents cash and bank balances ( including bank deposits)
- Purchase of fixed assets includes capital work in progress during the year.

As per our report of even date

For KALE MALDE & CO

Chartered Accountants

ICAI F.R.No. 154422W

(CA. Alpeesh Malde)

Partner

M.No. : 138034

Date:- 30-06-2023

Place:- Mumbai

UDIN:-23138034BGPNN68239



For & On Behalf of the Board

SHANTHALA FMCG PRODUCTS PRIVATE LIMITED

B Manjunath Mallya

Director

DIN : 06793251

Date:- 30-06-2023

Place:- Kodagu

Yogish Mallya

Chief Financial Officer

Date:- 30-06-2023

Place:- Kodagu

Shobitha Malya

Director

DIN : 06793259

Date:- 30-06-2023

Place:- Kodagu

Snehal Bhagwat

Company Secretary

Date:- 30-06-2023

Place:- Mumbai

**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2023

**1 SIGNIFICANT ACCOUNTING POLICES 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 are consistent with those 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 affect 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 management's 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 Accounting 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.

**4 Depreciation:**

Depreciation on PPE for the year have been provided on written down value method prorata 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.

**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:**

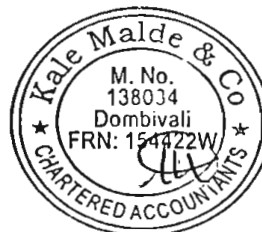
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Interest income is recognized on the time proportion basis taking into account the amount outstanding and applicable interest rate. However the management has relied on certificates and confirmations issued by the depositor. 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.



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

16 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.

17 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.

18 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.

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

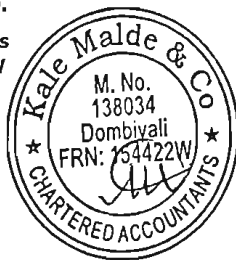
As For & On Behalf of the Board

For KALE MALDE & CO.


Chartered Accountants  
ICAI F.R.No. 154422W

  
(Ca. Alpesh Malde)  
Partner

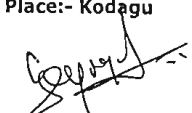
M.No. : 138034  
Date:- 30-06-2023  
Place:- Mumbai  
UDIN:-23138034BGPNN8239



SHANTHALA FMCG PRODUCTS PRIVATE LIMITED

  
B Manjunath Mallya  
Director  
DIN : 06793251  
Date:- 30-06-2023  
Place:- Kodagu

  
Shobitha Malya  
Director  
DIN : 06793259  
Date:- 30-06-2023  
Place:- Kodagu

  
Yogish Mallya  
Chief Financial Officer  
Date:- 30-06-2023  
Place:- Kodagu

  
Snehal Bhagwat  
Company Secretary  
Date:- 30-06-2023  
Place:- Mumbai

**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

CIN : U51109KA2014PTC073756  
Notes Forming Part of Balance Sheet

(Rs. In '000)

**Note 2 :- Share capital**

Particulars	31st March, 2023	31st March, 2022
<b>Authorised share capital</b> 1,10,00,000 Equity Shares of Rs.10/- each (50,000 shares of Rs. 100/- each)	1,10,000.00	5,000.00
<b>Issued, subscribed &amp; paid-up share capital</b> 500,000 Equity Shares of Rs.10/- each fully paid up (Previous Year- 50,000 Equity Shares of Rs.100/- each)	5,000.00	5,000.00
<b>Share holding pattern and details Above 5%</b>		
<b>Shareholder</b>	<b>% holding</b>	<b>No.of shares</b>
B Manjunath Mallya	98.00	489500
Shobitha Malya	2.00	10000
<b>Total share capital</b>	<b>5,000.00</b>	<b>5,000.00</b>

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

Particulars	31st March, 2023	31st March, 2022
Equity shares at the beginning of the year	50,000.00	50,000.00
<b>Add: Shares issued during the current financial year</b> (4,50,000 equity share has been issue in pursuant to sub sub-division of shares)	4,50,000.00	-
<b>Equity shares at the end of the year</b>	<b>5,00,000.00</b>	<b>50,000.00</b>

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 change in the number of shares outstanding at the beginning and at the end of the year.

