SHASHWATHA NIDHI LIMITED
CIN: U65999KA2017PLC102542
Registered Office: No. 30/31, 3rd Floor, BK Circle, Kothnur Dinne main Road,
8th Phase JP Nagar, Bangalore-560076; **Tel:** 080-35000364
Email: contact@shashwathaltd.com; Website: www.shashwathaltd.com;

Board's Report

To
The Members of
SHASHWATHA NIDHI LIMITED

Your directors have pleasure in presenting the Ninth Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended 31stMarch, 2026.

Annual Return:

The Company is having website i.e.www.shashwathaltd.com and annual return of the company has been published on such website.
As per the provisions of Section 92(3) of the Companies Act, 2013 as amended from time to time, the Annual Return of the Company has been placed on the website of the Company and can be accessed. The copy of duly filled Annual Return (to the extent possible) as required under section92 (3) of the Companies Act, 2013 is uploaded in the website of the company athttps://shashwathaltd.com/documents.php

Number of Board meetings held

The Board duly met 7 times during the Financial Year 2025-26.

Details of the Board meetings:

Date of Board Meeting.	Name of Directors present					
	RavindraKayandoor Shetty	Padmaprasada	Rahul Pandey	Jayavarma Jain	Smaran Prasad Jain	Veena M Prakash
31.05.2025	Present	Present	Present	Present		
19.07.2025	Present	Present	Present	Present		
23.09.2025	Present	Present	Present	Present		
30.09.2025	Present	Present	Present	Present		
18.10.2025	Present	Present	Present	Present		
13.01.2026	Present		Present	Present	Present	Present
31.03.2026	Present		Present	Present	Present	Present

Directors 'Responsibility Statement

Pursuant to Section 134(3) (c)of the Companies Act, 2013 the Board of Directors of the Company hereby confirms that-

(a) In the preparation of the annual accounts for the year ended 31.03.2026, 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 Company being an unlisted sub clause (e) of section 134(3) is not applicable.

(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.

Auditors and Report thereon

The Auditors, M/s. A R T S & Company, Chartered Accountants, were re-appointed as Statutory Auditors of the Company in the sixth Annual General Meeting held on 23rd September 2023, to hold the office until the conclusion of Eleventh Annual General Meeting.

As per the Companies (Amendment) Act, 2017 w.e.f 07-05-2018 the company shall not place the matter relating to such appointment for ratification by members at every annual general meeting.

The Statutory Auditor in his report under the head 'Emphasis of Matter' as mentioned the below:-

"We draw attention to Note 01 of the financial statements, which describes that the Company's application in Form NDH-4 for declaration as a Nidhi Company was rejected by the Ministry of Corporate Affairs (MCA) due to certain non-compliances with the provisions of the Nidhi Rules, 2014. The Registrar of Companies, Karnataka under the Ministry of Corporate Affairs issued notices to the company and its director for the said non-compliances. Immediately, the company has taken cognizance of the same and filed necessary application before the appropriate authority and the same has been made good. Further, as per the instruction given by Ministry of Corporate Affairs during the conference attended by the Authorised person of the company. The company has filed NDH-4 application again with MCA along with all the necessary documents and information for declaration of our company as Nidhi.Our opinion is not modified in respect of this matter."

Comment of the Board of Directors:

Company had filed an application for declaration as Nidhi Company in E-formNDH-4 vide SRN F27943018 dated 7th October, 2022. However, the Ministry of CorporateAffairs had rejected the said application vide its letter in SRN.No. F27943018/202/CL-VII dated 23rd July, 2024. In the said letter the Ministry has stated certain observations /non-compliances under the provisions of Companies Act, 2013 read with Nidhi Rules,2014. In this connection, we state that the observations/non-compliances of Companies Act, 2013 pointed out by MCA were either procedural lapse viz non- filing of certain e-forms within the due dateor non- compliances which arose on account of company reaching certain threshold limits during the years. Thus, the non-filings or other non-adherence are due to procedural lapse and the non-compliances as stated in the letter were compoundable in nature under the provisions of the Companies Act, 2013.

