



Ref: 063/23-24

INDEPENDENT AUDITOR'S REPORT

**To The Members of M/s SHANTHALA FMCG PRODUCTS LIMITED
(Formerly Known as M/s. Shanthala FMCG Products Private Limited)**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **M/S SHANTHALA FMCG PRODUCTS LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st August, 2023, the Statement of Profit and Loss, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st August, 2023, and profit for the period then ended.

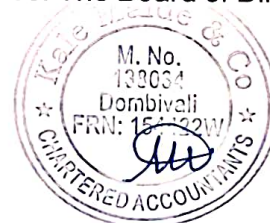
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAS) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Standalone Financial Statements

The Management and Board of Directors is responsible for the preparation of these Standalone Financial Statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under section 133 of the Act and Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is also 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.





- Materiality is the magnitude of misstatements in the standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

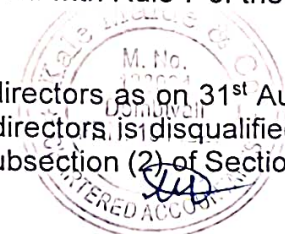
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Standalone 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the 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 Company has no branch office and hence the company is not required to conduct audit Under section 143 (8) of the Act:
 - d) The Balance Sheet, the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) On the basis of written representations received from the directors as on 31st August, 2023, and taken on record by the Board of Directors, none of the directors, is disqualified as on 31st August, 2023 from being appointed as a director in terms of subsection (2) of Section 164 of the Act.



Kale Malde & Co
Chartered Accountants



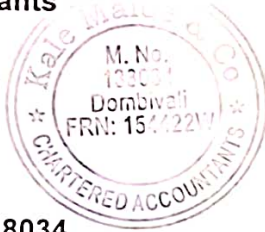
1, Shivkrupa Building
Patharli Road, Shelar Naka,
Dombivali (East)- 421 201
Mob: 9821292688 8692000600
E-mail: lbkco.kale@gmail.com
alpesh1804@gmail.com

g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the & Act: In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs Accountants has not prescribed other details under section 197(16) which required to be commented upon by us.

For Kale Malde & Co.
Chartered Accountants


CA Alpesh Malde
Partner

Membership No: 138034
FRN: 154422W



Date: October 14, 2023
Place: Dombivli
UDIN: 23138034BGPMPD5391



ANNEXURE 'A' 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 LIMITED (Formerly known as Shanthala FMCG Products Private Limited) of even date

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

- i. 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 August 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.

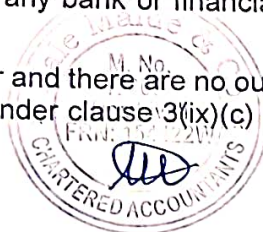




- (f) The Company has not made any investment hence this clause is not applicable.
- (g) The Company has not made any investment hence this clause is not applicable.
- (h) The Company has not made any investment hence this clause is not applicable.
- (i) No loan granted by the Company which has fallen 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 August 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 up to 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. 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.
- xvii. 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

CA Alpesh Malde
Partner

Membership No: 138034

FRN: 154422W

Date: October 14, 2023

Place: Dombivli

UDIN: 23138034BGPDPD5391



SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

CIN : U51109KA2014PLC073756

Balance Sheet as at 31st August , 2023

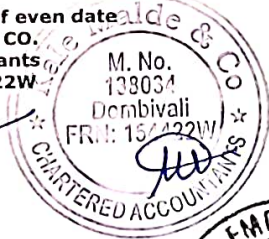
(Amount In Rs.)

Particulars	Note No	31-Aug-23	31-Mar-23
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	49,316,640	5,000,000
(b) Surplus	3	5,615,055	9,321,340
		54,931,695	14,321,340
(2) Non-current liabilities			
(a) Long-term borrowings	4	15,003,217	16,864,192
(b) Deferred Tax	28	1,994	5,940
(3) Current liabilities			
(a) Trade payables	5	573,901	3,797,228
(b) Short Term Borrowings	6	9,522,949	27,839,867
(c) Other current liabilities	7	527,000	1,133,769
(d) Short-term provisions	8	2,170,807	1,759,198
		12,794,657	34,530,062
Total		82,731,562	65,721,534
II. Assets			
(1) Non-current assets			
(a) Property, plant and equipment and Intangible assets	9		
(i) Property, plant and equipment		23,553,676	23,566,812
(b) Non-current Investments	10	4,652,634	4,547,634
(c) Long term loans and advances	11	1,692,750	1,692,750
(2) Current assets			
(a) Inventories	12	13,625,396	10,750,110
(b) Trade receivables	13	24,301,352	9,984,452
(c) Cash and cash equivalents	14	9,417,360	13,758,362
(d) Short-term loans and advances	15	3,861,732	1,401,928
(e) Other Current Assets	16	1,626,662	19,487
Total		82,731,562	65,721,535

