



29th July 2020

To,
BSE Limited,
P.J.Towers, Dalal Street,
Mumbai – 400 001

Security ID: SBRANDS
Security Code: 540782

Subject: Outcome of the Meeting of the Board of Directors held on 29th July 2020

Dear Sir/Madam,

This is with reference to with the captioned subject, pursuant to Regulation 30 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following is the outcome of the meeting of the Board of Directors of the Company;

1. **Approved Standalone and Consolidated Audited Financial Results for half year/year ended 31st March 2020**

Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board approved the Audited (Standalone and Consolidated) Financial Results for the half year/year ended 31st March 2020.

A copy of the Audited (Standalone and Consolidated) Financial Results for the half year/year ended 31st March 2020 along with the Statement of Assets & Liabilities, Cash flow and Auditors' Report thereon, as received from the Statutory Auditors M/s. B K Khare & Co., Chartered Accountants are enclosed herewith.

A Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding unmodified opinion of the Statutory Auditors on the annual financial results for the financial year ended March 31, 2020 is also enclosed herewith.

2. The Board consider and approved the closure of its Joint Venture Company incorporated in UAE i.e. Sanghvi Brands Beauty & Spa LLC along with its branch offices
3. The board consider and approved to appoint L.M. Joshi & Co, as the internal auditors of the Company for conducting the audit for the year ended 31st March 2021.
4. The board of directors approved the Alteration of Main Objects to be pursued by the Company Main Objects Clause of Memorandum of Association of the Company by addition in new clause in the Main Object Clause which shall be subject to members approval.

Further the company's management has made initial Disclosure of material impact on the operations of the company due to COVID-19 pandemic, pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 issued by SEBI.



Sanghvi Brands Limited

(Formerly known As Sanghvi Brands Private Limited)

In continuous to the same, the consequent lockdown has severely impacted business and operation of the Company since mid of the March 2020. The business of the companies is affected negatively all over the world and across industries since March 2020. There is major impact on business of Wellness, Spa, Salon and Hospitality industries. Due to which;

- The Board of Directors have taken the decision of shutting down the operations in USA and UAE because of COVID issues. The Company has accounted the provision in the financial results equivalent to Amount invested, loan and advances given to all overseas subsidiaries which amounts to 6.21 Crores.
- Because of COVID, the Company has made additional amortization with respect to intangible assets amounts to 1.88 Crores and write it off completely. This was over and above depreciation on intangible assets; as intangible assets are required to be depreciated in three years.
- Company has accounted additional provision with respect to inventories given that a) locations have been closed since March 2020, b) operations will not resume until second half of 2020, c) physical verification is not done due to the lockdown, and d) inventory has been valued at net realisable value. Due to the foregoing, cost of material consumed has gone up from 2.03 Crores to 4.38 Crores.
- Due to complete lockdown, the company was not able to fully operate and generate full amount of revenue in month of March 2020.
- Management has already taken all initiatives to reduce expenses and operate only in India till overall economy improves and start its operation by considering and following all the safety precautions measures prescribed by the government from time to time.
- The management does not see any long-term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The management expects to recover the carrying amount of all the assets and revenue recognized. There will be a close monitoring of the impact of the pandemic on the future economic conditions.
- The management is looking at venturing into wellness products to try to find new avenues of growth in light of Covid-19

The Board Meeting started 12.10 p.m. and concluded 2.30 p.m.

Please acknowledge and take on record of the same.

Thanking You,

For Sanghvi Brands Limited

(Formerly known as Sanghvi Brands Private Limited)

Kruti H. Shah
Company Secretary and Compliance Officer

CIN: L74999PN2010PLC135586

Registered Office:
Sanghvi House, 105/2, Shivajinagar, Pune - 411005, India
Tel: 020 67634800

Corporate Office:
Unit No 101, DTC Building, Sitaram Mill Compound, N M Joshi Marg, Lower Parel - 400011
Tel: 022 4910 7600

E-mail: info@sanghvibrands.com

Auditor's Report on the Standalone financial Results of the Company for the half year and year ended March 31, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors
Sanghvi Brands Limited

Opinion

We have audited the standalone financial results of Sanghvi Brands Limited ("the Company") for the half year and the year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. ("Listing regulations")

In our opinion and to the best of our information and according to the explanations given to us the aforesaid annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) gives a true and fair view, in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the loss, and other financial information of the Company for the half year and year ended March 31, 2020

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 ("the Act"). Our responsibilities under those SAs are further described in the 'Auditors Responsibilities for the Audit of Annual Financial Results' 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 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 on the annual financial results.