Note 2.4 : During the year company has split the face value of share Rs. 100 /- each into Rs. 10/- per share accordingly number of the share at year end has been change

**Shares held by promoters at the end of the year 31st March 2023**

Sr. No.	Promoter Name	No. of Shares**	% of total shares**
1	B Manjunath Malya	4,89,500.00	97.90%
2	Shobitha Malya	10,000.00	2.00%
	<b>Total</b>	<b>4,99,500.00</b>	<b>99.90%</b>

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

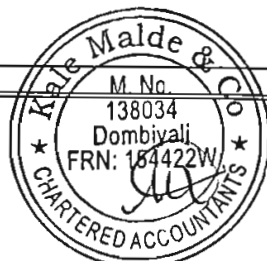
\*\*\* percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect

**Shares held by promoters at the end of the year ending 31st March 2022**

Sr. No.	Promoter Name	No. of Shares**	% of total shares**
1	B Manjunath Malya	49,000.00	98.00%
2	Shobitha Malya	1,000.00	2.00%
	<b>Total</b>	<b>50,000.00</b>	<b>100.00%</b>

**Note 3:RESERVES & SURPLUS:**

Part	31st March, 2023	31st March, 2022	31st March, 2021
<b>SURPLUS:</b>			
Opening balance		7,548.43	-
Add:- Profit for the year		1,772.51	14,40,882.00
<b>Total</b>		<b>9,320.94</b>	





(Rs. In '000)

**Note 4 : Long term borrowings**

Particulars	31st March, 2023	31st March, 2022
<b>LONG TERM BORROWING:</b>		
<b>Secured Loan:</b>		
<b>Term Loan</b>		
From Banks - *	12,917.03	15,631.94
<b>Unsecured Loan:</b>		
<b>From Related parties: Directors</b>	3,947.16	4,837.16
<b>TOTAL</b>	<b>16,864.19</b>	<b>20,469.11</b>

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

**Note 5 : Trade payables**

Particulars	31st March, 2023	31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (see Note 5.1)	3,796.23	1,469.57
<b>Total</b>	<b>3,796.23</b>	<b>1,469.57</b>

Note 6.1 : 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 2023, 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.

(Rs. In '000)

**Note 6 : Short Term Borrowings**

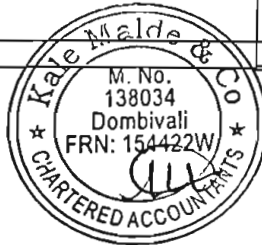
Particulars	31st March, 2023	31st March, 2022
<b>Secured Borrowings</b>		
Loans Repayable on demand from Bank	17,000.00	15,411.30
Against Hypothecation of Stock in Trade	10,839.87	10,738.71
<b>Total</b>	<b>27,839.87</b>	<b>26,150.02</b>

**Note 7 : Other Current Liabilities**

Particulars	31st March, 2023	31st March, 2022
Sundry Creditors for Expenses	683.00	597.00
Statutory Dues	325.77	116.26
Rent Deposits	125.00	-
<b>Total</b>	<b>1,133.77</b>	<b>713.26</b>

**Note 8 : Short Term Provisions**

Particulars	31st March, 2023	31st March, 2022
Provision for income tax (Net of Income Tax and TDS)	1,759.20	228.24
<b>Total</b>	<b>1,759.20</b>	<b>228.24</b>



Note 5.1

Trade Payables ageing schedule: As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0	-	-	-	0
(ii) Others	3,796.23	-	-	-	3,796.23
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>3,796.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,796.23</b>

Trade Payables ageing schedule: As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,469.57	-	-	-	1,469.57
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,469.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,469.57</b>



**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED (formerly known as Shanthala Traders Private Limited)**  
 Note :- Property, plant & equipments as on 31st March, 2023  
 ( As per the Companies Act, 2013 )