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

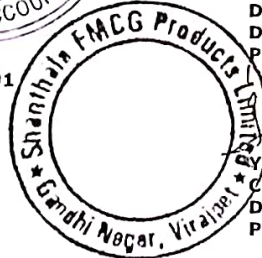
(CA. Alpesh Malde)
Partner
M.No. : 138034
Date: 14/10/2023
Place: Dombivli
ICAI UDIN: 23138034BGPNDP5391



For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED
(formerly known as Shanthala FMCG Product Private Limited)

B Manjunath Mallya
Director
DIN : 06793251
Date: 14/10/2023
Place: Kodagu

Shobitha Malya
Director
DIN : 06793259
Date: 14/10/2023
Place: Kodagu



Rajish Mallya
Chief Financial Officer
Date: 14/10/2023
Place: Kodagu

Snehal Bhagwat
Company Secretary
Date: 14/10/2023
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

CIN : U51109KA2014PLC073756

Statement of Profit and Loss for the period ended 31st August, 2023

(Amount In Rs.)

Particulars	Note No.	31-Aug-23	31-Mar-23
Revenue from operations	17	157,424,501	405,159,384
Other income	18	1,133,666	2,565,454
Total Income		158,558,167	407,724,838
Expenses:			
Purchase Cost	19	151,157,092	393,580,729
Employee benefit expense	20	2,484,810	4,901,300
Financial costs	21	1,622,708	4,091,595
Depreciation and amortisation cost	22	53,088	178,372
Other expenses	23	1,874,673	2,348,193
Total expenses		157,192,370	405,100,189
Profit before tax		1,365,796	2,624,649
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	28	355,107	846,200
(3) Excess / Short Provision of Income Tax		(3,946)	5,940
(4) Prior Period Items		-	-
Total Tax Expenses		351,161	852,140
Profit/(Loss) for the period		1,014,635	1,772,509
Earning per equity share:	24		
Face value per equity shares Rs.10/- fully paid up.			
(1) Basic		0.44	3.55
(2) Diluted		0.44	3.55

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:14/10/2023

Place: Dombivli

ICAI UDIN: 23138034BGPND5391



For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED
(formerly known as Shanthala FMCG Product Private Limited)


B Manjunath Mallya
Director
DIN : 06793251
Date:14/10/2023
Place: Kodagu


Yogish Mallya
Chief Financial Officer
Date:14/10/2023
Place: Kodagu



Shobitha Malya
Director
DIN : 06793259
Date:14/10/2023
Place: Kodagu


Snehal Bhagwat
Company Secretary
Date:14/10/2023
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

CIN : U51109KA2014PLC073756

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st August , 2023

(Amount In Rs.)