Emphasis of Matter

We draw attention to following matters in notes to the financial results:

- a. Note 6 to the financial results which describes the actual and potential impact of the outbreak of COVID 19 on the business operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve



Pune

T + 91 020 25648885/8446011005
+ 91 020 8446031006/8446031009
F + 91 020 2542 0212
E bkkpune@bkkhareco.com
Hotel Swaroop, 4th Floor,
Lane No.10, Prabhat Road,
Erandwane, Pune - 411 004, India

Bengaluru

T + 91 80 41105357
E bkkbengaluru@bkkhareco.com
101, Money Chambers,
1st Floor, # 6 K. H. Road,
Shanthinagar,
Bengaluru - 560027, India

New Delhi

T + 91 011 4905 7624
E bkkdelhi@bkkhareco.com
1405/06, 38, Ansal Tower
Nehru Place,
New Delhi 110 019,
India

Chennai

T + 04 4 48629289
E bkkchennai@bkkhareco.com
2nd Floor, Crown Court
Cathedral Road,
Chennai - 600086,
India

- b. As detailed in Note 10 and Note 11 to the financial results, no provision is presently considered necessary on the investments in two Indian subsidiaries and the loans granted to them in spite of significant accumulated losses, negative net-worth as of the balance sheet date and the subsidiaries' operations been impacted by the Covid 19 pandemic. In the opinion of the management these are temporary disruptions and management is confident of revival of the business operations of these entities.

Our opinion is not modified in respect of the above matters.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results 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 SA 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 results.

As part of an audit in accordance with standard on auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- a. Identify and assess the risks of material misstatement of the financial results, 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.



- b. 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)(l) 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 results 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.
- e. Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results 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.

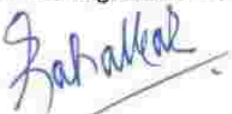
Other Matter

The annual financial results include the results for the half year ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited half year ended figures of the current financial year which were subjected to limited review by us.

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number: 105102W



Shirish Rahalkar

Partner

Membership No.:111212

UDIN: 20111212AAAAKN7306

Mumbai, July 29, 2020



SANGHVI BRANDS LIMITED
CIN: L74999PN2010PLC135586
SANGHVI HOUSE, 105/2, SHIVAJINAGAR, PUNE-411005
STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2020

(Amt in Rs.)

