



# Sanghvi Brands Limited

(Formerly known As Sanghvi Brands Private Limited)

**Date: 8<sup>th</sup> September 2022**

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai: 400 001

**Security ID: SBRANDS**

**Security Code: 540782**

**Sub.: Submission of Annual report for the Financial Year 2021-2022**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 enclosed herewith a copy of Annual report for the financial year ended 31<sup>st</sup> March 2022 together with the Notice convening the Annual General Meeting of the Company to be held on 30<sup>th</sup> September 2022.

Request you to take the above on records and oblige.

For **Sanghvi Brands Limited**

*(Formerly known as Sanghvi Brands Private Limited)*

*K.H. Shah.*

**Kruti Shah**

**Company Secretary & Compliance Officer**



Encl.: As Above

CIN: L74999PN2010PLC135586

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



Sanghvi Brands Limited  
Annual Report  
2021- 2022

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## COMPANY INFORMATION

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### BOARD OF DIRECTORS

Mr. Darpan Sanghvi - Director  
Mr. Narendra Sanghvi - Non-Executive Director  
Ms. Disha Sanghvi - Non-Executive Director  
Mr. Carlton Pereira - Non-Executive Director  
Mr. Sunil Lulla - Independent Director  
Mr. Gaurav Aggarwal - Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kruti Shah

### CHIEF EXECUTIVE OFFICER

Dr. Vijay Aggarwal (*appointed w.e.f 1<sup>st</sup> August 2021*)

### CHIEF FINANCIAL OFFICER

Mr. Laxmi Rathi

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Mr. Carlton Pereira - Chairman of the Committee  
Mr. Sunil Lulla - Member  
Mr. Gaurav Aggarwal - Member

#### NOMINATION AND REMUNERATION COMMITTEE

Mr. Carlton Pereira - Chairman of the Committee  
Mr. Sunil Lulla - Member  
Mr. Gaurav Aggarwal - Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Carlton Pereira - Chairman of the Committee  
Mr. Sunil Lulla - Member  
Mr. Gaurav Aggarwal - Member

### CORPORATE IDENTIFICATION NUMBER

L74999PN2010PLC135586

### LISTED ON

BSE Limited - SME Platform

### STATUTORY AUDITORS

M/s. B.K. Khare & Co.  
Chartered Accountant

### SECRETARIAL AUDITOR

M/s. NKM & Associates  
Company Secretaries

### REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited  
Bharat Tin Works Building., 1st Floor, Opp. Vasant  
Oasis, Makwana Road, Marol, Andheri (East)  
Mumbai: 400059

### PRINCIPAL BANKERS

Axis Bank Limited

## NOTICE

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NOTICE is hereby given that the **12<sup>th</sup> Annual General Meeting** of the Members of **Sanghvi Brands Limited** will be held on Friday, 30<sup>th</sup> September 2022 at 3.30 p.m. through Video Conferencing (“VC”) and Other Audio-Visual Means (“OAVM”) to transact the following business: -

### **ORDINARY BUSINESS**

#### **Item No. 1 – Adoption of the Annual Audited Standalone and Consolidated Financial Statements and Reports thereon:**

To receive, consider and adopt:

(a) the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2022, including audited Balance Sheet as on March 31, 2022, the statement of Profit & Loss and the Cash flow for the year ended as on that date together with report of Director’s and Auditor’s thereon; and

(b) the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2022, including Consolidated audited Balance Sheet as on March 31, 2022, the Statement of Profit & Loss and the Cash flow for the year ended as on that date together with report of Auditor’s thereon.

#### **Item No. 2 – Re-Appointment of a Director**

To consider and if thought fit appoint Mr. Narendra Sanghvi (DIN: 02912085) Director of the Company, who retires by rotation to enable compliance with the provision of Section 152 of the Companies Act 2013 and being eligible, offered himself for re-appointment.

**“RESOLVED THAT** pursuant to provision of Section 152(6) of the Companies Act, 2013, and the rules made there under, Mr. Narendra Sanghvi (DIN: 02912085) who retires by rotation and being eligible for reappointment, be and is hereby reappointed as the Director of the Company.”

**For and on behalf of the Board of Directors  
Sanghvi Brands Limited**

*Sd/-*

**Kruti Shah  
Company Secretary  
8<sup>th</sup> September 2022  
Place: Mumbai**

## **NOTES:**

1. In view of the prevailing COVID-19 pandemic, the Government of India, Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, and Circular No. 02/2021 dated January 13, 2021 (“MCA Circulars”), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM.
2. Securities and Exchange Board of India (“SEBI”) also vide its Circular dated May 12, 2020 (“SEBI Circular”), permitted holding of Annual General Meetings through VC/OAVM. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circular, the 12<sup>th</sup> Annual General Meeting (AGM) of the Members will be held through VC/ OAVM. Accordingly, the members can attend and participate in the AGM through VC/OAVM only. The venue of the Meeting shall be deemed to be the registered office of the Company.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. Pursuant to the provisions of the Companies Act, 2013 (“the Act”), a member who is entitled to attend and vote at the AGM is also entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this General Meeting is held through VC/OAVM the physical attendance of members is dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, authorized representative of the Corporate Member(s) may be appointed for the purpose of participation in the 12<sup>th</sup> AGM through VC / OAVM and also for remote e-Voting during the 12<sup>th</sup> Annual General Meeting.
5. No Route map has been sent along with this Notice of the Meeting as the meeting is held through VC/OAVM.
6. Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
7. In line with the MCA Circulars and the SEBI Circular, the Notice calling the AGM and the Annual Report for the F.Y 2021-22 has been uploaded on the website of the Company at [www.sanghvibrands.com](http://www.sanghvibrands.com). The Notice and the Annual Report for the F.Y 2021-22 can also be accessed from the websites of the Stock Exchange i.e. BSE SME Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL/NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business, if any to be transacted at the meeting is annexed hereto.

9. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as required to be disclosed as per the Companies Act, 2013, Regulation 36 (2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) are provided as a part of this Notice.
10. All documents referred to in the accompanying Notice and the Explanatory Statement have been uploaded on the website of the Company at [www.sanghvibrands.com](http://www.sanghvibrands.com) shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of 12<sup>th</sup> Annual General Meeting. Members seeking to inspect such documents can send an email to [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com).
11. The entire Shareholding of the Company is in dematerialized Form.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
13. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting.

The Annual Reports together with the Notice of this meeting have been sent through registered email id to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants as on Friday, 2<sup>nd</sup> September 2022.

14. Pursuant to Section 101 and 136 of the Act read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. As per provisions of Section 20 of the Act read with Rules thereunder, a document may be served on any member by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his / her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. In cases, where any member has not registered his / her e-mail address with the Company, the service of documents, etc. will be effected by other modes of service as provided in Section 20 of the Act read with the relevant Rules thereunder. Those members, who desire to receive notice / financial statement / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his / her Depository Participant / the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited, as the case may of; Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depositories Services Limited (CDSL) for facilitating voting through

electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- i. The voting period begins on 27<sup>th</sup> September 2022 at 10.00 a.m. and ends on 29<sup>th</sup> September 2022 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.  2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-



	<p>Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. Now enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.

5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6. If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id</li> </ul>

<b>OR</b> Date of Birth (DOB)	/ folio number in the Dividend Bank details field.
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vi. After entering these details appropriately, click on “SUBMIT” tab.

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**xvi. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for attending meeting & e-Voting on the day of the EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com). The shareholders who do not wish to speak during the EGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e- Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

iv. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compliance@sanghvibrands.com](mailto:compliance@sanghvibrands.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**For and on behalf of the Board of Directors  
Sanghvi Brands Limited**

*Sd/-*

**Kruti Shah  
Company Secretary  
Date: 8<sup>th</sup> September 2022  
Place: Mumbai**

## ANNEXURE TO NOTICE

### Details of Directors seeking Appointment / Re-appointment

[Pursuant to the Regulation 26 and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

<b>Name of Director</b>	Mr. Narendra Sanghvi DIN: 02912085 (Re-appointed who is liable to retire by rotation)
<b>Date of Birth</b>	24 <sup>th</sup> September 1952
<b>Date of appointment</b>	Appointment as Director on 16 <sup>th</sup> February 2010
<b>Qualification</b>	He is a Commerce Graduate from Pune University and MBA from New York, USA.
<b>Nature of Expertise</b>	He started his career in 1977 where he was working in a family-owned business and has wide experiences in the business of Steel, real estate and equity investments.
<b>Directorships held in other Public Companies/Foreign Companies</b>	NIL
<b>Directorships held in other Private Limited Companies</b>	<ol style="list-style-type: none"> <li>1. Sanghvi Beauty &amp; Salon Private Limited</li> <li>2. Sanghvi Fitness Private Limited</li> <li>3. Sanghvi Beauty &amp; Technologies Private Limited</li> <li>4. Sanghvi Lifestyle Products Private Limited</li> <li>5. Luxeva India Private Limited</li> <li>6. St. Botanica Beauty Private Limited</li> <li>7. Infomoko Technology Private Limited</li> <li>8. Sirona Hygiene Private Limited</li> <li>9. Amishi Consumer Technologies Private Limited</li> <li>10. Scoopwhoop Media Private Limited</li> <li>11. Boven Technologies Private Limited</li> <li>12. Vidooly Media Tech Private Limited</li> </ol>
<b>No. of Shares held</b>	NIL

# DIRECTORS' REPORT

Dear Members,

The Directors are please to present the 12<sup>th</sup> Director's Report of the Company, the affairs of the Company together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March 2022.

## FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The financial results for the year ended on 31<sup>st</sup> March 2022 and the corresponding figures for the previous year are as under;

Particulars	Standalone		Consolidated	
	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2022
Net Revenue from Operations	29,508,660	3,99,05,147	35,289,574	5,35,52,968
Other Income	1,610,475	21,26,588	2,119,194	2,86,23,915
<b>Total Income</b>	<b>31,119,135</b>	<b>4,20,31,735</b>	<b>37,408,768</b>	<b>8,21,76,883</b>
Total Expenditure	49,678,377	5,12,13,981	94,916,524	11,02,06,122
<b>Profit before tax (PBT)</b>	<b>(18,559,242)</b>	<b>(91,82,246)</b>	<b>(57,507,756)</b>	<b>(2,80,29,239)</b>
Exceptional Items	-	14,56,521	-	-
Deferred Tax (Credit)	-	-	-	-
Current Tax	-	-	-	-
Proportionate Profit (Loss) of Associate Company	-	-	-	-
<b>Profit after Taxes (PAT)</b>	<b>(18,559,242)</b>	<b>(1,06,38,767)</b>	<b>(57,507,756)</b>	<b>(2,80,29,239)</b>

### 1. HIGHLIGHTS

During the year under review, your Company has achieved a consolidated turnover of Rs. 5,35,52,968 which is higher as compared with the previous financial year. The PAT of the Company has lowered by 51.26% as compared with the previous financial year. Further, the Company has earned a net loss of Rs. 2,80,29,239 in the financial year 2021-2022.

The sales and profitability were marginally affected due to first and second wave of COVID-19 and lock down during the year under review.

### 2. DIVIDEND

To strengthen the financial position of the Company, your directors are not recommending any dividend for the financial year under review.

### 3. RESERVES

The Balance in Reserves & Surplus stands at Rs. 17,75,364 /- in comparison with the previous year balance of Rs. 1,24,14,131 /-

### 4. SHARE CAPITAL

The Total Paid-up Capital of the Company as on 31<sup>st</sup> March 2022 is Rs. 10,41,58,800 divided into 1,04,15,880 equity shares of Rs.10/- each. There has not been any new issue of share during the year under review.

### 5. DEPOSITORY SYSTEM

Your Company's equity shares are in demat form only. The Company has appointed National Securities Depository Limited and Central Depository Services India Limited as depositories to the Company.

### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulation, 2015 the Board has been constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

#### i. Retirement by rotation:

Mr. Narendra Sanghvi, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting. Brief profile of Mr. Narendra Sanghvi has been given in the Notice convening the Annual General Meeting.

#### ii. Appointment and resignation of whole-time Key Managerial Personnel (KMP)

During the year under review Dr. Vijay Aggarwal has been appointed as the Chief Executive Officer of the Company w.e.f 01<sup>st</sup> August 2021.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are:

- a. Mr. Laxmi Rathi Chief Financial Officer (CFO)
- b. Ms. Kruti Shah, Company Secretary and
- c. Dr. Vijay Aggarwal (CEO)

#### iii. Declaration by Independent Directors

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as independent directors of the Company.



None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder or any other provisions of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) of the Companies Act, 2013.

All members of the Board of Directors and senior management personnel affirmed compliance with the Company's Code of Conduct policy on an annual basis.

## **7. BOARD COMMITTEES FORMED DURING THE YEAR**

The Board of Directors has the following Committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholder Relationships Committee

The details of all the Committees of the Board along with their composition and meetings held during the year are provided in the Report on Corporate Governance which forms part of this Annual Report.