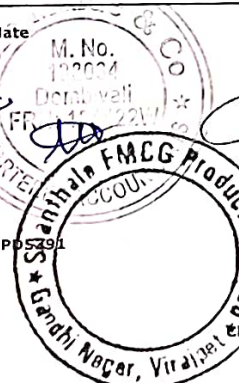
Particulars	31-Aug-23		31-Mar-23	
A. Cash flow from operating activities				
Net Profit before Taxation		1,365,796		2,624,649
Adjustments for -				
Depreciation/Amortisation	53,088		178,372	
Interest Income	(105,000)		(234,484)	
Interest Expense	1,622,708		4,091,595	
		1,570,796		4,035,483
Operating profit before working capital changes		2,936,592		6,660,132
Adjustments for -				
Short Term Loans & advances	(2,459,805)		4,998,262	
Long Term Loans & advances	-		(35,000)	
Inventories	(2,875,286)		354,296	
Other Current Assets	(1,607,175)		405,327	
Trade Receivable	(14,316,900)		(2,434,366)	
Trade and Other Payables	(3,223,327)		2,327,655	
Other Current Liabilities	(606,769)		420,513	
Short Term Provisions	411,609		1,530,962	
		(24,677,653)		7,567,650
Cash generated from operations		(21,741,061)		14,227,782
Direct Taxes paid (including Fringe Benefits Tax and net of refund of taxes)		(355,107)		(846,200)
Net cash from operating activities		(22,096,168)		13,381,582
B. Cash flow from Investing activities				
Changes in Non-Current Investments	(105,000)	-	(207,328)	
Purchase of Fixed Assets	(39,949)		(66,650)	
Interest received	105,000		234,484	
Net cash used in Investing activities		(39,949)		(39,494)
C. Cash flow from financing activities				
Proceeds from/(Repayment of) Short-term Borrowings	(18,316,919)		1,689,851	
Proceeds from/(Repayment of) Long-term Borrowings	(1,860,975)		(3,604,915)	
Interest paid	(1,622,708)		(4,091,595)	
Issue of Share	1,164,578			
Securities Premium	38,431,140			
Net cash used in financing activities		17,795,116		(6,006,660)
Net (decrease)/Increase in cash and cash equivalents		(4,341,002)		7,335,428
Cash and Cash Equivalents - Opening Balance		13,758,362		6,422,934
Cash and Cash Equivalents - Closing Balance		9,417,360		13,758,362

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow
- 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. Anesh Malde)
Partner
M.No. : 138034
Date: 14/10/2023
Place: Dombivli
ICAI UDIN:23138034BGNP05391



For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED
(formerly known as Shanthala FMCG Product Private Limited)

B Manjunath Malliya
Director
DIN : 06793251
Date: 14/10/2023
Place: Kodagu

Yodish Malliya
Chief Financial Officer
Date: 14/10/2023
Place: Kodagu

Shobhita Malya
Director
DIN : 06793259
Date: 14/10/2023
Place: Kodagu

Shehal Bhagwat
Company Secretary
Date: 14/10/2023
Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)
CIN : U51109KA2014PLC073756

Notes forming part of the Standalone Financial Statements for the year ended 31st August, 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 or consistent with this in the previous year. The estimates and Assumptions used in the preparation of financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Differences between the actual and estimates are recognized in the period in which the results are materialized

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

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

2 Method of Accounting

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

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

3 Plant, Property and Equipment (PPE)

(i) PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. (ii) All PPEs are stated at original cost including non-refundable purchase taxes and any directly attributable costs of bringing the assets to its working condition for its intended use, net of tax/ duty credits availed, if any, after deducting resale/ trade discount less

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.



12 Taxes on Income:

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Profit and Loss Account only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment year.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

13 Impairment:

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

14 Earning Per Shares:

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

15 Borrowing Cost

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

16 Provision for Contingent Liabilities and Assets

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

17 Details of dues to micro, small and medium enterprises as per Msmad act 2006:

Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 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.

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

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

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

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

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

As per For & On Behalf of the Board

For KALE MALDE & CO.

Chartered Accountants

ICAI F.R.No. 15/422W

(CA. Alpesh Malde)

Partner

M.No. : 138034

Date: 14/10/2023

Place: Dombivli

ICAI UDIN: 23138034BGPND589



For & On Behalf of the Board

SHANTHALA FMCG PRODUCTS LIMITED

(formerly known as Shanthala FMCG Product Private Limited)

B Manjunath Mallya

Director

DIN : 06793251

Date: 14/10/2023

Place: Kodagu

Yogish Mallya

Chief Financial Officer

Date: 14/10/2023

Place: Kodagu

Shobhita Mallya

Director

DIN : 06793259

Date: 14/10/2023

Place: Kodagu

Jnehal Bhagwat

Company Secretary

Date: 14/10/2023

Place:- Mumbai

SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)
CIN : U51109KA2014PLC073756
Notes Forming Part of Balance Sheet

Note 2 :- Share capital

Particulars	31-Aug-23	31-Mar-23
Authorised share capital 1,10,00,000 Equity Shares of Rs.10/- each (1,10,00,000 shares of Rs. 10/- each)	110,000,000	110,000,000
Issued, subscribed & paid-up share capital 49,31,664, shares issued out of which 6,16,458 Equity Shares of Rs.10/- each fully paid up for cash and 43,15,206 share issued for other than cash as a bonus shares (Previous Year- 5,00,000 Equity Shares of Rs.10/- each)	49,316,640	5,000,000
Share holding pattern and details Above 5% Shareholder % holding No. of shares B Manjunath Mallya 35.73 17,62,200 Sneha Kudva 27.81 13,71,400 Yogish Mallya 15.88 7,83,200		
Total share capital	49,316,640	5,000,000