	Particulars	Half - Year Ended			Year Ended	
		September 30, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1	INCOME					
	(a) Revenue from operations	46,231,688	33,646,898	44,957,062	79,878,586	100,048,965
	(b) Other Income	2,775,149	1,791,075	4,552,016	4,566,224	8,319,493
	Total Revenue	49,006,837	35,437,973	49,509,078	84,444,810	108,368,458
2	Expenses					
	(a) Cost of materials consumed	2,592,603	10,921,050	4,535,903	13,513,653	7,246,532
	(b) Employee benefits expense	23,163,725	22,637,215	25,306,382	45,800,940	54,054,186
	(c) Finance Costs	213,749	815,192	422,651	1,028,941	778,947
	(d) Depreciation and amortization expense	5,344,148	24,865,721	5,976,018	30,209,869	7,608,840
	(e) License Fees	11,960,882	12,653,064	12,856,773	24,613,946	27,599,643
	(f) Other expenses	6,387,249	11,608,523	10,337,364	17,995,771	16,039,369.00
	Total expenses	49,662,356	83,500,764	59,435,091	133,163,120	113,327,517
3	Profit / (Loss) from operations before other income and exceptional items (1-2)	(655,519)	(48,062,791)	(9,926,013)	(48,718,310)	(4,959,059)
4	Profit/ (Loss) from ordinary activities before exceptional items	(655,519)	(48,062,791)	(9,926,013)	(48,718,310)	(4,959,059)
5	Profit/ (Loss) from ordinary activities before exceptional items	(655,519)	(48,062,791)	(9,926,013)	(48,718,310)	(4,959,059)
6	Exceptional items	-	62,147,508	-	62,147,508	-
7	Profit/ Loss from ordinary activities before tax (5 ± 6)	(655,519)	(110,210,299)	(9,926,013)	(110,865,818)	(4,959,059)
8	Tax Expenses :					
	(a) Current tax expenses for the current year	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-
9	Net Profit/ (Loss) from ordinary activities after tax (7 ± 8)	(655,519)	(110,210,299)	(9,926,013)	(110,865,818)	(4,959,059)
10	Extraordinary items (net of tax expenses)	-	-	-	-	-
11	Net Profit/(+) / (Loss)-) for the period (9 ± 10)	(655,519)	(110,210,299)	(9,926,013)	(110,865,818)	(4,959,059)
12	Share of profit or loss of associates	-	-	-	-	-
13	Minority Interest	-	-	-	-	-
14	Net Profit / Loss for the period after taxes, minority interest and share of profit/ (loss) of associates (11 ± 12 ± 13)	(655,519)	(110,210,299)	(9,926,013)	(110,865,818)	(4,959,059)
15	Paid-up equity share Capital (Face Value of Rs.10/- per share)	104,158,800	104,158,800	104,158,800	104,158,800	104,158,800
16	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	30,973,373	141,839,192
17	I. Earning per share (before extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic	(0.06)	(10.58)	(0.95)	(10.64)	(0.48)
	(b) Diluted	(0.06)	(10.58)	(0.95)	(10.64)	(0.48)
18	II. Earning per share (after extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic	(0.06)	(10.58)	(0.95)	(10.64)	(0.48)
	(b) Diluted	(0.06)	(10.58)	(0.95)	(10.64)	(0.48)

For and on behalf of the Board of Directors



[Signature]

DARPAN SANGHVI
DIRECTOR
DIN : 02912102

Date: 29th July 2020
Place: Mumbai

SANGHVI BRANDS LIMITED
CIN: L74999PN2010PLC135586
SANGHVI HOUSE, 105/2, SHIVAJINAGAR, PUNE-411005
STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2020
(Amt in Rs.)

Statement of Assets and Liabilities	As at	
	MARCH 31, 2020 (Audited)	MARCH 31, 2019 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	104,158,800	104,158,800
(b) Reserve and Surplus	30,973,373	141,839,192
Sub Total - Share Holders funds	135,132,173	245,997,992
2 Share application money pending allotment	-	-
3 Minority Interest	-	-
4 Non-Current Liabilities		
(a) Other long term liabilities	-	-
(b) Long - Term Provisions	1,873,743	2,620,390
Sub Total Non-Current Liabilities	1,873,743	2,620,390
5 Current liabilities		
(a) Trade payables	4,637,940	2,464,402
(b) Other current liabilities	12,860,144	10,734,403
(c) Short-term provisions	780,537	406,505
Sub Total-Current Liabilities	18,278,621	13,605,310
TOTAL EQUITY AND LIABILITIES	155,284,537	262,223,692
B ASSETS		
1 Non-Current Assets		
(a) Fixed Assets		
(i) Tangible assets	2,878,418	3,111,973
(ii) Intangible assets	627,047	30,152,361
(b) Non-current investments	1,667,500	13,378,676
(c) Long-term loans and advances	6,921,676	8,779,302
(d) Other non current Assets	4,626,625	4,350,254
Sub Total Non-Current Assets	16,721,266	59,772,566
1 Current Assets		
(a) Inventories	8,291,342	13,965,328
(b) Trade receivables	25,131,992	8,814,786
(c) Cash and Bank balances	43,173,878	89,411,104
(d) Short-term loans and advances	61,578,398	89,813,471
(e) Other current assets	387,661	446,437
Sub Total-Current Assets	138,563,271	202,451,126
TOTAL ASSETS	155,284,537	262,223,692