## **8. NO. OF MEETINGS HELD**

The details of the meeting of the Board along with their composition and meetings held during the year are provided in the Report on Corporate Governance which forms part of this Annual Report.

## **9. BOARD EVALUATION**

The Companies Act, 2013 states that a formal annual performance evaluation needs to be made by the Board of its own performance, the directors individually as well as the evaluation of its committees. As per Schedule IV of the Companies Act, 2013, the performance evaluation of independent directors, shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all directors and the Board was conducted based on the criteria and framework adopted by the Board.

## **10. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

The Management Discussion and Analysis Report, in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms the part of this Annual Report as "Annexure I"

## **11. REPORT ON CORPORATE GOVERNANCE**

Your Company has practiced sound Corporate Governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions and strive to comply nonmandatory requirements of Corporate Governance.

Your Company has given its deliberations to provide all the information in Report on Corporate Governance as per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms the part of this Annual Report as “Annexure II” as a matter of prudence and good governance.

Report on Corporate Governance Practices and the Auditors Certificate regarding compliance of conditions of Corporate Governance and certification by CEO/Whole time Director & CFO is not applicable to your Company as per regulation 15(2)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **12. RELATED PARTY TRANSACTIONS**

All related party transactions have been entered by the Company during the financial year in the ordinary course of business and at the arm's length price. During the financial year under consideration the Company has entered into contracts / arrangements / transactions with related parties, which could be considered as material in accordance with the provisions of the Act, have been given in "Annexure III" in Form No. AOC-2."

## **13. STATUTORY AUDITOR**

At the AGM of the Company held on 30th September 2021, M/s. B.K. Khare & Co., Chartered Accountants, having registration number (Firm Registration No. 105102W), were appointed as Statutory auditors of the Company for a term of five years i.e. till the conclusion of Annual General Meeting to be held in the year 2026.

The requirement for the annual ratification of auditor's appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. The Statutory Auditors have confirmed that they satisfy the independence criteria as required under the Act.

## **14. AUDITORS' REPORT**

The observations, if any, made by the Statutory Auditors in their Auditors Report together with the notes to accounts, as append thereto are self-explanatory and hence does not call for any further explanation. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Report given by M/s. B.K. Khare & Co., Chartered Accountants on the financial Statements of the Company for the financial year 2021-2022 forms part of this Annual Report.

## **15. INTERNAL AUDITOR**

The Board had appointed M/s. L.M. Joshi & Co., Chartered Accountants, as the Internal Auditors of the Company to carry out the Internal Audit for the year 2021-2022 under the provisions of section 138 of the Companies Act, 2013.

The Company has received consent letter from M/s. L.M. Joshi & Co., Chartered Accountants, for their re- appointment as the Internal Auditors of the Company for the financial year 2022-2023 and the Board has re-appointed them accordingly.

## **16. SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed, M/s. NKM & Associates (CP No. 20414) as a Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure IV to this report. The report is self-explanatory and do not call for any further comments.

## **17. COST RECORDS AND AUDIT**

As per the Company's (Cost Records and Audit) Rules 2014, the Company's services are not covered under Cost Audit and for the services for which the maintenance of cost record is required is not applicable on the Company.

## **18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

As per the provision of Section 138 of the Companies Act, 2013, the Company has devised a proper system to check the internal controls and functioning of the activities and recommend ways of improvement. Internal Audit is carried out timely. The internal financial controls with reference to financial statements as designed and implemented by the Company. During the year under review, no material or serious observation is received from the Internal Auditor of the Company for inefficiency and inadequacy of such controls.

## **19. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return is available on the Company's website [www.sanghvibrands.com](http://www.sanghvibrands.com)

## **20. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There is no material transaction occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

## **21. COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company has complied with the Secretarial Standards related to the Board Meetings and General Meeting issued by the Institute of Company Secretaries of India (ICSI).

## **22. CORPORATE SOCIAL RESPONSIBILITY**

Provision of Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the financial year under review.

**23. VIGIL MECHANISM**

Pursuant to the provision of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, a "Vigil Mechanism Policy" for Directors and Employees of the Company is in place, to report their genuine concern of any violation of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behaviour actual or suspected fraud or violation of the Company's code of conduct etc. during the year under review, no such complaints were received.

**24. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED**

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3) (m) of the Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as stated below:

A) Conservation of Energy

1. The steps taken or impact on conservation of energy; The Company applied strict control system to monitor day to day power consumption. The Company ensures optimal use of energy with minimum extent of wastage as far as possible. The day-to-day consumption is monitored to save energy.

2. The Capital Investment on Energy Conservation Equipment. The Company has not made any capital investment on energy conservation equipment.

B) Technology Absorption: -

The Company has no activities relating to technology absorption.

C) Foreign Exchange Earnings and Outgo;

Particulars	2021-2022	2020-2021
Foreign Exchange Earnings in terms of actual inflows	-	-
Foreign Exchange outgo in terms of actual outflow	40,71,778	8,73,891

**25. REVIEW OF SUBSIDIARY AND ASSOCIATE COMPANIES**

As required under Companies Act, 2013, the audited consolidated financial statements of the Company incorporating all its subsidiary and associate companies prepared with applicable Accounting Standards are attached.

During the financial year, Sanghvi Brands US Holding Inc (United States of America) has been liquidated and Sanghvi Brands Beauty & Salon LLC (United Arab Emirates) along with branches were impacted in terms of liquidity, capital and financial resources and further, viability was questionable given the heavy negative impact on the travel, tourism and hospitality industry. Thus, the said subsidiary was subsequently liquidated and under legal process of liquidation.

Salient features of subsidiary Companies are annexed as Annexure - V in form no.AOC-1.

**26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPARTING THE GOING CONCERN STATUS AND COMPANY' OPERATION IN FUTURE**

There are no significant and material orders passed by regulators or courts or tribunals imparting the going concern status and Company' operation in future.

**27. DEPOSITS**

Your Company did not accept/ hold/ any deposits from public/shareholders during the year under review.

**28. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

**29. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under, the Company has formed an Internal Complaints Committee and framed and adopted the policy for Prevention of Sexual Harassment at Workplace. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2021-2022.

No. of Complaints received: NIL

No. of Complaints Disposed off: NIL

**30. STATEMENT OF UTILIZATION OF PUBLIC ISSUE PROCEEDS PURSUANT TO REGULATION 32 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

As per Regulation 32 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the listed entity shall submit to the stock exchange the statement indicating deviation, if any in the use of proceeds from the objects stated in the offer document, indicating category wise variation between projected utilization of funds made by it in its offer document, as applicable and the actual utilization of funds. However, there was no deviation on the objects of the issue proceeds and as reviewed by the Audit Committee the statement is as under;

Amount (Rs. in Lakhs)

Particulars	Amount Funded from the Proceeds	Actual Utilization up to Financial Year ended 31st March 2022	Pending for utilization
<b>Business Expansion</b>			
a. Expanding outlets/ distribution of current brand portfolio in India and overseas	771.70	168.23	222.62

a. Acquisitions and development of new brands		380.85	
Marketing and sales promotion of the brands in our portfolio	500.00	500.00	0.00
Strategic Investments for business growth	100.00	71.42	28.58
General Corporate Purpose	284.42	284.42	0.00
Issue Expenses	240.00	225.55	14.45
<b>Total</b>	<b>1896.12</b>	<b>1630.47</b>	<b>265.65</b>

### 31. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### 32. PARTICULARS OF EMPLOYEES

The Company has no employee Companies, who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000 per annum and hence the Company is not required to give information under sub rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### 33. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they 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) They 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) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 34. LISTING WITH STOCK EXCHANGES

Sanghvi Brands Limited listed its shares on the SME Platform of BSE Limited on November 22, 2017. The listing fees duly paid to the exchange and annual custodial fees has been paid to CDSL and NSDL for the F.Y. 2021-22.

### 35. ACKNOWLEDGEMENT

Your directors take this opportunity to thank all Government Authorities, Bankers, Shareholders, Registrar & Transfer Agents, Investors and other Stakeholders for their assistance and co-operation to the Company. Your directors express their deep sense of appreciation and gratitude towards all employees and staff of the Company and wish the management.

**For and on behalf of the Board**  
**Sanghvi Brands Limited**  
*(formerly known as Sanghvi Brands Private Limited)*

Sd/-

**Darpan Sanghvi**  
**Director**  
**DIN: 02912102**

Sd/-

**Narendra Sanghvi**  
**Director**  
**DIN: 02912085**  
**Date: 8<sup>th</sup> September 2022**  
**Place: Mumbai**

## MANAGEMENT DISCUSSION AND ANALYSIS

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Against the backdrop of the external environment our value creation model and strategy your Board of Directors is pleased to share with you the Business Performance along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022.

### GLOBAL ECONOMY

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize.

Global growth is projected at 6% in 2021, moderating to 4.4% in 2022. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

The industry is taking all possible measures to survive in the short term, revive in the medium-term, and thus thrive in the long-term.

### INDIAN ECONOMY: THE YEAR IN REVIEW

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. After recording the strongest GDP rebound in the G20 in 2021, the Indian economy is progressively losing momentum as inflationary expectations remain elevated due to rising global energy and food prices, monetary policy normalizes, and global conditions deteriorate. Real GDP is projected to grow by 6.9% in fiscal year (FY) 2022-23 and 6.2% in FY 2023-24, despite a pick-up of corporate investment facilitated by the Production-Linked Incentive (PLI) Scheme. While inflation will gradually decline, the current account deficit will widen due to the surge in energy import costs.

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April- June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.



## SALON AND SPA INDUSTRY

The global wellness economy includes in-depth data on the spa industry, a “high-touch” market that was therefore a major “pandemic loser,” but which is forecast to be one of the top-three fastest-growing wellness markets through 2025. If the market reached a record \$111 billion in the pre-pandemic year of 2019, revenues plummeted in 2020 to \$69 billion. But it is estimated that the spa industry will surpass 2019 revenues in 2022 (reaching \$122 billion)—and will grow a powerful 17% a year from 2020-2025 (more than doubling revenues).

Explore everything from how hotel spas have been the fastest-growing subsector to how Asia is inching towards becoming the #1 market (now Europe) for spa revenues and facilities.

## BUSINESS OVERVIEW

Our **BRANDS** are those that take action to make sustainable living commonplace in a way that is relevant for the society and motivating to consumers. Branding is becoming more and more important. So is brand identity. Your Company strive for better quality and also keep up with the demand for different services.

The year also saw strong performance of by the domestic location after COVID-19 pandemic towards the end of FY 2021-22. Your Company continues to improve its on-shelf quality of services to enhance consumer experience. Our belief remains firmly embedded in ‘Delighting consumers Everyday’.

Due to unprecedented drop in revenues consequent to COVID-19 the Company decided to shut down its operations internationally

The Company took measures to protect the health of its employees and guests by implementing renewed health and hygiene standards and complying with the directives of the Central and State governments and municipal authorities. The Company adopted a work-from-home policy for its corporate and regional offices as a precautionary measure. New and detailed standard operating procedures were formulated as a comprehensive guide covering all areas of operations and service design, factoring in social distancing, digital-first approach and heightened precautionary processes for guests and employees.

The Company has reopened all of its location after establishing thorough and well-rehearsed safety protocols. However, it expects demand for its services to pick up at a slow pace. Business recovery is likely to be driven by domestic and international leisure tourism, staycations, international business travel. The trust that the Company’s brands enjoy and its emphasis on the health and safety of guests and employees will help it gain market share as and when the economy revives.

## HUMAN RESOURCES

An important challenge for the wellness industry is the need for professionally qualified personnel. Sustainable, profitable growth can only be achieved in an organization which focuses on performance culture and where

employees are engaged and empowered to be the best they can be. While quality of talent has been your Company's strength, there has been an impetus on building future ready leadership that is equipped and empowered to thrive in this dynamic environment.

## **RISKS AND CONCERNS**

The Company has identified certain risks that are regard as the most relevant to our business. These are the risks that see most material to business and performance at this time. There may be other risks that could emerge in the future. The most significant emerging risk is the ongoing outbreak of the novel coronavirus (COVID-19) and Changes in traveler behavior post COVID-19. However, the management is doing to ensure business continuity and working tirelessly to mitigate the risks. The management is monitoring the evolving situation carefully to understand the potential impact on the people and business.

### *Cautionary statement*

This statement made in this section describes the Company's objectives, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

## REPORT ON CORPORATE GOVERNANCE

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### 1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regularity compliances. The Company operates within accepted standards of proprietary, fair play and justice and aims at creating a culture of openness in relationship between itself and its stakeholders.

As a responsible corporate citizen, your Company had established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to organizational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighboring community etc.