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

Particulars	31-Aug-23	31-Mar-23
Equity shares at the beginning of the year	500,000	50,000
Add: Shares issued during the current financial year 49,31,664, shares issued out of which 1,16,458 Equity Shares fully paid up for cash and 43,15,206 share issued for other than cash as a bonus shares	4,431,664	450,000
Equity shares at the end of the year	4,931,664	500,000

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.

Shares held by promoters at the end of the year 31st August 2023				% Change during the year***
Sr. No.	Promoter Name	No. of Shares**	% of total shares**	
1	B Manjunath Mallya	1,762,200	35.73	250.00%
2	Sneha Kudva	1,371,400	27.81	100.00%
3	Shobitha Malya	80,000.00	1.62	700.00%
4	Yogish Mallya	783,200.00	15.88	100.00%
	Total	3,996,800	81.04	

** Total shall be given separately for each class of shares

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

Shares held by promoters at the end of 31st March, 2023				% Change during the year***
Sr. No.	Promoter Name	No. of Shares**	% of total shares**	
1	B Manjunath Mallya	489,500.00	97.90%	-
2	Shobitha Malya	10,000.00	2.00%	-
	Total	499,500.00	99.90%	-

Note 3: RESERVES & SURPLUS:

Particulars	31-Aug-23	31-Mar-23
SURPLUS:		
Opening balance	9,321,340	7,548,831
Add: - Profit for the year	1,014,635	1,772,509
Less: Utilised for Bonus Share issue	(4,720,920)	
	5,615,055	9,321,340
Securities Premium		
Opening balance	-	-
Add during the year	38,431,140	-
Less: Utilised for Bonus Share issue	(38,431,140)	-
	-	-
Gross Total	5,615,055	9,321,340



Note 4 : Long term borrowings

Particulars	31-Aug-23	31-Mar-23
LONG TERM BORROWING:		
Secured Loan:		
Term Loan		
From Banks - *	11,716,053	12,917,028
Unsecured Loan:		
From Related parties	3,287,164	3,947,164
TOTAL	15,003,217	16,864,192

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

Note 5 : Trade payables

Particulars	31-Aug-23	31-Mar-23
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)	573,901	3,797,228
Total	573,901	3,797,228

Note 5.1 : Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st August, 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.

Note 6 : Short Term Borrowings

Particulars	31-Aug-23	31-Mar-23
Secured Borrowings		
Loans Repayable on demand from Bank	1,444,113	17,000,000
Against Hypothecation of Stock in Trade	8,078,835	10,839,867
Total	9,522,949	27,839,867

Note 7 : Other Current Liabilities

Particulars	31-Aug-23	31-Mar-23
Sundry Creditors for Expenses	402,000	683,000
Statutory Dues	-	325,769
Rent Deposits	125,000	125,000
Total	527,000	1,133,769

Note 8 : Short Term Provisions

Particulars	31-Aug-23	31-Mar-23
Provision for income tax (Net of Income Tax and TDS)	2,170,807	1,759,198
Total	2,170,807	1,759,198



SHANTHALA FMCG PRODUCTS LIMITED (formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)
 CIN : U51109KA2014PLC073756
 Note 5.1

Trade Payables ageing schedule: As at 31st August, 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	-	-	-	-	-
(II) Others	-	-	-	-	-
(iii) Disputed dues- MSME	573,901	-	-	-	5,73,901
(iv) Disputed dues - Others	-	-	-	-	-
Total	573,901	-	-	-	573,901

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	-	-	-	-	-
(II) Others	-	-	-	-	-
(iii) Disputed dues- MSME	3,797,228	-	-	-	3,797,228
(iv) Disputed dues - Others	-	-	-	-	-
Total	3,797,228	-	-	-	3,797,228



SHANTHALA FMCG PRODUCTS LIMITED (Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

CIN : U5109KA2014PLC073756

Note 9 :- Property, plant & equipments as on 31st August, 2023

(As per the Companies Act, 2013)