For and on behalf of the Board of Directors

(Handwritten Signature)



Date: 29th July 2020
Place: Mumbai

DARPAN SANGHVI
DIRECTOR
DIN : 02912102

SANGHVI BRANDS LIMITED
CIN: L74999PN2010PLC135586

SANGHVI HOUSE, 105/2, SHIVAJINAGAR, PUNE-411005

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH, 2020 (Amt in Rs.)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Cash flow from Operating Activities		
Profit/Loss before Tax	(110,865,818)	(4,959,060)
Adjustments for:		
Depreciation & Amortisation Expenses	12,948,489	7,608,840
Unrealized Foreign exchange Gain	-	(1,409,799)
Sundry Credit Balances Appropriated	-	(6,909,694)
Interest income	(4,566,224)	-
Provision for Diminution of Investment	9,738,241	-
Impairment of Business Rights	17,261,380	-
Interest Expenses	-	-
Operating profit before working capital changes	(75,483,933)	(5,669,713)
Changes in:		
Trade and Other Receivables	(16,317,206)	2,191,688
Inventories	5,673,986	(566,263)
Loans and Advances- short term	28,235,072	(18,469,967)
Long term loans and advances	2,319,881	(2,419,881)
Other Current Assets	(217,595)	(160,742)
Trade and Other Payables	3,926,664	(8,430,682)
Cash generated from operations	(51,863,130)	(33,525,559)
Less: Taxes paid net of refund	(462,255)	(735,984)
Net Cash from Operating Activities (A)	(52,325,385)	(34,261,543)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets/Capital Expenditure	(451,000)	(36,716,468)
Decrease in Investment	1,972,935	(4,664,466)
Interest Received	4,566,224	6,909,694
Decrease in Fixed Deposits	44,091,618	37,498,891
Net Cash used in Investing Activities (B)	50,179,777	3,027,652
C. Cash flow from Financing Activities		
Change in Borrowings	-	-
Interest Paid	-	-
Share issue expenses	-	-
Share issued	-	-
Premium on shares issued	-	-
Net Cash used in Financing Activities (C)	-	-
D. Net increase/decrease in cash and cash equivalents (A+B+C)	(2,145,608)	(31,233,891)
E. Opening Balance of Cash and Cash Equivalents	3,533,521	34,767,412
F. Closing Balance of Cash and Cash Equivalents (D+E)	1,387,913	3,533,521
Companants of cash and cash equivalents		
cash in hand	110,094	242,343
With Banks:		
on Current Accounts	1,277,819	3,291,178

For and on behalf of the Board of Directors



[Handwritten Signature]

DARPAN SANGHVI
DIRECTOR
DIN : 02912102

Date: 29th July 2020
Place: Mumbai

Auditor's Report on the Consolidated Results for the half year and year ended March 31, 2020 of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Sanghvi Brands Limited

Opinion

We have audited the consolidated financial results of Sanghvi Brands Limited ('the Holding Company') and its subsidiary companies (the Holding Company and its subsidiaries are referred to as 'the Group') and its associate for the year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Consolidated Financial Results").

In our opinion and to the best of our information and according to the explanations given to us these Consolidated Financial Results

- (i) include financial results of the following entities
 - a) Sanghvi Beauty and Salon Private Ltd
 - b) Sanghvi Fitness Private Ltd
 - c) Sanghvi Brands US Holdings Inc
 - d) Love of Spa RC SFO (LLC) step down subsidiary
 - e) Spa La Vie Beauty LLC WDC step down subsidiary
 - f) Sanghvi Brands and Beauty Spa LLC
 - g) Sanghvi Brand S L Private Limited
 - h) Anayan Software Consultancy Private Limited as an Associate
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2020.