### 2. BOARD COMPOSITION AND CATEGORY OF DIRECTORS

The Board of Directors of the Company (Board) has optimum combination of Executive, Non-Executive and Independent Directors.

The Composition of the Board and category of Directors are as follows;

Name of Directors	Designation
Darpan Sanghvi	Executive Director
Narendra Sanghvi	Non-Executive Director
Disha Sanghvi	Non-Executive Director
Carlton Pereira	Non-Executive Director
Sunil Lulla	Independent Director
Gaurav Agarwal	Independent Director

Mr. Narendra Sanghvi is the father of Mr. Darpan Sanghvi and Mrs. Disha Sanghvi. None of the other Directors are related to any other Director on the Board.

Details of Attendance of Directors at Board, Last Annual General Meetings (AGM) and No. of other Directorship of each Director in various Companies.

Name of Directors	Designation	Attendance at meetings during 2021-2022		No. of Directorships as on 31 <sup>st</sup> March 2022 (inclusive of the position held in Sanghvi Brands Limited)
		Board	Last AGM	
Darpan Sanghvi	Executive Director	4	Yes	14
Narendra Sanghvi	Non-Executive Director	5	Yes	10
Disha Sanghvi	Non-Executive Director	5	Yes	10
Carlton Pereira	Non-Executive Director	5	No	8
Sunil Lulla	Independent Director	5	No	2
Gaurav Agarwal	Independent Director	3	No	6

### 3. NO. OF BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR

A. Board Meetings held during the year under review are given below;

Sr. No.	Date of Board meeting	Board Strength	No. of Director Present
1	14 <sup>th</sup> June 2021	6	6
2	4 <sup>th</sup> August 2021	6	5
3	8 <sup>th</sup> September 2021	6	5
4	13 <sup>th</sup> November 2021	6	6
5	3 <sup>rd</sup> March 2022	6	5

B. Audit Committee Meetings held during the year under review are given below;

Sr. No.	Date of Board meeting	Board Strength	No. of Director Present
1	14 <sup>th</sup> June 2021	3	3
2	8 <sup>th</sup> September 2021	3	2
3	13 <sup>th</sup> November 2021	3	3
4	3 <sup>rd</sup> March 2022	3	2

C. Nomination and Remuneration Committee Meeting held during the year under review are given below;

Sr. No.	Date of Board meeting	Board Strength	No. of Director Present
1	14 <sup>th</sup> June 2021	3	3
2	8 <sup>th</sup> September 2021	3	2
3	13 <sup>th</sup> November 2021	3	3
4	3 <sup>rd</sup> March 2022	3	2

D. Stakeholder Relationships Committee Meeting held during the year under review are given below;

Sr. No.	Date of Board meeting	Board Strength	No. of Director Present
1	14 <sup>th</sup> June 2021	3	3
2	8 <sup>th</sup> September 2021	3	2
3	13 <sup>th</sup> November 2021	3	3
4	3 <sup>rd</sup> March 2022	3	2

#### 4. APPOINTMENT OF DIRECTORS

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect from April 1, 2014. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations.

At the time of appointment of an Independent Director, the Company has issued a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director.

#### 5. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

a. **Managing Director:** The Managing Director shall be appointed on the basis of their qualification, expertise and experience in the Business of Sanghvi Brands Limited. The term of the appointment or re-appointment of Managing Director shall be for the period of five years. Sanghvi Brands Limited shall not appoint or continue the employment of any person as Managing Director or Whole-Time Director who has attained the age of seventy-five years, provided that the term of such person may be extended by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy-five years.

b. **Independent Directors:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. The appointment of the Independent Directors shall be in accordance with Schedule IV to the Companies Act, 2013.

c. Key Managerial Personnel (KMP): A person to be appointed as a KMP should possess adequate qualification, knowledge and expertise. The Committee has discretion to decide whether qualification, knowledge and expertise possessed by a person is sufficient/satisfactory for the concerned position.

d. Senior Management & other employees: The person at the level of Senior Management and other employees shall be appointed as per the policy formulated by Human Resource Department of the Company.

## 6. DETAILS OF THE BOARD COMMITTEES OF THE COMPANY

The Board has constituted following Committees during the year as under;

Composition of the Audit Committee: -

Name of Member	Designation
Mr. Carlton Pereira	Chairman of the Committee
Mr. Sunil Lulla	Member
Mr. Gaurav Aggarwal	Member

Composition of the Nomination and Remuneration Committee: -

Name of Member	Designation
Mr. Carlton Pereira	Chairman of the Committee
Mr. Sunil Lulla	Member
Mr. Gaurav Aggarwal	Member

Composition of the Stakeholder Relationships Committee: -

Name of Member	Designation
Mr. Carlton Pereira	Chairman of the Committee
Mr. Sunil Lulla	Member
Mr. Gaurav Aggarwal	Member

## 7. REMUNERATION TO:

a. Managing Director: The remuneration/compensation/commission etc. to the Managing Director, Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. to the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

Revision to the existing remuneration/compensation structure may be recommended by the Committee to the Board subject to approval of the Shareholders whenever necessary, in the case of Managing Director/Whole-time Director/Executive Director and would be based on the individual's performance as well as the Company's overall performance.

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty of negligence, default, misfeasance, breach of duty or breach of trust, the premium paid on such insurance shall be treated as part of the remuneration.

b. Non-Executive Directors & Independent Directors: The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. An Independent Director shall not be entitled to any stock option of the Company.

c. Key Managerial Personnel (KMP), Senior Management & other employees: The KMP, Senior Management and other employees of the Company shall be paid remuneration as per the policies implemented by the Company from time to time.

#### **8. LOAN TO SENIOR MANAGEMENT (OTHER THAN MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR) AND OTHER EMPLOYEES OF THE COMPANY:**

The loan may be given to the above concerned for the purposes such as Marriage, Education, Housing Loan or such other purposes, in accordance with the policies implemented by the Company from time to time.

#### **9. PERFORMANCE EVALUATION:**

The Committee shall evaluate performance of every Director, KMP and Senior Management Personnel at regular period of one year.

#### **10. ANNUAL GENERAL MEETINGS**

Year	Location	Date	Time
2020-21	Annual General Meeting Conducted through Video Conferencing	30.09.2021	03.30 p.m.
2019-20	Annual General Meeting Conducted through Video Conferencing	28.09.2020	02.30 p.m.
2018-19	Bliss Banquet, Tarawade Clarks Inn, GroundFloor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005	27.09.2019	02.00 p.m.
2017-18	Red Wall Banquet, Tarawade Clarks Inn, First Floor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005	24.09.2018	02.00 p.m.
2016-17	"Sanghvi House", 105/2, Shivajinagar, Pune: 411005	14.09.2017	10.30 a.m.

2015-16	"Sanghvi House", 105/2, Shivajinagar, Pune: 411005	30.09.2016	12.30 p.m.
2014-15	"Sanghvi House", 105/2, Shivajinagar, Pune: 411005	28.09.2015	12.30 p.m.

## 11. MEETINGS OTHER THAN ANNUAL GENERAL MEETING

During the year under review there are no other general meetings of the members of the Company except the 11<sup>th</sup> Annual General Meeting.

## 12. CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and employees. The Code is applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. A copy of the Code has been put up on the Company's website and can be accessed at [www.sanghvibrands.com](http://www.sanghvibrands.com).

## 13. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH INTEREST OF COMPANY AT LARGE

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

**For and on behalf of the Board**  
**Sanghvi Brands Limited**  
*(formerly known as Sanghvi Brands Private Limited)*

Sd/-

**Darpan Sanghvi**  
**Director**  
**DIN: 02912102**

Sd/-

**Narendra Sanghvi**  
**Director**  
**DIN: 02912085**

**Date: 8<sup>th</sup> September 2022**  
**Place: Mumbai**



**FORM NO. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto –

1. **Details of contracts or arrangements or transactions not at arm's length basis- NIL**
2. **Details of material contracts or arrangement or transactions at arm's length basis-**

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements /transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any;
<b>Mr. Narendra Sanghvi</b>	Director of the Company	Rent paid	-	In normal course of Business	-
<b>Sanghvi Beauty &amp; Technologies Private Limited</b>	Significant Influence	Reimbursement of Expenses	Event Based	In normal course of Business	-
<b>Sanghvi Lifestyle Products Private Limited</b>	Significant Influence	Sale of Goods	Event Based	In normal course of Business	-

**For and on behalf of the Board**  
**Sanghvi Brands Limited**  
*(formerly known as Sanghvi Brands Private Limited)*

Sd/-

**Darpan Sanghvi**  
**Director**  
**DIN: 02912102**

Sd/-

**Narendra Sanghvi**  
**Director**  
**DIN: 02912085**

**Date: 8<sup>th</sup> September 2022**  
**Place: Mumbai**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2022**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]*

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To,

**The Members**

**SANGHVI BRANDS LIMITED**

(CIN: L74999PN2010PLC135586)

"SANGHVI HOUSE", 105/2, SHIVAJINAGAR,  
PUNE MH 411005 IN.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SANGHVI BRANDS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not applicable to the Company during the Audit period)*;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not applicable to the Company during the Audit period)*;

f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not applicable to the Company during the Audit period)*.

VI. During the financial year, the Company is engaged in business activities which are not subject to any specific law and hence no specific law is applicable to the Company.

We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards including the amended Secretarial standards applicable with effect from 1st October, 2017 issued by the Institute of Company Secretaries of India under the provisions of the Act.
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015
- (iii) Listing Agreements entered into by the Company with BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above.

We further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

We further report that, based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department heads/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and in view of the non-existence formal system, we are not in position to comment on existence of system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the minutes of the meeting duly recorded and signed by the Chairman, majority decision carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there were no specific events/actions in pursuance of any of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company affairs.

**For N K M & Associates**  
**[Company Secretary]**  
**[Firm Registration No. I2018MH1812700]**  
**Sd/-**  
**Nikita Kedia**  
**Proprietor**  
**Membership No: A54970 | CP No.:20414**

**Place: Mumbai**  
**Date: 08.09.2022**  
**UDIN: A054970D000943990**

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.

To,  
The Members  
SANGHVI BRANDS LIMITED  
(CIN: L74999PN2010PLC135586)  
"SANGHVI HOUSE", 105/2, SHIVAJINAGAR,  
PUNE MH 411005 IN.

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For N K M & Associates**  
**[Company Secretary]**  
**[Firm Registration No. I2018MH1812700]**  
**Sd/-**  
**Nikita Kedia**  
**Proprietor**  
**Membership No: A54970 | CP No.:20414**

**Place: Mumbai**  
**Date: 08.09.2022**  
**UDIN: A054970D000943990**

**FORM - AOC 1**
***Salient Features of Financial Statements of Subsidiaries as per Companies Act, 2013***

Sr. No.	Particulars	Name of the Subsidiary Company			
		Sanghvi Beauty & Salon Private Limited	Sanghvi Fitness Private Limited	Sanghvi BrandsSL (Private) Limited	Sanghvi Brands Beauty and Spa LLC
	Reporting Currency	INR	INR	LKR	AED
1	Equity Share Capital	1,00,000	1,00,000	10	2,00,000
2	Reserves & surplus	(5,42,08,172)	(1,05,22,642)	(68,10,365)	(2,04,87,724)
3	Total Assets	1,63,12,301	16,69,805	-	7,30,075
4	Total Liabilities	1,63,12,301	16,69,805	-	7,30,075
5	Investments	-	-	-	-
6	Turnover	1,36,03,994	7,50,000	-	29,80,568
7	Profit/ Loss before Taxation	15,76,195	(1,78,483)	(9,271)	(1,78,250)
8	Provision for taxation	-	-	-	-
9	Net Profit/ Loss after Taxation	15,76,195	(1,78,483)	(9,271)	(1,78,250)
10	Proposed Dividend	-	-	-	-
11	% of shareholding	100%	97.50%	100%	49%

## CERTIFICATION BY THE CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENTS OF THE COMPANY

(In terms of regulation 17 (8) read with Part B of schedule II of the SEBI Listing Regulation, 2015)

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To,  
The Board of Directors,  
Sanghvi Brands Limited

I, Mr. Laxmi Rathi, Chief Financial Officer of Sanghvi Brands Limited, certify that:

- (a) I have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- i. There has not been any significant change in internal control over financial reporting during the year under reference
  - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For Sanghvi Brands Limited**  
*(formerly known as Sanghvi Brands Private Limited)*

Sd/-

**Laxmi Rathi**  
**Chief Financial Officer**  
**Date: 8<sup>th</sup> September 2022**  
**Place: Mumbai**

# INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**SANGHVI BRANDS LTD**

## Report on the Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Sanghvi Brands Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act read with Companies Rules 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss and cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty relating to Going concern

4. We draw attention to Note 31 to the financial statement which indicates that the Company has incurred a net loss/net cash loss during the current and previous years. These conditions along with other matters set forth in Note 34 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements of the Company have however been prepared on a going concern basis based on an evaluation of the above facts in the light of the representation by the management and various mitigating factors as detailed in the said note to the financial statements.