Details of Assets	Gross Block			Accumulated Depreciation		Net Block		
	As On 01st April, 2022	Additions	Deductions	Total	As On 01st April, 2022	For The Year	As At 31st March, 2023	As At 31st March, 2022
<b>TANGIBLE ASSETS</b>								
Apartments	22,790.76	-	-	22,790.76	-	-	22,790.76	22,790.76
Computers	87.00	-	-	87.00	32.14	21.46	33.40	54.86
Furniture	455.35	-	-	455.35	161.67	43.23	250.45	293.68
Office Equipment	390.50	66.65	-	457.15	84.30	43.48	329.37	306.20
Vehicles	591.18	-	-	591.18	358.14	70.20	162.83	233.04
<b>INTANGIBLE ASSETS</b>								
	24,314.78	66.65	-	24,381.43	636.25	178.37	23,566.81	23,678.53
<b>Total</b>	24,314.78	66.65	-	24,381.43	636.25	178.37	23,566.81	23,678.53
Figures of previous year	24,206.28	108.50	-	24,314.78	466.54	169.71	23,678.53	23,739.74



As per our report of even date  
 For KALE MALDE & Co  
 Chartered Accountants  
 ICAR F.No. 154423/M/S  
 (Ca. B. Desir Walde)  
 Party  
 M.No.: 138034  
 Date:- 30-06-2023  
 Place:- Mumbai  
 UDIN:-23138034BGPNN6239



SHANTHALA FMCG PRODUCTS PRIVATE LIMITED

B. Manjunath Maliya  
 Director  
 DIN : 06793251  
 Date:- 30-06-2023  
 Place:- Kodagu

Shobitha Maliya  
 Director  
 DIN : 06793259  
 Date:- 30-06-2023  
 Place:- Kodagu

Yogish Maliya  
 Chief Financial Officer  
 Date:- 30-06-2023  
 Place:- Kodagu

Snehal Bhagwat  
 Company Secretary  
 Date:- 30-06-2023  
 Place:- Mumbai

**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

CIN : U51109KA2014PTC073756  
Notes Forming Part of Balance Sheet

(Rs. In '000)

**Note 10 : Non current investment**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Balance with Bank in Fixed Deposits	4,547.63	4,340.31
		-	-
	<b>Total</b>	<b>4,547.63</b>	<b>4,340.31</b>

All above investments are carried at cost

**10.1 Other disclosures**

(a)	Aggregate cost of quoted investment	-	-
	Aggregate market value of quoted investments		
(b)	Aggregate amount of unquoted investments	4,547.63	4,340.31
(c)	Aggregate provision for diminution in value of investment	-	-

**Note 11 : Long term loans and advances**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
I)	<b>Security deposit</b>		
	a) Unsecured, considered good	1,692.75	1,657.75
	<b>Total</b>	<b>1,692.75</b>	<b>1,657.75</b>

**Note 12 : Inventories**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Finished Goods	10,750.11	11,104.41
	*Valued at lower of cost and net realizable value		
	<b>Total</b>	<b>10,750.11</b>	<b>11,104.41</b>



**Note 13 : Trade receivables**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	<b>Outstanding for more than six months</b>		
	a) Secured, considered good	-	-
	b) Unsecured, considered good	9,984.95	7,550.09
	c) Doubtful	-	-
2	<b>Others</b>		
	a) Secured, considered good	-	-
	b) Unsecured, considered good	-	-
	c) Doubtful (Unsecured not Considered good under litigation)	-	-
	<b>Total</b>	<b>9,984.95</b>	<b>7,550.09</b>

**Note 14 : Cash and bank balances**

(Rs. In '000)

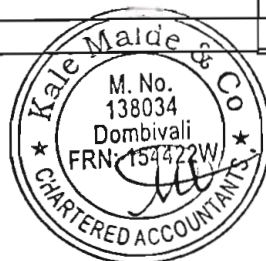
Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	<b>Cash and cash equivalent</b>		
	Cash on Hand	10,582.96	6,074.01
	<b>Sub total (A)</b>	<b>10,582.96</b>	<b>6,074.01</b>
2	<b>Bank balances</b>		
	Balance with Bank in Current	3,174.40	348.92
	<b>Sub total (B)</b>	<b>3,174.40</b>	<b>348.92</b>
	<b>Total [ A + B ]</b>	<b>13,757.36</b>	<b>6,422.93</b>