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 Consolidated Financial Results section of our report. We are independent of the Group 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 Consolidated financial statements under the provisions of the Companies Act, 2013 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.



Pune
T +91020 25648885/8446011005
+ 91 020 8446031006/844603 1009
F + 91 020 2542 0212
E bkkpune@bkkhareco.com
Hotel Swaroop, 4th Floor,
Lane No.10, Prabhai Road,
Erandwane, Pune - 411 004, India

Bengaluru
T +918041105357
E bkkbengaluru@bkkhareco.com
101, Money Chambers,
1st Floor, # 6K, H. Road,
Shanthinagar,
Bengaluru - 560027, India

New Delhi
T +91011 4905 7624
E bkkdelhi@bkkhareco.com
1405/06, 38, Ansal Tower
Nehru Place,
New Delhi 110 019,
India

Chennai
T + 044 4862 9299
E bkkchennai@bkkhareco.com
2nd Floor, Crown Court
Cathedral Road,
Chennai - 600086,
India

Emphasis of matter

- a. Note No. 6 to the consolidated financial results describes the potential impact of the outbreak of COVID 19 on the business operations of the Group Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in this matter.
- b. As explained in note 8, with regard to consolidated financial results, the share of profit / loss of the Group from one of the Associates was considered based on the unaudited financial information of the Associate for the period up to September 30, 2019, The group did not have access to the information after that date, but considering the size and operations, the management is of the view that this would not have a material impact on the consolidated financial results for the year.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management/Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 consolidated annual financial results.

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

- a. Identify and assess the risks of material misstatement of the financial results, 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.
- b. 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 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 results 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.
- e. Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results 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.



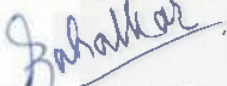
Other Matter

We did not audit the financial statements of 3 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets (before consolidation adjustments) of Rs 3,27,10,520/- as at March 31, 2020 as well as total revenue (before consolidation adjustments) of Rs 12,80,14,166/- and total profit/(loss) after tax (before consolidation adjustment) of Rs (1,62,28,234) for the year ended March 31, 2020. The consolidated financial result also includes associates share of net profit/(loss) after tax Rs (1,34,989) based on interim financial information which have not been reviewed by the auditor. These financial statements and other financial information of 3 subsidiaries were audited by other auditors and our opinion on the consolidated financial results for the year ended March 31, 2020, to the extent they have been derived from such financial statements is based on solely on the report of such other auditor submitted to us by the management of the Company. Our opinion is not modified in respect of the above matter.

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number: 105102W



Shirish Rahalkar

Partner

Membership No.:111212

UDIN: 20111212AAAAKO1226

Mumbai, July 29, 2020



SANGHVI BRANDS LIMITED
CIN: L74999PN2010PLC135586
SANGHVI HOUSE, 105/2, SHIVAJINAGAR, PUNE-411005
CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2020

(Amt in Rs.)