### Emphasis of Matter

5. We draw attention to following matters in notes to the financial statement
- a. Note 32 on management's assessment of the carrying value of investments in its subsidiary, Sanghvi Beauty and Salons Private Ltd. According to the management, no provision is presently considered for diminution in value of the investments and the carrying value of loans and advances granted to the subsidiary for the reasons stated therein, despite significant accumulated losses, negative net-worth as of the balance sheet date and its operations having been impacted by the Covid 19 pandemic as in the view of the management this is a temporary disruption
  - b. Note 33 on management's assessment of the carrying value of investments in its subsidiary, Sanghvi Fitness Private Ltd. According to the management, no provision is presently considered for diminution in value of the investments and the carrying value of loans and advances granted to the subsidiary for the reasons



stated therein, despite significant accumulated losses, negative net-worth as of the balance sheet date and its operations having been impacted by the Covid 19 pandemic as in the view of the management this is a temporary disruption

### Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters below to be the key audit matters to be communicated in our report.

Key audit matter	Response to Key audit matter
<p>1. Testing of carrying value of Investment in Subsidiaries and Joint ventures was considered as key audit matter as it involved significant management judgement and reliance on future projections.</p> <p>The Company has 100% investment Sanghvi Beauty and Salons Pvt Lt and 97.5% in Sanghvi Fitness. These entities are engaged in the business of providing beauty, fitness and spa treatment.</p> <p>At 31<sup>st</sup> March 22, the net worth of above-mentioned subsidiaries has completely eroded.</p> <p>The existence of the above impairment indicator required management to estimate the recoverable amount of the Company’s investment in subsidiary along with loans and advances provided to subsidiaries.</p>	<p>Our audit approach was a combination of test of controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>i. Tested the management oversight and controls over valuation of investments.</li> <li>ii. Obtained future projections and business plans for the subject entities prepared by the management and tested them for reasonableness of assumptions and arithmetic accuracy.</li> <li>iii. Based on our audit procedures, we noted no reportable matters regarding investments and its valuation except for Sanghvi Fitness and Sanghvi Beauty and Salons. For those entities company will require to take impairment provision in the books.</li> <li>iv. For investment in overseas subsidiaries company had taken 100% provision for impairment of investment during March 20.</li> </ul>
<p>2. Impact of Covid 19 pandemic on going concern Refer Note 33 on impact of Covid 19 pandemic on going concern of the standalone financial statement.</p> <p>During the year, first three months of the year, Company witnessed softer revenues due to the second wave of Covid 19 and consequent lockdown in several states across the country.</p> <p>After unlock of restrictions all the company’s locations have been opened, company has witnessed recovery of both leisure and business segments in all the other months.</p> <p>The company has assessed the impact of Covid 19 on the future cash flow projections.</p> <p>In view of the above, we identified impact of Covid 19 on going concern as a key audit matter.</p>	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> <li>i. Obtained an understanding of the key controls relating to Company’s forecasts</li> <li>ii. Obtained future projections and business plans for all locations prepared by the management and tested them for reasonableness of assumptions and arithmetic accuracy.</li> <li>iii. Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and tested them for reasonableness</li> <li>iv. Assessed disclosure made in standalone financial statements with regard to the above. Refer Note N0 33</li> </ul>

## Information Other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's board report but does not include the Financial Statements and our Auditor's Report thereon.

8. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

9. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

10. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management for Financial Statements

11. The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India.

12. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

13. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

14. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

15. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. 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 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.

- b. Obtain an understanding of internal financial 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 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.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

17. Materiality is the magnitude of misstatements in the Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 Financial Statements

18. 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.

19. 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.

#### **Report on other Legal and Regulatory Requirements**

20. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

21. 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 appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are

- in agreement with the books of account;
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act
- e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared and paid any dividend during the year.

**For B. K. Khare and Co.**

Chartered Accountants

Firm Registration No.: 105102W

**Shirish Rahalkar**

Partner

Membership No.: 111212

UDIN: 22111212AJXUYN7734

Mumbai, May 26, 2022

## ANNEXURE "A" TO THE AUDITOR'S REPORT

### Referred to in paragraph 16 of our report of even date on the accounts of Members of Sanghvi Brands Limited for the year ended March 31, 2022

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
b) According to the information and explanation given to us, property, plant and equipment and investment properties were not physically verified during the year by the management. The Company does not have a programme for verification of its property, plant and equipment and investment properties.  
  
c) According to the information and explanation given to us, no immovable property is held by the Company in its own name.  
  
d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.  
  
e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) a) According to the information and explanations given to us, the inventory comprising of consumables and other spa related material has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records  
  
b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits. Accordingly, reporting under clause 3(ii)(b) is not applicable to the company.
  - 2) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited liability partnerships or any other parties during the year. Accordingly, the reporting under clauses 3(iii)(a) to 3(iii)(f) of the order is not applicable to the Company.
  - 3) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act
  - 4) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the Order are not applicable to the company.
  - 5) According to the information and explanation given to us, the provisions of the paragraph 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

6) i) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax except as mentioned below.

ii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable except as mentioned below-

iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities are as below- In case of MVAT demand order company has planned to go for Amnesty scheme announce by Government of India.

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
MVAT Act	Value added Tax	13,44,051	2016-17	State Tax officer
The Goa Tax on Luxuries Act 1988	Luxury tax	7,58,487	2016-17	Assessing officer

7) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Due date	Date of payment
Maharashtra Labour welfare fund	Labour welfare fund	1548/-	Apr 20- March 22	15 <sup>th</sup> July and 15 <sup>th</sup> Jan	Not paid
Employees State Insurance Act	ESIC Act	135605/-	Prior to March 17	15 <sup>th</sup> Of every month	Not paid

8) a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) (a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

c) According to the information and explanation given to us, Company has not obtained any term loan during the year. Hence reporting under clause (ix) (c) is not applicable.

d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that company has not raised any short term or long-term loan during the year. Hence reporting under clause (ix) (d) is not applicable to company.



- e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.
- 9) a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- 10) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- 11) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- 12) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures or Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the company.
- 13) a) *In our opinion and according to the information and explanations given to us and based on our examination, the Company does not have internal audit system commensurate with the size and nature of its business*
- b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- 14) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company
- 15) a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

16) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 98,29,478/- during the current financial year and Rs. 1,77,12,467/- in the immediately preceding financial year.

17) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

18) As more fully explained in Note 34 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be 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.

19) The Company is not required to comply with the provisions of section 135 of the Companies Act 2013. Accordingly, reporting under clause 3(xx)(a) & (b) is not applicable to the Company.

20) We have considered the Auditors' Reports of the subsidiaries and associates of the Company, included in the consolidated financial statements. We have observed that there are qualifications or adverse remarks by the respective auditors in their report under the Companies (Auditor's Report) Order, 2020. The details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks are as under:

Sr No	Name	CIN	Nature of relationship	Clause number of the CARO report which is qualified or adverse
1	Sanghvi Beauty and Salon Pvt Ltd	U74900PN2011PTC141626	Subsidiary	1,7
2	Sanghvi Fitness Pvt Ltd	U74900PN2010PTC137959	Subsidiary	1

**For B. K. Khare and Co.**

Chartered Accountants

Firm's Registration No.: 105102W

Sd/-

**Shirish Rahalkar**

Partner

Membership No.: 111212

UDIN: 22111212AJXUYN7734

Mumbai, May 26, 2022



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements section of our report of even date]

### Qualified Opinion

We have audited the internal financial controls with reference to financial statements of Sanghvi Brands Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

According to the information and explanations given to us and based on our audit procedure, the following material weakness has been identified in Company’s internal financial controls as at March 31, 2022.

The company needs to improve internal financial controls in accrual and recording of administrative and other expenses.

In our opinion, except for the effects of material weakness described above , the Company has maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India (“the ICAI”)

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under Section 143(10) of the Act, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to Financial Statements

### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

Sd/-

**Shirish Rahalkar**

Partner

Membership No. 111212

UDIN: 22111212AJXUYN7734

Mumbai, May 26, 2022

## BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2022	March 31, 2022
		Amount	Amount
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	10,41,58,800	10,41,58,800
(b) Reserves and surplus	2	17,75,364	1,24,14,131
<b>2 Non-current liabilities</b>			
(a) Long-term provisions	3	12,28,751	14,22,120
<b>3 Current liabilities</b>			
(a) Trade Payable			
- Micro Enterprises & Small Enterprises		-	-
- Other than Micro Enterprises & Small Enterprises	4	70,79,052	-
(b) Other current liabilities	5	1,10,31,938	47,11,034
(c) Short-term provisions	6	10,95,033	10,99,079
<b>TOTAL</b>		<b>12,63,68,938</b>	<b>12,38,05,164</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1</b> (a) Property, Plant and Equipment And Intangible Assets	7		
(i) Property, Plant and Equipment		17,38,930	24,45,146
(ii) Intangible assets		2,22,617	4,59,421
(b) Non-current investments	8	16,67,500	16,67,500
(c) Long-term loans and advances	9	75,94,356	69,89,733
(d) Other Non-Current Assets	10	42,38,343	40,75,331
<b>2 Current assets</b>			
(a) Inventories	11	51,27,329	64,59,782
(b) Trade receivables	12	92,73,886	98,96,909
(c) Cash and cash equivalents	13	2,33,55,268	2,69,08,270
(d) Short-term loans and advances	14	7,30,51,204	7,00,65,877
(e) Other current assets	15	99,505	1,31,539
<b>TOTAL</b>		<b>12,63,68,938</b>	<b>12,90,99,508</b>

See accompanying Notes to The Financial Statements

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The accompanying notes form an integral part of The Financial Statements.

**For B K Khare and Co.**  
Chartered Accountants  
Firm Registration Number -  
105102W

**For and On behalf of Board of Directors**  
**Sanghvi Brands Limited.**  
(Formerly Known as SANGHVI BRANDS PRIVATE LIMITED)

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Shirish Rahalkar	Dr. Vijay Aggarwal	Laxmi Rathi	Kruti H. Shah	Darpan N Sanghvi	Narendra R Sanghvi
Partner	CEO	CFO	Company Secretary	Director	Director
M.No. 111212	Place: Mumbai	Place: Mumbai	Place: Mumbai	DIN: 02912102	DIN: 02912085
Place: Mumbai	Date: 26/05/2022	Date: 26/05/2022	Date: 26/05/2022	Place: Mumbai	Place: Mumbai
Date: 26/05/2022				Date: 26/05/2022	Date: 26/05/2022