**Note 15 : Short terms loans and advances**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Other Current Assets	1,401.93	6,400.19
	<b>Total</b>	<b>1,401.93</b>	<b>6,400.19</b>

**Note 16 : Other Current Assets**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Advance to Supplier (Unsecured not Considered good under litigation) <b>(As Certified by the Management)</b>	-	385.84
2	Preliminary Expenses (to the Extent not written off)	19.49	39
	<b>Total</b>	<b>19.49</b>	<b>424.81</b>



Note 13.1

Trade Receivables ageing schedule as at 31st March, 2023

(Rs. In '000)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	9,984.95	-	-	-	-	9,984.95
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>9,984.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,984.95</b>

Trade Receivables ageing schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	7,550.09	-	-	-	-	7,550.09
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>7,550.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,550.09</b>



**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

CIN : U51109KA2014PTC073756

Notes Forming Part of Statement of Profit & Loss

(Rs. In '000)

**Note 17 : Revenue from operations**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Sales of products	4,05,159.38	3,22,587.17
	<b>Total</b>	<b>4,05,159.38</b>	<b>3,22,587.17</b>

**Note 18 : Other income**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	FD Interest	230.37	100.34
2	Income Tax Refund Interest	4.12	-
3	Marketing Activity & Support Service	964.27	884.32
4	Insurance Claim	-	1,293.80
6	Room Rent	1,361.33	581.10
7	Round Off	5.37	9.97
	<b>Total</b>	<b>2,565.45</b>	<b>2,869.54</b>

**Note 19 : Cost of Goods Sold**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Opening Stock	11,104.41	7,907.58
2	Purchases	3,93,226.43	3,16,452.10
		<b>4,04,330.84</b>	<b>3,24,359.68</b>
	Less: Closing Stock	10,750.11	11,104.41
	<b>Total</b>	<b>3,93,580.73</b>	<b>3,13,255.27</b>

**Note 20 : Employment benefit expenses**

(Rs. In '000)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Salaries	2,201.30	1,846.07
2	Director Remuneration *	2,700.00	2,700.00
	<b>Total</b>	<b>4,901.30</b>	<b>4,546.07</b>

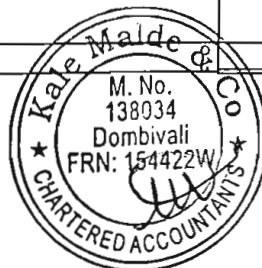
\* Considered as Related Party Transaction. Refer to note no. 25 for related party disclosure.

**Note 21 : Financial cost**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Bank Charges, commission & Processing Fees	175.93	122.79
2	Bank Interest on Overdraft	1,541.50	1,958.30
3	Interest Paid	240.00	240.94
4	Interest on Term Loan & Others	2,134.17	1,671.72
	<b>Total</b>	<b>4,091.60</b>	<b>3,993.74</b>

**Note 22 : Depreciation and amortised cost**

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Depreciation and amortised cost	178.37	169.71
	<b>Total</b>	<b>178.37</b>	<b>169.71</b>



**Note 23 : Other expenses**

(Rs. In '000)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	<b>Other Administrative Expenses</b>		
	Payment to Auditors (Note 25)	250.00	29.50
	Apartment Maintenance	155.21	61.00
	Computer & Software Maintenance	104.37	59.68
	Conveyance expenses	28.95	-
	Distribution Expenses	242.03	1,143.06
	Electricity Expenses	147.37	65.79
	FSSAI Licence Fee	6.30	-
	GST	34.84	-
	Insurance	53.46	-
	Interest & Late Fee	12.54	24.75
	Miscellaneous expenses	27.33	45.54
	Municipality Tax	7.21	-
	Oyo Commission	201.03	-
	Printing & Stationery	33.75	55.53
	Professional Fees Paid	24.00	27.00
	Profession Tax Paid	5.00	5.00
	Rent Paid	485.50	543.75
	Telephone Expenses	86.69	63.64
	Transportation Expenses	136.81	400.47
	Vehicle Maintenance	286.33	313.13
	Preliminary Expenses	19.48	19.48
	<b>Total</b>	<b>2,348.19</b>	<b>2,857.31</b>