	Particulars	Half - Year Ended			Year Ended	
		September 30, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1	INCOME					
	(a) Revenue from operations	158,052,661	142,754,545	157,976,485	300,807,206	314,133,071
	(b) Other Income	2,796,670	2,603,612	6,342,221	5,400,282	10,638,955
	Total Revenue	160,849,331	145,358,157	164,318,706	306,207,488	324,772,026
2	Expenses					
	(a) Cost of materials consumed	8,306,487	35,535,708	11,692,107	43,842,194	20,317,613
	(b) Employee benefits expense	95,514,120	93,946,875	98,807,119	189,460,995	186,070,259
	(c) Finance Costs Depreciation, amortization & impairment expense	1,283,537	3,406,229	1,432,000	4,689,766	2,715,246
	(d) (Refer Note 5)	6,969,817	25,380,014	6,311,723	32,349,831	8,557,063
	(e) License Fees	28,355,863	27,423,603	30,799,566	55,779,466	55,825,637
	(f) Other expenses	27,596,650	43,527,922	37,406,616	71,124,572	65,193,506
	Total expenses	168,026,474	229,220,350	186,449,131	397,246,824	338,679,324
3	Profit / (Loss) from operations before other income and exceptional items (1-2)	(7,177,143)	(83,862,193)	(22,130,426)	(91,039,336)	(13,907,300)
4	Profit / (Loss) from ordinary activities before exceptional items	(7,177,143)	(83,862,193)	(22,130,426)	(91,039,336)	(13,907,300)
5	Profit / (Loss) from ordinary activities before exceptional items	(7,177,143)	(83,862,193)	(22,130,426)	(91,039,336)	(13,907,300)
6	Exceptional items	-	-	-	-	-
7	Profit / Loss from ordinary activities before tax (5 ± 6)	(7,177,143)	(83,862,193)	(22,130,426)	(91,039,336)	(13,907,300)
8	Tax Expenses :					
	(a) Current tax expenses for the current year	-	-	87,048	-	-
	(b) Deferred tax	-	-	-	-	-
9	Net Profit / (Loss) from ordinary activities after tax (7 ± 8)	(7,177,143)	(83,862,193)	(22,043,378)	(91,039,336)	(13,907,300)
10	Extraordinary items (net of tax expenses)	-	-	-	-	-
11	Net Profit (+) / (Loss) (-) for the period (9 ± 10)	(7,177,143)	(83,862,193)	(22,043,378)	(91,039,336)	(13,907,300)
12	Share of profit or loss of associates	(134,989)	(0)	76,820	(134,989)	(124,094)
13	Minority interest	-	-	-	-	-
14	Net Profit / Loss for the period after taxes, minority interest and share of profit/ (loss) of associates (11 ± 12 ± 13)	(7,312,132)	(83,862,194)	(21,966,557)	(91,174,325)	(14,031,394)
15	Paid-up equity share Capital (Face Value of Rs.10/- per share)	104,158,800	104,158,800	104,158,800	104,158,800	104,158,800
16	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	17,009,862	108,266,732
17	I. Earning per share (before extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic	(0.70)	(8.04)	(2.11)	(8.74)	(1.34)
	(b) Diluted	(0.70)	(8.04)	(2.11)	(8.74)	(1.34)
18	II. Earning per share (after extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic	(0.70)	(8.04)	(2.11)	(8.74)	(1.34)
	(b) Diluted	(0.70)	(8.04)	(2.11)	(8.74)	(1.34)

For and on behalf of the Board of Directors



[Signature]

DARPAN SANGHVI
DIRECTOR
DIN : 02912102

Date: 29th July 2020
Place: Mumbai

SANGHVI BRANDS LIMITED
CIN: L74999PN2010PLC135586
SANGHVI HOUSE, 105/2, SHIVAJINAGAR, PUNE-411005
CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2020
(Amt in Rs.)

Statement of Assets and Liabilities	As at	
	MARCH 31, 2020 (Audited)	MARCH 31, 2019 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	104,158,800	104,158,800
(b) Reserve and Surplus	17,009,862	108,266,732
Sub Total - Share Holders funds	121,168,662	212,425,532
2 Share application money pending allotment	-	-
3 Minority Interest	-	-
4 Non-Current Liabilities		
(a) Other long term liabilities	-	-
(b) Long - Term Provisions	2,468,756	3,108,967
Sub Total Non-Current Liabilities	2,468,756	3,108,967
5 Current liabilities		
(a) Trade payables	8,559,703	7,624,384
(b) Other current liabilities	27,965,323	20,794,584
(c) Short-term provisions	895,822	1,115,149
Sub Total-Current Liabilities	37,420,848	29,534,117
TOTAL EQUITY AND LIABILITIES	161,058,266	245,068,616
B ASSETS		
1 Non-Current Assets		
(a) Fixed Assets		
(i) Tangible assets	18,109,197	20,432,886
(ii) Intangible assets	689,219	30,215,420
(b) Non-current investments	1,056,251	1,345,905
(c) Long-term loans and advances	10,179,514	10,312,277
(d) Other non current Assets	4,788,197	6,792,110
Sub Total Non-Current Assets	34,822,378	69,098,598
1 Current Assets		
(a) Inventories	14,350,730	33,701,364
(b) Trade receivables	49,912,480	30,051,663
(c) Cash and Bank balances	47,992,038	96,105,198
(d) Short-term loans and advances	13,331,984	15,298,932
(e) Other current assets	648,656	812,861
Sub Total-Current Assets	126,235,888	175,970,018
TOTAL ASSETS	161,058,266	245,068,616