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		Refer Note No	For the year ended March 31, 2022	For the year ended March 31, 2021	
1	Revenue from operations	16	3,99,05,147	2,95,08,660	
2	Other income	17	21,26,588	16,10,475	
<b>3</b>	<b>Total Income (1+2)</b>		<b>4,20,31,735</b>	<b>3,11,19,135</b>	
4	Expenses:				
	Cost of materials consumed	18	39,43,843	37,53,000	
	Employee benefits expense	19	2,05,82,147	1,55,40,281	
	Finance costs	20	3,32,242	2,10,741	
	Depreciation and amortization expense	7	8,09,289	8,46,775	
	Other expenses	21	2,55,46,460	2,93,27,580	
	<b>Total expenses</b>		<b>5,12,13,981</b>	<b>4,96,78,377</b>	
<b>5</b>	<b>Profit / (Loss) before Exceptional &amp; Extra Ordinary Items &amp; Tax</b>		<b>(91,82,246)</b>	<b>(1,85,59,242)</b>	
6	Exceptional Items		14,56,521	-	
<b>7</b>	<b>Profit / (Loss) before Tax (3-5)</b>		<b>(1,06,38,767)</b>	<b>(1,85,59,242)</b>	
<b>8</b>	<b>Tax expense:</b>				
	(1) Current tax/MAT		-	-	
	(2) Deferred tax (DTL)		-	-	
	(3) MAT Credit Entitlement		-	-	
<b>9</b>	<b>Profit (Loss) for the period</b>		<b>(1,06,38,767)</b>	<b>(1,85,59,242)</b>	
10	Earnings per equity share:				
	(1) Basic		(1.02)	(1.78)	
	(2) Diluted		(1.02)	(1.78)	
	See accompanying Notes to The Financial Statements	22-36			
	The accompanying notes form an integral part of The Financial Statements.				
<b>For B K Khare and Co.</b> <b>Chartered Accountants</b> <b>Firm Registration</b> <b>Number - 105102W</b>	<b>For and On behalf of Board of Directors</b> <b>Sanghvi Brands Limited</b> <b>(Formerly Known as SANGHVI BRANDS PRIVATE LIMITED)</b>				
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Shirish Rahalkar</b>	<b>Dr. Vijay Aggarwal</b>	<b>Laxmi Rathi</b>	<b>Kruti H. Shah</b>	<b>Darpan N Sanghvi</b>	<b>Narendra R Sanghvi</b>
<b>Partner</b>	<b>CEO</b>	<b>CFO</b>	<b>Company Secretary</b>	<b>Director</b>	<b>Director</b>
<b>M.No. 111212</b>	<b>Place: Mumbai</b>	<b>Place: Mumbai</b>	<b>Place: Mumbai</b>	<b>DIN: 02912102</b>	<b>DIN: 02912085</b>
<b>Place: Mumbai</b>	<b>Date: 26/05/2022</b>	<b>Date: 26/05/2022</b>	<b>Date: 26/05/2022</b>	<b>Place: Mumbai</b>	<b>Place: Mumbai</b>
<b>Date: 26/05/2022</b>				<b>Date: 26/05/2022</b>	<b>Date: 26/05/2022</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from Operating Activities</b>		
<b>Profit/Loss before Tax</b>	<b>(1,06,38,767)</b>	<b>(1,85,59,242)</b>
<b>Adjustments for:</b>		
Depreciation & Amortisation Expenses	8,09,289	8,46,775
Sundry Credit Balances Appropriated	(7,27,941)	-
Interest income	(11,38,886)	(16,10,475)
Provision for Diminution of Investment	-	-
Impairment of Business Rights	-	-
Interest Expenses	-	-
<b>Operating profit before working capital changes</b>	<b>(1,16,96,305)</b>	<b>(1,93,22,942)</b>
<b>Adjustment for:</b>		
Trade and Other Receivables	6,23,023	1,52,35,083
Inventories	13,32,453	18,31,560
Loans and Advances- short term	(29,85,327)	(84,87,479)
Long term loans and advances	1,63,000	2,20,000
Other Current Assets	(1,30,978)	8,07,415
Trade and Other Payables	1,39,30,482	(1,29,20,131)
<b>Cash generated from operations</b>	<b>12,36,348</b>	<b>(2,26,36,494)</b>
Less: Taxes paid net of refund	(7,67,622)	(2,88,057)
<b>Net Cash from Operating Activities (A)</b>	<b>4,68,726</b>	<b>(2,29,24,551)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets/Capital Expenditure	1,33,731	(2,45,877)
Decrease in Investment	-	-
Interest Received	11,38,886	16,10,475
Decrease in Fixed Deposits	34,11,139	2,03,63,247
<b>Net Cash used in Investing Activities (B)</b>	<b>46,83,756</b>	<b>2,17,27,845</b>
<b>C. Cash flow from Financing Activities</b>		
Change in Borrowings	-	-
Interest Paid	-	-
Share issue expenses	-	-
Share issued	-	-
Premium on shares issued	-	-
<b>Net Cash used in Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>D Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>51,52,481</b>	<b>(11,96,706)</b>
<b>E Opening Balance of Cash and Cash Equivalents</b>	<b>1,91,208</b>	<b>13,87,913</b>
<b>F Closing Balance of Cash and Cash Equivalents</b>	<b>53,43,689</b>	<b>1,91,208</b>
<b>Components of cash and cash equivalents</b>		
cash in hand	33	31,694
With Banks:		
on Current Accounts	53,43,656	54,53,858
Notes: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement, prescribed under Section 133 of the Companies Act, 2013		
The accompanying notes form an integral part of The Financial Statements.		

For B K Khare and Co. Chartered Accountants Firm Registration Number - 105102W		For and On behalf of Board of Directors Sanghvi Brands Limited (Formerly Known as SANGHVI BRANDS PRIVATE LIMITED)			
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Shirish Rahalkar	Dr. Vijay Aggarwal	Laxmi Rathi	Kruti H. Shah	Darpan N Sanghvi	Narendra R Sanghvi
Partner	CEO	CFO	Company Secretary	Director	Director
M.No. 111212	Place: Mumbai	Place: Mumbai	Place: Mumbai	DIN: 02912102	DIN: 02912085
Place: Mumbai	Date: 26/05/2022	Date: 26/05/2022	Date: 26/05/2022	Place: Mumbai	Place: Mumbai
Date: 26/05/2022				Date: 26/05/2022	Date: 26/05/2022

## NOTES TO FINANCIAL STATEMENTS

Note: 1 Share capital	Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Number of shares	Amount	Number of shares	Amount
a) Authorised					
	1,30,00,000 Equity shares of 10 each	13,000,000	130,000,000	13,000,000	130,000,000
	Total	13,000,000	130,000,000	13,000,000	130,000,000
b) Issued, Subscribed & Fully Paid up					
	5,00,000 (5,00,000) Equity shares of 10 each	500,000	5,000,000	500,000	5,000,000
	151,553 (151,553) Equity shares of 10 each issued at Rs 461.89 each	151,553	1,515,530	151,553	1,515,530
	45,527 Equity shares of 10 each issued at Rs 615.02 each	45,527	455,270	45,527	455,270
	6,970,800 Equity shares of Rs.10 each Bonus shares issued	6,970,800	69,708,000	6,970,800	69,708,000
	2748000 Equity shares of Rs.10 each IPO for equity shares	2,748,000	27,480,000	2,748,000	27,480,000
	Total	10,415,880	104,158,800	10,415,880	104,158,800
c) Reconciliation of the number of shares outstanding					
	Equity Shares				
	- at the beginning of the year	10,415,880	104,158,800	10,415,880	104,158,800
	- allotted During the year	-	-	-	-
	- at the end of the year	10,415,880	104,158,800	10,415,880	104,158,800
d) Rights attached to shares					
	i. Rights attached to shares: The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
	ii. On 29th June 2017 vide shareholder approval the Company got converted from Private to Public Company in order to fulfill the requirement to raise funds by further issue of equity shares by way of IPO on SME Platform which was subsequently approved by the Registrar of Companies, Pune vide its letter dated 21st July 2017.				
	iii. On 10th August 2017 vide shareholder approval the Company Re-classified the existing Authorised Share Capital to Rs. 3,50,00,000 (Rupees Three Crore Fifty Lakhs) divided into 35,00,000 (Thirty-five lacs) Equity shares of Rs. 10/- (Rupees Ten Only) each and also				

subsequently increase the Authorised Share Capital to Rs. 13,00,00,000 (Rupees thirteen crores) divided into 1,30,00,000 (One crore thirty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each.

iv. On 18th August 2017, the Company had allotted 69,70,800 equity shares of Rs. 10/- each full-paid up "Bonus Shares" in the proportion of ten (10) such new equity share for every one (1) existing equity share, held by such members on 14th August, 2017 as per Register of members.

v. On 17th November 2017, the Company had allotted 27,48,000 Equity Shares of face value Rs. 10/- each fully paid-up at issue price of Rs. 69/- per share including a premium of Rs. 59/- per share aggregating to Rs. 1896.12 lakhs through the initial public offer (IPO). Subsequently, the entire equity share capital consisting of 1,04,15,880 equity shares of Rs. 10/- each of the Company post-IPO listing and trading approval from BSE Limited Stock Exchange - SME platform vide their letter dated 22nd November 2017.

e) Shares held by Holding / ultimate Holding company and / or their subsidiaries / associates

The Company does not have any holding or ultimate holding company.

Particulars	As at 31 March, 2022		As at 31 March, 2021	
Darpan Sanghvi	5,499,945	52.80%	5,499,945	52.80%
Tano India Private Equity Fund II	2,167,880	20.81%	2,167,880	20.81%
Total	7,667,825	100%	7,667,825	100%

Shares held by promoters at the end of the year As at March 31, 2022				% Change during the year
Sr. No.	Name of the Promoter	No. of Shares**	% Of total shares**	
1	Darpan Sanghvi	54,99,945	52.8000	NO CHANGE
2	Disha Sanghvi	34,011	0.3265	
3	Kamini Sanghvi	11	0.0001	
4	Jaya Sanghvi	11	0.0001	

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>Note: 2 Reserves and surplus</b>		
Securities Premium Account		
Balance at the beginning of the period/year	16,09,87,463	16,09,87,463
<b>Balance at the end of the year</b>	<b>16,09,87,463</b>	<b>16,09,87,463</b>
Profit & Loss account		
Opening balance	(14,85,73,332)	(13,00,14,090)
Add: Profit for the Year	(1,06,38,767)	(1,85,59,242)
<b>Closing balance of Profit &amp; Loss account</b>	<b>(15,92,12,099)</b>	<b>(14,85,73,332)</b>
<b>Total - Reserves and Surplus</b>	<b>17,75,364</b>	<b>1,24,14,131</b>
Note: IPO expenses have been adjusted to share premium account as per section 52 of Companies Act 2013		

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>Note: 3 Long Term Provisions</b>		
Provision for employee benefits		
Gratuity	9,24,883	11,89,294
Leave Encashment	3,03,868	2,32,826
<b>Total</b>	<b>12,28,751</b>	<b>14,22,120</b>

<b>Note: 4 Trade Payable</b>					
<b>Trade payables due for payment</b>					
<b>Trade Payables ageing schedule</b>					
Particulars	Outstanding for following periods from due date of payment# "				As at March 31, 2022
	As at March 31, 2022				Total
	Less Than 1 Year	1-2 Years	Total	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	40,28,627	19,99,170	9,79,045	72,210	70,79,052
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Trade payables due for payment</b>			<b>As at March 31, 2021</b>		
<b>Trade Payables ageing schedule</b>					
Particulars	Outstanding for following periods from due date of payment# "				As at March 31, 2021
	As at March 31, 2021				Total
	Less Than 1 Year	1-2 Years	Total	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	23,92,332	28,10,109.00	62,146	29,757	52,94,344
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

<b>Note: 5 Other Current Liabilities</b>			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount		Amount
Statutory remittances	23,65,050		9,90,627
Income received in advance	22,89,498		2,71,897
Current liabilities	63,77,390		34,48,510
<b>Total</b>	<b>1,10,31,938</b>		<b>47,11,034</b>

<b>Note: 6 Short Term Provisions</b>			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount		Amount
Provision for employee benefits			
Salary & Reimbursements	-		-
Contribution to PF	-		-
Gratuity (Funded) (Ref Note 29)	8,41,140		6,17,653
Leave Encashment	84,641		63,917
Provision for Expenses	1,69,252		4,17,509
Provision for Income Tax	-		-
<b>Total</b>	<b>10,95,033</b>		<b>10,99,079</b>

<b>Note: 9 Long Term Loans and Advances</b>			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount		Amount



	Amount	Amount
a. Security Deposits		
Unsecured, considered good	21,46,120	23,09,120
	<b>21,46,120</b>	<b>23,09,120</b>
b. Other loans and advances		
Tax Deducted at Source (net of provisions)	54,48,236	46,80,613
Prospective KAL-SBL JV	-	-
	<b>54,48,236</b>	<b>46,80,613</b>
<b>Total</b>	<b>75,94,356</b>	<b>69,89,733</b>

<b>Note: 10 Other Non-current Assets</b>		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2022
	Amount	Amount
MAT Credit Entitlement	-	-
Fixed Deposit with original maturity of more than 12 months	42,38,343	40,75,331
<b>Total</b>	<b>42,38,343</b>	<b>40,75,331</b>

<b>Note: 11 Inventories</b>		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
Materials/Consumables	51,27,329	64,59,782
<b>Total</b>	<b>51,27,329</b>	<b>64,59,782</b>

<b>Note: 12 Trade Receivables</b>						
Trade Receivables ageing schedule						As at March 31, 2022
Particulars	Outstanding for following periods from due date of payment#					Total
	Less Than 6 Months	6 Months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	57,33,886	-	7,18,058	35,40,000	31,86,000	1,31,77,944
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-4,36,040	-34,68,018	-	-39,04,058
<b>TOTAL</b>	<b>57,33,886</b>	<b>-</b>	<b>2,82,018</b>	<b>71,982</b>	<b>31,86,000</b>	<b>92,73,886</b>
Trade Receivables ageing schedule						As at March 31, 2021
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	17,09,090	1,64,408	83,05,429	31,86,000	-	1,33,64,927
(ii) Undisputed Trade Receivables – considered	-	-	-	-	-	-

doubtful						
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-34,68,018	-	-	-34,68,018
<b>TOTAL</b>	<b>17,09,090</b>	<b>1,64,408</b>	<b>48,37,411</b>	<b>31,86,000</b>	<b>-</b>	<b>98,96,909</b>

<b>Note: 13 Cash and Cash equivalents</b>			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount		Amount
Cash and cash equivalents			
(a) Cash on hand		33	31,694
(b) Bank Balances		53,43,656	54,53,858
		<b>53,43,689</b>	<b>54,85,552</b>
<u>Other bank balances</u>			
Fixed Deposits with Original Maturities lower than 12 months but greater than 3 months		1,80,11,579	2,14,22,718
<b>Total</b>		<b>2,33,55,268</b>	<b>2,69,08,270</b>