Details of Assets	Gross Block			Accumulated Depreciation			Net Block		
	As On 01st April, 2023	Additions	Deductions	Total	As On 01st April, 2023	For The Year	Deductions	As At 31st August 2023	As At 31st March, 2023
TANGIBLE ASSETS									
Apartments	22,790,760	-	-	22,790,760	-	-	-	22,790,760	22,790,757
Computers	87,000	-	-	87,000	53,600	1,835	-	31,515	33,393
Furniture	455,345	-	-	455,345	204,890	16,418	-	234,037	250,452
Office Equipment	457,150	39,949	-	497,099	127,780	27,004	-	342,315	328,371
Vehicles	591,180	-	-	591,180	428,350	7,781	-	155,049	162,834
INTANGIBLE ASSETS									
	24,381,435	39,949	-	24,421,384	814,620	53,088	-	23,553,676	23,566,812
Total	24,381,435	39,949	-	24,421,384	814,620	53,088	-	23,553,676	23,566,812
Figures of previous year	24,314,792	66,650	-	24,381,432	636,248	178,372	-	23,566,812	23,678,534

As per our report of even For & On Behalf of the Board

For KALE MALDE & CO.
Chartered Accountants
ICAI Reg.No. 154422W

(Signature)
Partner
M.No. : 138034
Date: 14/10/2023
Place: Kodaou
ICAI UDIN: 23138034BGRNPD5391

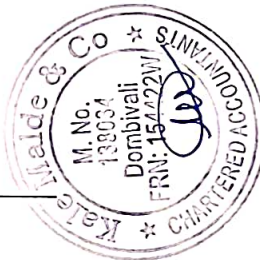
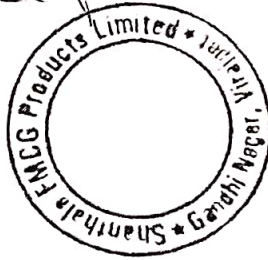
For & On Behalf of the Board
SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as Shanthala FMCG Product Private Limited)

(Signature)
B Manjunath Maliva
Director
DIN : 06793251
Date: 14/10/2023
Place: Kodaou

(Signature)
Shobitha Maliva
Director
DIN : 06793259
Date: 14/10/2023
Place: Kodaou

(Signature)
Yashraj Maliva
Chief Financial Officer
Date: 14/10/2023
Place: Kodaou

(Signature)
Snehal Bhaowat
Company Secretary
Date: 14/10/2023
Place: Mumbai



SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)

CIN : U51109KA2014PLC073756
Notes Forming Part of Balance Sheet

Note 10 : Non current investment

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Balance with Bank in Fixed Deposits	4,652,634	4,547,634
		-	-
	Total	4,652,634	4,547,634

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	4,652,634	4,547,634
(c)	Aggregate provision for diminution in value of investment	-	-

Note 11 : Long term loans and advances

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1)	Security deposit		
	a) Unsecured, considered good	1,692,750	1,692,750
	Total	1,692,750	1,692,750

Note 12 : Inventories

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Finished Goods	13,625,396	10,750,110
	*Valued at lower of cost and net realizable value		
	Total	13,625,396	10,750,110



Note 13 : Trade receivables

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Outstanding for more than six months		
	a) Secured, considered good	-	-
	b) Unsecured, considered good	-	-
	c) Doubtful	-	-
2	Others		
	a) Secured, considered good	-	-
	b) Unsecured, considered good	24,301,352	9,984,452
	c) Doubtful	-	-
	(Unsecured not Considered good under litigation)		
	Total	24,301,352	9,984,452

Note 14 : Cash and bank balances

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Cash and cash equivalent		
	Cash on Hand	9,313,242	10,583,958
	Sub total (A)	9,313,242	10,583,958
2	Bank balances		
	Balance with Bank in Current	104,118	3,174,405
	Sub total (B)	104,118	3,174,405
	Total [A + B]	9,417,360.00	13,758,362.20

Note 15 : Short terms loans and advances

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Other Current Assets	3,861,732	1,401,928
	Total	3,861,732	1,401,928

Note 16 : Other Current Assets

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Preliminary Expenses (to the Extent not written off)	11,368	19,487
2	Share issue expenses	1,075,294	
3	IPO Related expenses	540,000	
	Total	1,626,662	19,487