For and on behalf of the Board of Directors



[Handwritten Signature]

Date: 29th July 2020
Place: Mumbai

DARPAN SANGHVI
DIRECTOR
DIN : 02912102

SANGHVI BRANDS LIMITED CIN: L74999PN2010PLC135586 SANGHVI HOUSE, 105/2, SHIVAJINAGAR, PUNE-411005 CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH, 2020 (Amt in Rs.)		
Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Cash flow from Operating Activities		
Profit/Loss before Tax	(91,039,335)	(13,907,301)
Adjustments for:		
Depreciation & Amortisation Expenses	15,086,951	8,556,241
Unrealized Foreign exchange Gain	(2,150,030)	(661,984)
Sundry Credit Balances Appropriated	-	(1,409,799)
Interest income	(4,577,443)	(6,920,292)
Provision for Diminution of Investment	-	-
Impairment of Business Rights	17,261,380	-
Interest Expenses	-	-
Operating profit before working capital changes	(65,418,477)	(14,343,135)
Changes in:		
Trade and Other Receivables	(19,860,817)	(3,031,169)
Inventories	19,350,633	(2,142,781)
Loans and Advances- short term	(22,677,189)	(32,550,514)
Long term loans and advances	(3,677,288)	(5,738,085)
Other Current Assets	(122,263)	1,673,721
Trade and Other Payables	7,246,520	(7,950,326)
Cash generated from operations	(85,158,880)	(64,082,290)
Less: Taxes paid net of refund	43,372	(1,242,602)
Net Cash from Operating Activities (A)	(85,115,508)	(65,324,892)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets/Capital Expenditure	(498,441)	(43,324,025)
Decrease in Investment	1,972,935	(4,664,466)
Interest Received	4,577,443	6,920,292
Decrease in Fixed Deposits	44,091,618	37,498,891
Net Cash used in Investing Activities (B)	50,143,555	(3,569,307)
C. Cash flow from Financing Activities		
Change in Borrowings	32,904,090	32,839,579
Interest Paid	-	-
Share issue expenses	-	-
Share issued	(1,953,674)	4,514,466
Premium on shares issued	-	-
Net Cash used in Financing Activities (C)	30,950,415	37,354,045
D. Net increase/decrease in cash and cash equivalents (A+B+C)	(4,021,543)	(31,540,155)
E. Opening Balance of Cash and Cash Equivalents	10,227,614	41,767,770
F. Closing Balance of Cash and Cash Equivalents (D+E)	6,206,071	10,227,615
Components of cash and cash equivalents		
cash in hand	503,748	1,033,670
With Banks:		
on Current Accounts	5,702,325	9,193,945
For and on behalf of the Board of Directors		
 		