<b>Note:14 Short-term loans and advances</b>			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount		Amount
a. Loans and advances			
Unsecured, considered good *		7,00,56,679	6,54,72,078
Other recoverable (Expenses reimbursement)			
		<b>7,00,56,679</b>	<b>6,54,72,078</b>
b. Other loans and advances			
Unsecured, considered good			
Advance to Suppliers		55,500	14,32,540
Employee advances and others		1,75,082	4,11,517
Balances with Govt. Authority		27,63,943	27,49,742
<b>Total</b>		<b>7,30,51,204</b>	<b>7,00,65,877</b>
* Consists of advances given to following parties			

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount		Amount
<u>Loan &amp; Advances to Related Parties (Wholly Owned subsidiaries)</u>			
Sanghvi Fitness Pvt Ltd		1,16,31,621	1,08,60,300
Sanghvi Beauty & Salon Pvt		5,84,25,058	5,46,11,778
Sanghvi Brands US Holding INC		-	2,58,71,900
Spa La Vie Beauty LLC (W DC)		-	10,31,071
Love of Spa RC SFO		-	62,25,013
Provision for Doubtful Advances (US)		-	(3,31,27,984)
Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)		1,79,07,213	1,64,50,692
Provision for Doubtful Advances (UAE)		(1,79,07,213)	(1,64,50,692)
Sanghvi Brands S L Pvt Ltd		55,98,609	55,98,609
Provision for Doubtful Advances (UAE)		(55,98,609)	(55,98,609)
<b>Total</b>		<b>7,00,56,679</b>	<b>6,54,72,078</b>

<b>Note 15 Other current assets</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	<b>Amount</b>	<b>Amount</b>
Interest accrued	-	-
Non-Compete Consideration	-	-
Prepaid Expenses	99,505	1,31,539
<b>Total</b>	<b>99,505</b>	<b>1,31,539</b>

<b>Note 16 Revenue from operations</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	<b>Amount</b>	<b>Amount</b>
Services	3,97,45,182	2,92,54,778
Technical Fees	-	-
Reimbursement from Expenses & Salaries	-	-
Sale of services (A)	<b>3,97,45,182</b>	<b>2,92,54,778</b>
Sale of products (B)	1,59,965	2,53,882
<b>Total (A +B)</b>	<b>3,99,05,147</b>	<b>2,95,08,660</b>

<b>Note 17 Other Income</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	<b>Amount</b>	<b>Amount</b>
Interest on Income tax refund	-	-
Interest income on Fixed Deposits	11,38,886	16,10,475
Sundry Credit Balances Appropriated	7,27,941	-
Foreign Exchange gain / (loss), (net)	-	-
Profit on Sale of Assets	11,504	-
Income Obsolete Inventory	-	-
Other Income	2,48,257	-
<b>Total</b>	<b>21,26,588</b>	<b>16,10,475</b>

<b>Note 18 Cost of materials consumed</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	<b>Amount</b>	<b>Amount</b>
<b>Opening Inventory</b>	64,59,782	82,91,342
<b>Add - Purchases</b>		
Purchases of other materials	17,48,604	10,90,589
Consumables	8,62,786	8,30,851
	<b>26,11,390</b>	<b>19,21,440</b>
<b>Less - Closing Inventory</b>	51,27,329	64,59,782
<b>Total</b>	<b>39,43,843</b>	<b>37,53,000</b>

<b>Note 19 Employee Costs</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	<b>Amount</b>	<b>Amount</b>
Salaries and incentives	1,90,94,015	1,42,19,395
Directors remuneration	-	-
<b>Contributions to -</b>		
(i) Provident fund	<b>3,77,084</b>	<b>3,19,170</b>

(ii) Gratuity fund contributions	(40,924)	(3,33,924)
(iii) Leave Encashment	91,766	(2,16,666)
(iv) Staff welfare expenses	10,60,206	15,52,306
<b>Total</b>	<b>2,05,82,147</b>	<b>1,55,40,281</b>

Note 20 Finance Costs Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
Interest Expense	1,24,540	1,32,004
Bank Charges	2,07,702	78,737
<b>Total</b>	<b>3,32,242</b>	<b>2,10,741</b>

Note 22 Other Expenses SR No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
		Amount	Amount
1	Electricity charges	6,46,473	4,38,470
2	Repairs and Maintenance to: -		
3	- Plant & Machinery	15,800	1,92,012
4	- Others	1,68,730	10,205
5	Insurance (Including Keyman Insurance)	1,74,445	96,739
6	Rent expenses	6,55,100	1,72,500
7	Rates & Taxes	7,06,138	37,17,915
8	Audit fees (Ref note 25)	4,32,500	2,50,000
9	Business Development & Sales Promotion	7,11,785	7,75,576
10	License Fees	1,36,96,219	1,13,05,343
11	Royalty	40,71,778	8,73,891
12	Legal & professional Fees	18,66,640	30,51,187
13	Advertisement	-	-
14	Housekeeping expenses	3,21,847	79,015
15	Postage & Courier	-	-
16	Printing & Stationery	-	-
17	Telephone Expenses	1,05,538	1,31,280
18	Travelling and conveyance	7,12,218	3,51,356
19	Sundry Debit Balances W/off	2,96,959	4,67,459
20	Miscellaneous Expenses	4,99,615	7,61,086
21	Information Technology Cost	-	-
22	Foreign License Fees	-	-
23	Diminution in the value of invest (Investment Expenses)	-	-
24	Provision for Expenses of bad and Doubtful	4,36,040	34,68,018
25	Pre-incorporation Expense	-	-
26	Loss of Obsolete Inventory	-	4,17,509
27	Exchange Fluctuation Gain/(Loss)	28,635	-
28	Provision for Doubtful Advances (Expenses)	-	27,68,019
<b>Total</b>		<b>2,55,46,460</b>	<b>2,93,27,580</b>

Note 7 Property Plant and Equipment			
Property Plant and Equipment Schedule for the year ended March 31, 2022			
Fixed Assets	Gross Block	Accumulated Depreciation	Net Block

	Balance as On March 31, 2021	Additions	Disposal	Balance as On March 31, 2022	Balance as On March 31, 2021	Depreciation for the period	On disposals	Balance as On March 31, 2022	Net Balance as On March 31, 2022	Net Balance as On March 31, 2021
<b>Tangible Assets</b>										
Computers & Accessories	18,61,442	-	-	18,61,442	18,61,442	-	-	18,61,442	-	-
Furniture & Fittings	49,46,826	-	-	49,46,826	28,01,582	4,65,204	-	32,66,786	16,80,040	21,45,244
Office Equipment's	17,51,271	-1,33,731	-	16,17,540	14,51,369	69,635	-37,646	15,58,650	58,890	2,99,902
Vehicles	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>85,59,539</b>	<b>-1,33,731</b>	<b>-</b>	<b>84,25,808</b>	<b>61,14,393</b>	<b>5,34,839</b>	<b>-37,646</b>	<b>66,86,878</b>	<b>17,38,930</b>	<b>24,45,146</b>
<b>Intangible Assets</b>										
Software/Tra demarks	13,64,978	-	-	13,64,978	9,05,557	2,36,804	-	11,42,361	2,22,617	4,59,421
Business Rights	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,64,978</b>	<b>-</b>	<b>-</b>	<b>13,64,978</b>	<b>9,05,557</b>	<b>2,36,804</b>	<b>-</b>	<b>11,42,361</b>	<b>2,22,617</b>	<b>4,59,421</b>
<b>Grand Total</b>	<b>99,24,517</b>	<b>-1,33,731</b>	<b>-</b>	<b>97,90,786</b>	<b>70,19,950</b>	<b>7,71,643</b>	<b>-37,646</b>	<b>78,29,239</b>	<b>19,61,547</b>	<b>29,04,567</b>

#### Note: 8 Non-Current Investments

Particulars	Face Value per share	No of Shares		Amount in Rs.	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Non-Trade investments</b>					
<b>Unquoted</b>					
Investments in equity instruments in wholly owned subsidiaries (fully paid up)					
Sanghvi Fitness Pvt Ltd	Rs.10	9,750	9,750	97,500	97,500
Sanghvi Beauty Salon Pvt Ltd	Rs.10	10,000	10,000	100,000	100,000
Sanghvi Hospitality Pvt Ltd	Rs.10	-	-	-	-
Sanghvi Brands SL Pvt Ltd	LKR10	1	1	4	4
Provision for Diminution in the value of Investment (SL)				(4)	(4)
Investment in Shares-Sanghvi Brands US Holdings Inc	\$ 1	105,001,000	105,001,000	7,196,706	7,196,706
Provision for Diminution in the value of Investment (US)				(7,196,706)	(7,196,706)
Sanghvi Brands Beauty and Spa LLC (AD)-Invest A/c				2,541,531	2,541,531
Provision for Diminution in the value of Investment (UAE)				(2,541,531)	(2,541,531)
<b>Non-Trade investments</b>					
<b>Unquoted</b>					
Investment in National Savings certificate	-	-	-	70,000	70,000
Investments in Gratuity (Birla Sun Life)				150,000	150,000
Investment in Anayan Software Consultancy Pvt Ltd				1,250,000	1,250,000
<b>Total</b>		<b>105,020,751</b>	<b>105,020,751</b>	<b>1,667,500</b>	<b>1,667,500</b>

## 22. SIGNIFICANT ACCOUNTING POLICIES:

### a) Company overview

Sanghvi Brands Limited (formerly known as Sanghvi Brands Private Limited) is a public company, domiciled in India. It was incorporated on 16th February 2010 under the provisions of Companies Act, 1956. The Company is in the business of branding of national and international brands, dealing in goods and services of such brands and providing spa services. The Company has its registered office at Shivajinagar, Pune.

The Company is listed with BSE Limited on SME platform from November 22, 2017.

**b) Basis of preparation of financial statements**

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (“GAAP”) in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act, 2013(‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act .

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or to a revision an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule II to the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**c) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon Management’s best knowledge of current events and actions, actual results could differ from these estimates.

**d) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Service income is recognized net of duties and taxes, as and when services are rendered. Revenue in respect of technical fees is recognised as the related services are performed.

As per agreement entered by the Company with certain Franchisees, the Company is obliged to refund technical fees received in case of termination of its licensing arrangement with the licensors of the brand within a specified period which ranges from 1 to 2 years. As per management, refund of technical fees is not likely.

**e) Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation until the date of the balance sheet and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such costs include taxes, duties, freight and incidental expenses relating to the acquisition and installation of fixed assets. Cost also includes the interest paid/ payable during the period of construction in respect of borrowed funds pertaining to construction/ acquisition of qualifying fixed assets.

**f) Depreciation and Amortization**

Depreciation on tangible assets is provided on the Straight-line Method (SLM) over the useful lives of assets as prescribed in Schedule –II of the Companies Act 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized on SLM basis over their estimated useful life.

**g) Current Assets, loans & advances**

Current Assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.