Hence, the Board of Directors in order to prove their innocence and to ensure the compliance of the provisions of the Companies Act, 2013 in true letter and spirit, decided to make good all the non- compliances by filing thepending forms with the ROC. Further, as instructed by the Ministry of Corporate affairs during the conference attended by the Authorised persons of the company, we have filed compounding/ adjudication applications before the respective authorities for making the non-compliances good.

Thereafter, the respective authorities have passed necessary orders and the company has complied with all the orders of the Then Regional Director (SER), Hyderabad and Registrar of Companies, Karnataka by paying necessary penalty imposed by the said authority and filed INC-28 with the ROC, karnataka. Now, as per the instructions of the MCA with the necessary documents and information the company has filed NDH-4 once again vide SRN AC1604599 dated 23/01/2026 for declaration of your company as Nidhi.

Loans, Guarantees and Investments

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review to any person who is not a member of the Nidhi. The details of long- and short-term loans and advances given to the members are disclosed in the notes to financials.

Related Party Transactions

During the financial year under review the company has entered in related party transaction in compliance with Section 188(1) of the Companies Act, 2013 r/w with rules made thereon.The details of continuing related party transaction are mentioned in AOC-2 attached to this Board Report.

State of Company's Affairs and Future Outlook:

During the year your company has earned a profit of Rs. 8,47,176 /- . Your directors are quite confident that the coming year would reflect good results.

Change in Nature of Business, If Any

There is no change in the nature of the business of the Company.

Dividend:

The Board of Directors of your Company has not recommended any dividend for the Financial Year 2025–26.

Amounts Transferred to Reserves

During the Financial Year 2025–26, the Company has transferred INR 8,47,176/- to the General Reserve.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between 31stMarch 2026and the date of Board's Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

A. Conservation of Energy,

Particulars	Explanations
(i) the steps taken or impact on conservation of energy	The Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible.
(ii) the steps taken by the company for utilising alternate sources of energy	NIL
(iii) the capital investment on energy conservation equipment	No capital investment been made of conversion of equipment.

B. Technology Absorption

Particulars	Explanations
(i) the efforts made towards technology absorption	Technology being the heart of the organization, all our book keeping is done through a cloud based software. Our members are given secured access to view the details through mobile applications.
(ii) the benefits derived like product	Members are able to view their personal

improvement, cost reduction, product development or import substitution	details and financial data at their conscience there by reducing the overall operational cost.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NA
(iv) the expenditure incurred on Research and Development	NA

C. Foreign Exchange Earnings and Outgo on Actuals:

There was no foreign exchange inflow or Outflow during the year under review.

Risk Management

The Company has developed and adopted a Risk Management Policy. This policy identifies all perceived risks which might impact the operations and on a more serious level and also threaten the existence of the Company. Risks are assessed department wise such as financial risks, information technology related risks, legal risks, accounting fraud etc. The Risk Management team assists the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The team also ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

Corporate Social Responsibility (CSR) Policy

Section 135 of the Companies Act 2013 has not become applicable to the company. Hence it has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to your company.

Financial highlights and change in nature of Business, Ifany

During the year under review, performance of your company as

Amount in INR(in Hundreds)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Total Revenue	91,732	85,918
Total Expenses	78,495	64,643
Profit Before Tax	13,238	21,275
Tax Expenses Deferred Tax	4,767 (2)	5,356 (656)
Profit after tax	8,472	16,575

There is no change in nature of business.

Directors and KMP

During the current financial year, there were changesin the Constitution of Board of Directors of the company.

The present directors of the company are as follows:

Sl.No	Name	Designation
a	RAHUL PANDEY, DIN: 07197340	Director
b	JAYAVARMA JAIN DIN: 07755474	Director
c	SMARAN PRASAD JAIN:11492021	Additional Director
d	VEENA M PRAKASH : 11491823	Additional Director

Mr. Padmaprasada, Managing Director of the company resigned on 10/01/2026, Mr. SMARAN PRASAD JAIN and Ms. VEENA M PRAKASH, were appointed as additional directors on 13/01/2026 to be regularized in the ensuing Annual General Meeting. Mr. KAYANDOOR RAVINDRA SHETTY, has resigned as director from the company on 09/07/2026.