DARPAN SANGHVI DIRECTOR DIN : 02912102		
Date: 29th July 2020		
Place: Mumbai		

NOTES

- 1 The above consolidated financial results for the half year and year ended 31 March 20 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on 29th July 2020.
- 2 The figures for the half year ended 31st March, 2020 are the balancing figures between reviewed figures in respect of the Half Year ended 30th September 2019 and audited figures for the financial year ended on 31st March 2020.
- 3 During the previous year ended 31 March 2018, the Company had issued 27,48,000 equity shares of Rs. 10/- each at a premium of Rs. 59/- per share by way of an initial public offering amounting Rs. 1896.12 Lakhs. Of this, the unutilized amount as on 31 March 20 is Rs. 3,48,14,059/-
- 4 Previous periods/ year's figures have been regrouped wherever necessary to conform to the current period's classification.
- 5 Depreciation, amortization & impairment expense amount includes impairment of Intangible assets of Rs.1,72,61,380
- 6 In view of the pandemic relating to COVID -19, the operations at Company's spa centers located at various locations across India were disrupted. The revenues of the Company dropped significantly at the end of Q4 of FY 2019-20 and Company's operations are likely to remain severely affected for at least the first two quarters of F.Y. 2020-21. However, management believes that all spa centres located at various location to become operational in a phased manner after the lockdown is lifted and expects that the confidence of customers will be restored. The Company has considered internal and external information and analysed the impact based on current estimates in assessing the sales projections, liquidity, manpower, availability of spa and salon treatment material, inventory, recoverability of receivables, unbilled receivables, intangible assets and other financial assets and liabilities. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions. In addition, the management does not see any risks in the ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 7 Exceptional items in the standalone results represents provision made during the year for diminution in value of investments in subsidiaries and advances given to them.
- 8 With regard to consolidated financial results, the share of profit / loss of the Group from one of the Associates was considered based on the unaudited financial information of the Associate for the period upto September 30, 2019, The group did not have access to the information after that date, but considering the size and operations, the management is of the view that this would not have a material impact on the consolidated financial results for the year.
- 9 The Consolidated financial results include the financial results of three overseas subsidiaries audited by other auditors located at USA, UAE and Sri Lanka. These overseas subsidiaries were incurring operational losses in the past years and operations of these companies were completely shut down from March 20 due to Covid-19 impact. Consequent to this, the major revenue source of these entities has stopped. The Management does not see any other business opportunities in USA and accordingly have taken a decision to suspend the operations of the US subsidiary. Also, they have decided to close down the operations of the subsidiaries at UAE and Sri Lanka.
- 10 The Company has invested Rs 1,00,000/- in equity capital of its wholly owned domestic subsidiary – Sanghvi Beauty and Salons Private Ltd and had also granted unsecured loan aggregating to Rs 4,73,70,564/-. Due to the outbreak of Covid 19, operations of the subsidiary company are temporarily closed. In addition to this, the subsidiary company has been incurring losses and its net worth as on March 31, 2020 is negative Rs 3,57,98,755/- The Management has considered that erosion in net worth is temporary and expects improvements in operations after the conditions return to normal and which is expected by Q4 of FY 20-21.
- 11 The Company has invested Rs. 97,500/- in the equity share capital of its subsidiary - Sanghvi Fitness Private Limited and given unsecured loan of Rs 90,87,317/- The subsidiary company has been incurring losses for past few years and its net worth as on March 31, 2020 is negative Rs. 60,60,721/- (Previous year: (Rs.6,57,444)/-). The Management has considered that erosion in net worth is temporary and expects improvements in operations after the conditions returns to normal and which is expected by Q4 of FY 20-21.
- 12 The aforesaid Financial Results will be uploaded on the Company's website www.sanghvibrands.com and will also be available on the websites of BSE Limited www.bseindia.com for the benefit of shareholders and investors.

For and on behalf of the Board of Directors

Date: 29th July 2020

Place: Mumbai



Darpan Sanghvi
DIRECTOR



Sanghvi Brands Limited

(Formerly known as Sanghvi Brands Private Limited)

29th July 2020

To,

BSE Limited,

P.J.Towers, Dalal Street,

Mumbai - 400 001

Security ID: SBRANDS

Security Code: 540782

Subject: Declaration for unmodified opinion on Auditor Report on Annual Audited Financial Result for the Half year and Year ended 31st March 2020

Dear Sir/Madam,

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm and declare that the Statutory auditors of the Company M/s. B. K. Khare & Co., Chartered Accounts have issued Auditor's Report's with unmodified opinions in respect of the Audited Financial Results (Standalone & Consolidated) for the half year/year ended 31st March 2020 approved at the Board Meeting held today on 29th July 2020.

We request you to take submissions on record.

Thanking You,

For Sanghvi Brands Limited

(Formerly known as Sanghvi Brands Private Limited)

Laxmi Nayabon Rathi

Laxmi Rathi

Chief Financial Officer