**Note 24 : Earning per share**

(Rs. In '000)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Net profit after tax	1,772.51	452.05
2	Weighted average number of equity shares	50,000.00	50,000.00
	<b>Earning per share (face value of Rs.10/-fully paid)</b>	<b>35.45</b>	<b>9.04</b>





(Rs. In '000)

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

Sr. No.	Name	Realtion
1	B. Manjunath Maliya	Director
2	Shobitha Maliya	Director
3	Shanthala Enterprises	Relative of Directors which has significant interest
4	Shwetha Kudva	Relative of Directors

Transactions with related parties for the year ended March 31, 2023

Sr. No.	Name	Salary Expenses		Loan O/s		Rent Expenses	
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
1	B. Manjunath Maliya	1,800	1,800	1,947	2,837	240	240
2	Shobitha Maliya	900	900	-	-	-	-
3	Shanthala Enterprises	-	-	-	4,365	-	-
4	Shwetha Kudva	0	0	2,000	2,000	-	-



**Note 26 Payment to Auditors**

Sr. No.	Particulars	2022-23	2021-22
1	Statutory Audit Fees	200.00	29.50
2	Tax Audit Fees	50.00	-
	<b>Total</b>	<b>250.00</b>	<b>29.50</b>

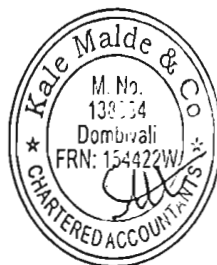
**Note 27 Director Remuneration**

Sr. No.	Particulars	2022-23	2021-22
1	B Manjunath Mallya	1,800.00	1,800.00
2	Shobitha Malya	900.00	900.00
	<b>Total</b>	<b>2,700.00</b>	<b>2,700.00</b>



**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
(formerly known as Shanthala Traders Private Limited)

Notes forming part of the financial statements		
Note 28: Deferred Tax Liability/Asset - AS 22		
(Rs. In '000)		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Tax effect on items constituting Deferred Tax Liability		
- On difference between Book Balance and Tax Balance of	776	-
Fixed Assets		
- On expenditure deferrable in books but allowed in Income tax	752	-
- Others	-	-
<b>Net deferred tax (liability) / asset</b>	<b>24</b>	<b>-</b>
Tax Effect	6	-
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	-	-
<b>Net deferred tax (liability) / asset</b>	<b>6</b>	<b>-</b>



**SHANTHALA FMCG PRODUCTS PRIVATE LIMITED**  
**(formerly known as Shanthala Traders Private Limited)**

CIN : U51109KA2014PTC073756

Groupings forming part of Balance Sheet as at 31st March, 2023

(Rs. In '000)

Particulars	31.03.2023	(Rs.)
<b>Note 4 : Long term borrowings</b>		
<b>Secured Loan:</b>		
<b>Term Loan</b>		
From Banks		
Bharat Bank Loan 002533510066830	11,431.27	
ICICI Bank Loan 048755000001	1,485.75	
		<b>12917.03</b>
<b>Unsecured Loan:</b>		
From Related parties: Directors		
Manjunath Mallya Loan	1,947.16	
Shwetha Kudwa	2,000.00	
		<b>3947.16</b>
<b>Note 5 : Trade payables</b>		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
<b>Sundry Creditor for Goods</b>		
ITC LIMITED	2,164.40	
M K.AGROTECH PVT LTD	1,403.90	
MTR Foods Private Limited	(49.61)	
Pure Fit Foods Pvt.Ltd	42.83	
Top Line Marketing	235.71	
		<b>3796.22901</b>
<b>Note 6 : Short Term Borrowings</b>		
<b>Loans repayable on demand from Bank</b>		
ICICI Bank Madikeri		<b>17000.00</b>
<b>Against Hypothecation of Stock in Trade</b>		
SBI - Channel financing ITC Ltd	9,456.28	
SBI - Channel financing M K Agrotech	1,383.59	
		<b>10839.87</b>
<b>Note 7 : Other Current Liabilities</b>		
<b>Sundry Creditors for Expenses</b>		
Manasa Transport	483.00	
Shenoy & Co.	200.00	
		<b>683.00</b>
<b>Statutory Dues</b>		
GST Payable	13.34	<b>0.00</b>
TCS Payable	4.66	
TDS Payable	307.77	
		<b>325.77</b>
<b>Note 8 : Short Term Provisions</b>		
Provision for Income tax	846.20	
Provision for Audit fee	250.00	
Manjunath Mallya -Director Remuneration Payable	277.00	
Shobitha Mallya-Director Remuneration Payable	386.00	
		<b>1759.20</b>