Information about Subsidiary/ JV/ Associate Company

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

Deposits and disclosure required under Rule 2 (viii) of The Companies (Acceptance of Deposits) Rules, 2014

The Company has accepted the deposits from members/shareholders. These deposits are not considered as deposit as per the definition of "Deposits" under Rule 2(c)(xiv) of the Companies (Acceptance of Deposits) Rules, 2014, as they are accepted by the company in accordance with section 406 of the Companies Act 2013 read with Nidhi Rules 2014 and deposits accepted by this company are not "deposits" within the meaning of provisions of sections 73 to 76 (Chapter V) of the Companies Act, 2013.

Annual Evaluations

The provision of section 134(3) (p) relating to board evaluation is not applicable on the company.

Independent Directors and Declaration

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

Nomination and Remuneration Committee

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Audit Committee

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

Secretarial Audit Report

In terms of the section 204 of the Companies Act 2013, Secretarial Audit Report for the year ended is not applicable.

Cost Audit

In terms of the Companies (Cost Accounting Records and Compliance) Rules, 2011, Cost Audit Report for the year ended is not applicable.

Order of Court or Regulator

The company has suo-motto filed compounding and adjudication applications before the Regional Director (SER) and Registrar of Companies, Karnataka based on the rejection of NDH-4 application by Ministry of Corporate Affairs. The respective authorities have passed necessary orders and the same has been complied in toto by the company and its directors. As on date the company does not have any pending order from any court or regulator.

Statement in respect of adequacy of Internal Financial Control with reference to the Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

Disclosure of Composition Of Audit Committee And Providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

a. <u>Shares</u>

During the year company has not allotted any equity shares during the year.

b. <u>Buy Back of Securities</u>

Section 67 of Companies Act. 2013, shall not apply to the company vide exemption provided to Nidhi companies under exemption notificationno.G.S.R.465(E) dated 5th June 2015.

c. **<u>Sweat Equity</u>**

The Company has not issued any Sweat Equity Shares during the year under review.

d. <u>Bonus Shares</u>

No Bonus Shares were issued during the year under review.

e. <u>Employees Stock Option Plan</u>

The Company has not provided any Stock Option Scheme to the employees.

<u>Disclosure as required under Rule 5(2) Of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:</u>

Section 197 of the Companies Act, 2013 r/w Rule 5(2) Of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company.

<u>Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Compliance of Maternity benefit Act.</u>

Though the number of employees in the company is below the limits specified in said act the Company has zero tolerance policy towards sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of harassment at workplace in line with the requirements of the Sexual Harassment of Women at workshop (prevention, Prohibition and redressal) Act, 2013. Compliance of Maternity Benefit Act is not applicable since the company does not have required number of employees. The Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding sexual harassment all employees are covered under this policy.

The following is the summary of the complaints received and disposed of during the Financial Year 2025-26:

a) No. of Complaints Received:0
b)No. of complaints disposed:0

Compliance with Secretarial Standards:

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

Maintenance of Cost Records:

The company is not required to maintain Cost Records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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

There are no such frauds reported by the auditors during the financial year ended 31st March 2026.

The details of Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

Being a Nidhi company, it is not permissible to take any loan from bank or financial institution. Hence, the company has not taken any loan from any banks/financial institution

Acknowledgements

Your Directors wish to place on record their sincere thanks to bankers, business associates,consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF SHASHWATHA NIDHI LIMITED

SD/-	**SD/-**
JAYAVARMA JAIN	**RAHUL PANDEY**
DIRECTOR	**DIRECTOR**
DIN:07755474	**DIN: 07197340**

Date: 09.07.2026
Place: Bangalore