SHANTHALA FMCG PRODUCTS LIMITED (Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)
 CIN : U51109KA2014PLC073756
 Note 13.1

Trade Receivables ageing schedule as at 31st August, 2023

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	
(i) Undisputed Trade receivables -considered good	24,301,352	-	-	-	24,301,352
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-
Total	24,301,352	-	-	-	24,301,352

Trade Receivables ageing schedule as at 31st March, 2023

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	9,984,452	-	-	-	-	-	9,984,452
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-	-
Total	9,984,452	-	-	-	-	-	9,984,452



SHANTHALA FMCG PRODUCTS LIMITED
(Formerly known as SHANTHALA FMCG PRODUCTS PRIVATE LIMITED)
CIN : U51109KA2014PLC073756
Notes Forming Part of Statement of Profit & Loss

Note 17 : Revenue from operations

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Sales of products	157,424,501	405,159,384
	Total	157,424,501	405,159,384

Note 18 : Other income

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	FD Interest	105,000	230,365
2	Income Tax Refund Interest	-	4,119
3	Marketing Activity & Support Service	-	964,275
4	Room Rent	544,020	1,361,326
5	Surpure Incentive	484,646	
6	Round Off	-	5,369
	Total	1,133,666	2,565,454

Note 19 : Cost of Goods Sold

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Opening Stock	10,750,110	11,104,407
2	Purchases	154,032,377	393,226,433
		164,782,487	404,330,839
	Less: Closing Stock	13,625,396	10,750,110
	Total	151,157,092	393,580,729

Note 20 : Employment benefit expenses

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Salaries	1,359,810	2,201,300
2	Director Remuneration *	1,125,000	2,700,000
	Total	2,484,810	4,901,300

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

Note 21 : Financial cost

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Bank Charges, commission & Processing Fees	114,175	175,933
2	Bank Interest on Overdraft	516,292	1,541,496
4	Interest on Term Loan & Others	892,241	2,134,166
5	Interest paid om unsecured loans	100,000	240,000
	Total	1,622,708	4,091,595



Note 22 : Depreciation and amortised cost

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Depreciation and amortised cost	53,088.00	178,372.00
	Total	53,088.00	178,372.00

Note 23 : Other expenses

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Other Administrative Expenses		
	Payment to Auditors (Note 26)	105,000	250,000
	Apartment Maintenance	44,286	155,211
	Computer & Software Maintenance	31,400	104,368
	Conveyance expenses	55,105	28,946
	Distribution Expenses	437,693	242,033
	Electricity Expenses	93,242	147,367
	FSSAI Licence Fee	-	6,300
	GST	-	34,836
	Insurance	110,510	53,463
	Interest & Late Fee	-	12,542
	Miscellaneous expenses	57,607	27,329
	Municipality Tax		7,214
	Oyo Commission		201,025
	Printing & Stationery	14,434	33,746
	Professional Fees Paid	50,000	24,000
	Profession Tax Paid	15,000	5,000
	Rent Paid	136,500	485,500
	Telephone Expenses	31,093	86,692
	Transportation Expenses	180,392	136,813
	Vehicle Maintenance	108,900	286,325
	Round off	836	-
	Commission	132,300	-
	Sales Promotion	193,000	-
	Software Expenses	12,730	-
	Website Expenses	37,739	-
	Travelling Expenses	18,789	-
	Preliminary Expenses written off	8,118	19,483
	Total	1,874,673	2,348,193

Note 24 : Earning per share

Sr. No.	Particulars	31-Aug-23	31-Mar-23
1	Net profit after tax	1,014,635	1,772,509
2	Weighted average number of equity shares	2,295,957	500,000
	Earning per share (face value of Rs.10/-fully paid)	0.44	3.55



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

Sr. No.	Name	Realation
1	B Manjunath Malya	Director
2	Shobitha Malya	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 August 31, 2023

Sr. No.	Name	Director Remuneration/Interest expenses		Loan O/s		Rent Expenses	
		31-Aug-23	31-Mar-23	31-Aug-23	31-Mar-23	31-Aug-23	31-Mar-23
1	B Manjunath Malya	750,000	1,800,000	1,287,164	1,947,164	100,000	240,000
2	Shobitha Malya	375,000	900,000				
3	Shewtha Kudva (Interest)	100,000	240,000	2,000,000	2,000,000		