**Note 10 : Non current investment****Balance with Bank in Fixed Deposits**

(Rs. In '000)

SBI FD

4547.63**Note 11 : Long term loans and advances****Security deposit**

a) Unsecured, considered good

Rent Advance

1692.75**Note 12 : Inventories**

Finished Goods

Stock ITC 8,061.60

Stock MTR 427.91

Stock Sunpure 2,260.61

10750.11055**Note 13 : Trade receivables****Outstanding for more than six months**

Unsecured, considered good

ITC 6,782.55

MTR 34.26

Sunpure 2,587.05

Great Sands Consulting Pvt Ltd 455.60

Oyo Hotels and Homes Pvt Ltd 125.49

9984.95**Note 14 : Cash and bank balances****Bank balances**

Balance with Bank in Current/Savings Account

Bharat Bank 002512100008717 4.77

Bharat Bank 002512100009905 16.94

HDFC Bank 50200015632360 13.99

ICICI Bank 048705005376 3,010.59

ICICI Bank Nestle 71.17

Union Bank 510101004110101 56.95

3174.40467**Note 15 : Short terms loans and advances**

Other Current Assets

Cess 901.02

VAT 69.38

Advance Tax 300.00

TCS Receivables 77.81

TDS 53.72

1401.92758

Note 29 : Financial ratio analysis

Ratio Analysis	Numerator	(Rs. in '000)				Denominator	Rs	31-Mar-23			31-Mar-22			Variation % of Variation
		Rs	Rs	Rs	Rs			Rs	Rs	Rs	Rs	Rs	Rs	
1 Current Ratio	Current Assets	35.91	31.90	34.53	Current Liabilities	28.56	1.04	1.12	-0.08	-6.88				
2 Debt Equity Ratio	Total Liabilities	44.70	46.62	5.00	Shareholders' Equity	14.32	8.94	3.26	5.69	174.65				
3 Debt Service Coverage Ratio	Net Operating Income	6.04	4.62	5,130.40	Debt Service	5,170.96	0.00	0.00	0.00	31.95				
4 Return on Equity Ratio	Profit for the period	1.77	0.45	9.66	Avg. Shareholders Funds	6,055.55	0.18	0.00	0.18	2,45,687.65				
5 Inventory Turnover Ratio	Cost of Goods sold	393.58	5,82,564.78	10.93	Average Inventory	2,91,287.94	36.02	2.00	34.02	1,700.95				
6 Trade Receivables Turnover Ratio	Net Credit Sales	9,94,184.27	5,94,148.26	41,724.04	Average Trade Receivables	32,658.01	23.83	18.19	5.63	30.97				
7 Trade Payables Turnover Ratio	Total Purchases	393.23	316.45	2.63	Average Trade Payables (Creditors for Goods)	992.01	149.35	0.32	149.03	46,718.43				
8 Net Capital Turnover Ratio	Net Sales	405.16	322.59	0.69	Average Working Capital	1.67	585.16	193.09	392.07	203.05				
9 Net Profit Ratio	Net Profit	1.77	0.45	405.16	Net Sales	322.59	0.004	0.001	0.00	212.19				
10 Return on Capital employed	EBIT	5.86	4.45	21.87	Capital Employed *	34.79	0.27	0.13	0.14	109.82				
11 Return on Investment	Return/Profit /Earnings	-	-	-	Investment **	-	not applicable	not applicable						