**h) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**i) Income Tax**

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### j) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### k) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### 23. Auditor's Remuneration

Particulars	31.03.2022 (Rs.)	31.03.2021 (Rs.)
Statutory Audit Fees	2,82,500	2,20,000
Tax Audit Fees	40,000	30,000
Other services (Limited review)	110,000	-
<b>Total</b>	<b>4,32,500</b>	<b>2,50,000</b>

#### 24. Earnings per Share

Sr. No.	Particulars	31.03.2022 (Rs.)	31.03.2021 (Rs.)
a.	Profit for the year	(1,06,38,767)	(185,59,242)
b.	Weighted Average no. of Equity Shares	1,04,15,880	1,04,15,880
c.	<b>Basic EPS (a/b)</b>	<b>(1.02)</b>	<b>(1.78)</b>
d.	<b>Diluted EPS</b>	<b>(1.02)</b>	<b>(1.78)</b>

25. Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

#### 26. Retirement Benefits

##### A. GRATUITY

I. Assumptions:

Particulars	As on 31st March 2022	As on 31st March 2021
Discount Rate	7.00%	6.30%
Rate of Increase in Compensation Level	4%	4%
Expected Average remaining working lives of employees (years)	9.30	9.26

II. Table Showing Changes in Present Value of Obligations

Particulars	As on 31st March 2022	As on 31st March 2021
<b>Present Value of Obligation as at the beginning of the year</b>	<b>1,806,947</b>	<b>21,40,871</b>
Acquisition adjustment	-	-
Transfer In / (Out)	-	-
Interest Cost	113,838	1,06,804
Past Service Cost	-	-
Current Service Cost	446,943	6,82,709
Curtailed Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	-	(7,79,972)
Actuarial (gain)/ loss on obligations	(601,705)	(3,43,465)
<b>Present Value of Obligation as at the end of the year</b>	<b>1,766,023</b>	<b>18,06,947</b>

III. Actuarial Gain/(Loss) Recognized

Particulars	As on 31st March	As on 31st March
-------------	------------------	------------------

	2022	2021
Actuarial gain/(loss) for the year – Obligation	(601,705)	(3,43,465)
Actuarial (gain)/loss for the year - Plan Assets	-	-
Total (gain) / loss for the year	(601,705)	(3,43,465)
Actuarial (gain) / loss recognized in the year	(601,705)	(3,43,465)
Unrecognized actuarial (gains) / losses at the end of year	-	-

IV. The Amounts to be recognized in Balance Sheet

Particulars	As on 31st March, 2022	As on 31st March, 2021
Present Value of Obligation as at the end of the year	1,766,023	18,06,947
Fair Value of Plan Assets as at the end of the year		
Funded Status	(1,766,023)	(18,06,947)
Unrecognized Actuarial (gains) / losses		
Net Asset / (Liability) Recognized in Balance Sheet	(1,766,023)	(18,06,947)

V. The Amounts to be recognized in Profit and Loss Account

Particulars	As on 31st March 2022	As on 31st March 2021
Current Service Cost	446,943	6,82,709
Acquisition (Gain)/Loss	-	-
Past Service Cost	-	-
Interest cost	113,838	1,06,804
Expected return on plan Asset	-	-
Curtailment of (Gain)/Loss	-	-
Settlement of (Gain)/Loss	-	-
Transfer In / (Out)	-	-
Actuarial (Gain)/Loss recognized in the period	(601,705)	(3,43,465)
Expenses recognized in P&L at the end of the period	(40,924)	4,46,048

VI. Reconciliation of Net Assets/(Liability) Recognized

Particulars	As on 31st March 2022	As on 31st March 2021
Net Assets/(Liability) recognized at the beginning of the period	(1,806,947)	(21,40,871)
Benefits paid by Company	-	7,79,972
Expenses recognized at the end of period	40,924	(4,46,048)
Net Asset/(Liability) recognized at the end of the period	(1,766,023)	(18,06,947)

27. RELATED PARTY DISCLOSURE:

Names of related party and nature of relationship

Relationship	Name of the Party
Key Managerial Personnel	Mr. Darpan Sanghvi
Relative of Key Managerial Personnel	Mr. Narendra R Sanghvi
	Disha N Sanghvi
Subsidiary	Sanghvi Beauty & Salon Pvt. Ltd.
	Sanghvi Fitness Pvt. Ltd.
	Sanghvi Brands Beauty and Spa LLC
	Sanghvi Brands SL Pvt Ltd
	Sanghvi Brands US Holding INC
Step Subsidiary	Love of Spa RC SFO
	Spa La Vie Beauty LLC
Associate	Anayan Software Consultancy Pvt Ltd



Enterprises over which Key Managerial Personnel are able to exercise significant influence

Sanghvi Beauty & Technologies Pvt Ltd  
Sanghvi Lifestyle Products Pvt Ltd

Transaction with related parties

Particulars	Nature of Transaction	31-03-2022 (Rs.)	31-03-2021 (Rs.)
1. Mr. Darpan Sanghvi	Remuneration	-	-
	Advance Paid	-	-
2. Mr. Narendra R Sanghvi	Rent paid	2,10,000	-
3. Miss. Disha N Sanghvi	Rent paid	-	-
4. Sanghvi Fitness Pvt. Ltd	Loan/Advance given	7,71,321	17,73,254
5. Sanghvi Beauty & Salon Pvt. Ltd.	Loan/Advance given	69,27,758	1,10,35,811
	Repayment of Loan/Advances	(31,14,477)	(39,86,797)
6. Sanghvi Beauty & Technologies Pvt Ltd	Memberships Fees Income	4,00,000	-
	Reimbursement of Expenses	-	4,25,181
	Sale Spa Gift Card Sales	5,21,000	-
	Receipt for sales/Mang Fees	(19,15,668)	(35,000)
7. Sanghvi Brands US Holding INC	Advances given	-	4,57,646
8. Sanghvi Brands SL Pvt Ltd	Advances given	-	-
	Management Fees Income	-	-
	Receipt for Mang Fees	-	-
9. Love of Spa RC SFO	Advances given	-	-
10. Sanghvi Lifestyle Products Pvt Ltd	Value of Goods Sold	1,59,965	2,39,401
	Receipt against sales	18,32,057	-
11. Spa La Vie Beauty LLC	Advances given	-	-
12. Sanghvi Brands Beauty and Spa LLC	Advances given	14,56,521	-
	Investment	-	-

Closing Balances with related parties [Receivable/(Payable)]

Particulars	Relationship	31-03-2022	31-03-2021
		(Rs.)	(Rs.)
1. Mr. Darpan Sanghvi	Key Managerial Person	-	-
2. Mr. Narendra R Sanghvi	Key Managerial Person	-	-
3. Miss. Disha N Sanghvi	Key Managerial Person	-	-
4. Sanghvi Beauty & Salon Pvt. Ltd.	Subsidiary	5,84,25,059	5,46,11,778
5. Sanghvi Fitness Pvt. Ltd	Subsidiary	1,16,31,621	1,08,60,300
6. Spa La Vie Beauty LLC (WDC)	Step Subsidiary	-	10,31,071
7. Love of Spa RC SFO	Step subsidiary	-	-
8. Sanghvi Brands US Holding INC	Subsidiary	-	2,58,71,900
9. Sanghvi Brands SL Pvt Ltd	Subsidiary	55,98,609	55,98,609
10. Sanghvi Beauty & Technologies Pvt Ltd	Enterprises over which Key Managerial Personnel are able to exercise significant influence	95,880	8,26,381
11. Sanghvi Lifestyle Products Pvt Ltd		(3,94,273)	11,89,526
12. Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)	Subsidiary	1,79,07,213	1,64,50,692

28. Trade receivables and trade payables are subject to confirmation from and reconciliation with counterparties. Management does not expect any impact of such procedures on stated balances as at the year-end.

**29. Expenditure in foreign currency (on accrual basis)**

Particulars	Year Ended 31-03-2022 (Rs.)	Year Ended 31-03-2021 (Rs.)
Foreign travel	-	-

Royalty Expenses	40,71,778	8,73,891
Products Purchases	-	-

**30.** Exceptional items consist of provision for diminution in value of investments in and advances to subsidiaries made during the year.

**31.** The business has been impacted during the year on account of COVID-19 and the Company has witnessed loss of Rs 2,80,29,239/- During the first three months of the year, the Company witnessed softer revenues due to the second wave of COVID-19 and consequent lockdowns in several states across the country. However, with increased vaccinations and consequent reduction in number of cases and easing of all restrictions, the company has witnessed recovery in both leisure and business segments in all the other months. Management has secured cash reserve to enable the Company to meet its obligations as they fall due and for its operational need. The Company has assessed future projections and based on estimates, expects to recover the carrying amount of these assets. Even though material uncertainty about going concern exists, considering various mitigating factors, the management does not see any risks in the ability to continue as a going concern and meeting its liabilities as and when payable. Accordingly, financials have been prepared on going concern basis. The impact of COVID--19 may be different from that estimated as at the date of approval of these consolidated financial results and the Company management will continue to closely monitor any material changes to future economic conditions.

**32.** 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 5,84,25,058/-. 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 22, is negative Rs 5,41,08,172/- The Management has considered that erosion in net worth is temporary and expects improvements in operations after the conditions return to normal

**33.** 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 1,16,31,621/- The subsidiary company has been incurring losses for past few years and its net worth as on March 22, is negative Rs.1,04,22,642/-. 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 in F Y 21-22.

**34.** The company has given the advances to its subsidiaries to incur operating expenses as per normal trade practice. Such advances are interest free and not prejudicial to the interest of the company. Accordingly, these advances are not considered as loans.

**35. Additional Regulatory Information**

**(i) Following Ratios to be disclosed:-**

Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% Variance	Reason for Variance
Current ratio	Current assets	Current liabilities	7.00	15.19	-54%	In current financial year management have paid most of past liabilities, apart from these balances with respect to cash and bank balance, inventories and receivable have gone down.

Debt-equity ratio	Total debt	Shareholder's Equity	0.01	0.01	19%	
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(0.38)	(0.09)	331%	Due to loss in current year shareholder fund went down significantly.
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	6.89	4.00	72%	This year Inventory consumptions were pretty fast as compared to last financial year, as turnover this financial year went up significantly.
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	4.16	1.68	147%	In the current financial year, company has followed receivables aggressively and done better and quick realization from receivables.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.42	0.39	9%	
Net capital turnover ratio	Net Sales	Working Capital	0.35	0.19	85%	In current financial year, most of the centers were operative throughout the year that is why turnover has gone up.
Net profit ratio	Net Profit	Net Sales	(1.24)	(0.54)	132%	In current financial year, loss went down significantly as most of the centers were operative throughout the year.
Return on capital employed	Earnings before interest and taxes	Capital Employed	(0.37)	(0.09)	333%	In the current financial year capital employed went down, as company paid most of the past liabilities.

### 36. Utilization of IPO Proceeds

Amount (Rs. in Lakhs)

Particulars	Amount Funded from the Gross Proceeds	Actual Utilization up to year ended 31st March 2022	Pending for utilization
Business Expansion			
a. Expanding outlets/ distribution of current brand portfolio in India and overseas	771.70	168.23	
b. Acquisitions and development of new brands		380.85	
Marketing and sales promotion of the brands in our portfolio	500.00	500.00	0.00
Strategic Investments for business growth	100.00	71.42	28.58
General Corporate Purpose	284.42	284.42	0.00
Issue Expenses	240.00	225.55	14.45
<b>Total</b>	<b>1896.12</b>	<b>1630.47</b>	<b>265.65</b>

37. Previous year figures are rearranged/ regrouped wherever necessary.

As per our attached report on even date

**For B K Khare and Co.**  
**Chartered Accountants**

**Firm Registration Number - 105102W**

**For and on behalf of Board of Directors**  
**Sanghvi Brands Limited**

**(Formerly Known as SANGHVI BRANDS PRIVATE LIMITED)**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
<b>Shirish Rahalkar</b>	<b>Dr. Vijay Aggarwal</b>	<b>Darpan Sanghvi</b>	<b>Narendra Sanghvi</b>	<b>Kruti H. Shah</b>	<b>Laxmi Rathi</b>
<b>Partner</b>	<b>CEO</b>	<b>Director</b>	<b>Director</b>	<b>Company Secretary</b>	<b>CFO</b>
<b>M.No. 111212</b>	<b>Place: Mumbai</b>	<b>DIN: 02912102</b>	<b>DIN: 02912085</b>	<b>Place: Mumbai</b>	<b>Place: Mumbai</b>
<b>Place: Mumbai</b>	<b>Date: 26/05/2022</b>	<b>Place: Mumbai</b>	<b>Place: Mumbai</b>	<b>Date: 26/05/2022</b>	<b>Date: 26/05/2022</b>
<b>Date: 26/05/2022</b>		<b>Date: 26/05/2022</b>	<b>Date: 26/05/2022</b>		

# INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

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To the Members of Sanghvi Brands Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of Sanghvi Brands Limited (“the Holding Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2022 and the Consolidated statement of profit and loss and Consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Consolidated state of affairs of the Company as at March 31, 2022, and its Consolidated loss and its Consolidated cash flows for the year then ended.

### 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 Statements 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.

### Material Uncertainty relating to Going Concern

We draw attention to Note 30 to the financial statement which indicates that the Group has incurred a net loss/net cash loss during the current and previous years. These conditions along with other matters set forth in Note 30 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements of the Company have however been prepared on a going concern basis based on an evaluation of the above facts in the light of the representation by the management and various mitigating factors as detailed in the said note to the financial statements.

### Emphasis of matter

We draw attention to Note 31 of the consolidated financial statements, stating that the share of profit / loss of the Group from one of the Associates has not considered for consolidation purpose. The group did not have access to the financial information of said associate entity for F Y 21-22, but considering the size and nature operations of the associate, the management is of the view that it would not have a material impact on the consolidated financial results for the year. Our opinion is not modified in this respect.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the Board of Directors is responsible for assessing the Companies included in the Group are responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 consolidated 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 Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiaries which are incorporated in India, 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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.

#### **Other Matters**

We did not audit the financial statements of three subsidiaries included in the consolidated financial statements; whose financial statements reflect total assets (before consolidation adjustments) Rs 14,05,821/- as at March 31, 2022, total revenue (before consolidation adjustments) of Rs. 2,57,91,154 /- as at March 31, 2022 for the year then ended. These financial statements and other financial information of 3 subsidiaries were audited by other auditors and our opinion on the Consolidated Financial Statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

Subsidiary referred to above which are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.



Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work performed and the reports of the other auditors and Financial Statements and other financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

1. As required by Clause 3(xxi) of the Companies (Auditor’s Report) Order, 2020, we have considered the Auditors’ Reports of the companies included in the consolidated financial statements. We have observed that there are qualifications or adverse remarks by the respective auditors in their report under the Companies (Auditor’s Report) Order, 2020. The details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks are as under:

Sr No	Name	CIN	Nature of relationship	Clause number of the CARO report which is qualified or adverse
1	Sanghvi Beauty and Salon Pvt Ltd	U74900PN2011PTC141626	Subsidiary	1, 7
2	Sanghvi Fitness Pvt Ltd	U74900PN2010PTC137959	Subsidiary	1

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the Subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
- 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.
  - 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.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - on the basis of written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the aforesaid companies, is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the operating effectiveness of such controls of the Holding Company and its subsidiary companies incorporated in India refer to our separate Report in ‘Annexure I’. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - With respect to other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Group does not have any pending litigations which would impact its financial position.
- ii. The Group did not have any long-term contracts for which there were any material foreseeable losses
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2022.
- iv. (a) The respective managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company/Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Holding Company, its Subsidiary Company have not declared/paid/declared and paid any dividend during the year.

For **B. K. Khare & Co.**

Chartered Accountants

Firm’s Registration Number – 105102W

Sd/-

**Shirish Rahalkar**

Partner

M No.: 111212

UDIN: 22111212AJXVDG2921

Mumbai, May 26, 2022

## **ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 10(f) of our report of even date on the Consolidated Financial Statements of Sanghvi Brands Limited for the year ended March 31, 2022**

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

In conjunction with our audit of the consolidated financial statements of the Sanghvi Brands Limited as of March 31, 2022 and for the year then ended, we have audited the internal financial controls over financial reporting of Sanghvi Brands Limited (hereinafter referred to as "the Holding Company") and its subsidiaries incorporated in India. (Holding company and its Indian Subsidiaries together referred to as "Group") The holding company has subsidiary company incorporated outside India to whom provisions regarding internal financial control over financial reporting are not applicable.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on the consideration of audited Indian Subsidiaries referred to in other matter paragraph below, the following material weakness have been identified as at March 31, 2022.

The company needs to improve internal financial controls in accrual and recording of administrative and other expenses.

In our opinion, except for the effects of material weakness described above, and to the best of our information and according to the explanations given to us and based on the consideration of audited Indian subsidiaries referred to in Other Matter paragraph below, the Holding Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies incorporated India, whose financials statements/information are audited and our opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Group is not affected as this financial statements/information is not material to the Group.

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

For **B. K. Khare & Co.**

Chartered Accountants

Firm's Registration No. 105102W

**Sd/-**

**Shirish Rahalkar**

Partner

Membership No. 111212

UDIN: 22111212AJXVDG2921

Mumbai, May 26, 2022

## BALANCE SHEET AS AT MARCH 31, 2022 (CONSOLIDATED)

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>				
(a)	Share capital	1	10,41,58,800	10,41,58,800	
(b)	Reserves and surplus	2	-6,22,08,056	-4,06,60,695	
(c)	Minority Interest		-	-	
<b>2</b>	<b>Non-current liabilities</b>				
(a)	Deferred tax liabilities (net)		-	-	
(b)	Other Long-term liabilities	3	-	-	
(c)	Long-term provisions	4	13,88,897	20,21,225	
<b>3</b>	<b>Current liabilities</b>				
(a)	Short-term borrowings	5	-	-	
(b)	Trade payables	6			
	- Micro Enterprises & Small Enterprises		-	-	
	- Other than Micro Enterprises & Small Enterprises		1,02,29,209	1,22,68,814	
(c)	Other current liabilities	7	2,00,69,892	1,57,88,581	
(d)	Short-term provisions	8	13,19,946	16,31,844	
	<b>TOTAL</b>		<b>7,49,58,688</b>	<b>9,52,08,569</b>	
<b>II. ASSETS</b>					
<b>Non-current assets</b>					
1	(a) Property, Plant and Equipment and Intangible Assets	9			
	(i) Tangible assets		23,00,662	1,65,00,893	
	(i) Intangible assets		2,50,559	5,04,741	
(b)	Non-current investments	10	10,56,252	10,56,252	
(c)	Deferred tax assets (net)	11	-	-	
(d)	Long-term loans and advances	12	96,13,534	92,28,767	
(e)	Other non-current Assets	13	44,26,358	42,51,695	
<b>2</b>	<b>Current assets</b>				
(a)	Inventories	14	59,36,660	91,34,022	
(b)	Trade receivables	15	1,65,95,132	1,67,51,598	
(c)	Cash and Bank balances	16	3,07,81,026	3,03,37,058	
(d)	Short-term loans and advances	17	38,99,000	73,12,004	
(e)	Other current assets	18	99,505	1,31,539	
	<b>TOTAL</b>		<b>7,49,58,688</b>	<b>9,52,08,569</b>	
See accompanying Notes to The Financial Statements		25-33			
The accompanying notes form an integral part of The Financial Statements.					
For B K Khare and Co. Chartered Accountants Firm Registration Number - 105102W			For and On behalf of Board of Directors Sanghvi Brands Limited. (Formerly Known as Sanghvi Brands Private Limited)		
Sd/- Shirish Rahalkar Partner M.No. 111212 Place: Mumbai Date: 26/05/2022	Sd/- Dr. Vijay Aggarwal CEO	Sd/- Laxmi Rathi CFO Place: Mumbai Date: 26/05/2022	Sd/- Kruti H. Shah Company Secretary	Sd/- Darpan N Sanghvi DIN: 02912102 Director Place: Mumbai Date: 26/05/2022	Sd/- Narendra R Sanghvi DIN: 02912085 Director Place: Mumbai Date: 26/05/2022

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022 (CONSOLIDATED)

Particulars	Refer Note No	For the year ended March 31, 2022	For the year ended Mar 31, 2021		
<b>1</b> Revenue from operations	<b>19</b>	5,35,52,968	3,52,89,574		
<b>2</b> Other income	<b>20</b>	2,86,23,915	21,19,194		
<b>3 Total Income (1+2)</b>		<b>8,21,76,883</b>	<b>3,74,08,768</b>		
<b>4 Expenses:</b>					
Cost of materials consumed	<b>21</b>	64,66,561	1,01,14,949		
Employee benefits expense	<b>22</b>	2,66,81,983	2,52,72,770		
Finance costs	<b>23</b>	5,85,209	7,77,872		
Depreciation and amortization expense	<b>9</b>	10,02,010	20,38,661		
Other expenses	<b>24</b>	7,54,70,359	5,67,12,272		
<b>5 Total expenses</b>		<b>11,02,06,122</b>	<b>9,49,16,524</b>		
<b>Profit / (Loss) before Exceptional &amp; Extra Ordinary Items &amp; Tax</b>		<b>(2,80,29,239)</b>	<b>(5,75,07,756)</b>		
Prior Period Items		-	-		
Extra Ordinary Items		-	-		
<b>6 Profit / (Loss) before Tax</b>		<b>(2,80,29,239)</b>	<b>(5,75,07,756)</b>		
<b>7 Tax expense:</b>					
(1) Current Tax/MAT		-	-		
(2) Deferred tax (DTL)		-	-		
(3) MAT Credit Entitlement		-	-		
<b>8 Profit / (Loss) after tax</b>		<b>(2,80,29,239)</b>	<b>(5,75,07,756)</b>		
<b>Less: - Minority Interest</b>		-	-		
<b>9 Profit (Loss) for the period</b>		<b>(2,80,29,239)</b>	<b>(5,75,07,756)</b>		
<b>Proportionate Profit (Loss) of Associate Company</b>		-	-		
<b>Net Profit (Loss) after Tax</b>		<b>(2,80,29,239)</b>	<b>(5,75,07,756)</b>		
<b>10 Earnings per equity share:</b>					
(1) Basic		(2.69)	(5.52)		
(2) Diluted		(2.69)	(5.52)		
See accompanying Notes to The Financial Statements	25-33				
The accompanying notes form an integral part of The Financial Statements.					
<b>For B K Khare and Co.</b>		<b>For and On behalf of Board of Directors</b>			
<b>Chartered Accountants</b>		<b>Sanghvi Brands Limited.</b>			
<b>Firm Registration Number - 105102W</b>		<b>(Formerly Known as Sanghvi Brands Private Limited)</b>			
Sd/- Shirish Rahalkar	Sd/- Dr. Vijay Aggarwal	Sd/- Laxmi Rathi	Sd/- Kruti H. Shah	Sd/- Darpan N Sanghvi	Sd/- Narendra R Sanghvi
Partner	CEO	CFO	Company Secretary	DIN: 02912102	DIN: 02912085
M.No. 111212	Place: Mumbai		Director		Director
Place : Mumbai	Date: 26/05/2022		Place: Mumbai		Date: 26/05/2022
Date: 26/05/2022					

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (CONSOLIDATED)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from Operating Activities</b>		
<b>Profit/Loss before Tax</b>	<b>(2,80,29,239)</b>	<b>(5,75,07,756)</b>
<b>Adjustments for:</b>		
Depreciation & Amortisation Expenses	10,02,010	20,38,661
Unrealized Foreign exchange Gain	21,94,613	7,77,497
Sundry Credit Balances Appropriated	(7,27,941)	-
Interest income	(11,50,537)	(16,25,267)
Provision for Diminution of Investment	-	-
Impairment of Business Rights	-	-
Interest Expenses	-	-
<b>Operating profit before working capital changes</b>	<b>(2,67,11,094)</b>	<b>(5,63,16,865)</b>
<b>Changes in:</b>		
Trade and Other Receivables	1,56,466	3,31,60,878
Inventories	31,97,362	52,16,708
Loans and Advances- short term	3,03,46,333	(55,98,173)
Long term loans and advances	3,62,63,634	4,10,907
Other Current Assets	(1,42,629)	10,53,618
Trade and Other Payables	20,25,421	(81,79,141)
<b>Cash generated from operations</b>	<b>4,51,35,493</b>	<b>(3,02,52,068)</b>
Less: Taxes paid net of refund	(4,72,766)	7,00,297
<b>Net Cash from Operating Activities (A)</b>	<b>4,46,62,727</b>	<b>(2,95,51,771)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets/Capital Expenditure	1,34,52,403	(2,45,877)
Decrease in Investment	71,96,706	-
Interest Received	11,50,537	16,25,267
Decrease in Fixed Deposits	34,11,139	2,03,63,247
<b>Net Cash used in Investing Activities (B)</b>	<b>2,52,10,785</b>	<b>2,17,42,637</b>
<b>C. Cash flow from Financing Activities</b>		
Change in Borrowings	(6,60,18,404)	1,05,17,399
Interest Paid	-	-
Share issue expenses	-	-
Share issued	-	-
Premium on shares issued	-	-
<b>Net Cash used in Financing Activities (C)</b>	<b>(6,60,18,404)</b>	<b>1,05,17,399</b>
<b>D Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>38,55,107</b>	<b>27,08,268</b>
<b>E Opening Balance of Cash and Cash Equivalents</b>	<b>89,14,340</b>	<b>62,06,072</b>
<b>F Closing Balance of Cash and Cash Equivalents (D+E)</b>	<b>1,27,69,447</b>	<b>89,14,340</b>
<b>Components of cash and cash equivalents</b>		
cash in hand	14,009	3,45,600
With Banks:	-	-
on Current Accounts	1,27,55,438	85,68,740
on Deposit Accounts	-	-
The accompanying notes form an integral part of The Financial Statements.		

For B K Khare and Co.

Chartered Accountants

Firm Registration Number - 105102W

For and On behalf of Board of Directors

Sanghvi Brands Limited.

(Formerly Known as Sanghvi Brands Private Limited)

Sd/- Shirish Rahalkar	Sd/- Dr. Vijay Aggarwal	Sd/- Laxmi Rathi	Sd/- Kruti H. Shah	Sd/- Darpan N Sanghvi	Sd/- Narendra R Sanghvi
Partner	CEO	CFO	Company Secretary	DIN: 02912102	DIN: 02912085
M.No. 111212 Place: Mumbai	Place: Mumbai Date: 26/05/2022	Place: Mumbai Date: 26/05/2022	Place: Mumbai Date: 26/05/2022	Director Place: Mumbai	Director Place: Mumbai
Date: 26/05/2022				Date: 26/05/2022	Date: 26/05/2022

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED)

### Note: 1 Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
<b>a) Authorised</b>				
1,30,00,000 Equity shares of 10 each	13,000,000	130,000,000	13,000,000	130,000,000
<b>Total</b>	<b>13,000,000</b>	<b>130,000,000</b>	<b>13,000,000</b>	<b>130,000,000</b>
<b>b) Issued, Subscribed &amp; Fully Paid up</b>				
5,00,000 (5,00,000) Equity shares of 10 each	500,000	5,000,000	500,000	5,000,000
151,553 (151,553) Equity shares of 10 each issued at Rs 461.89 each	151,553	1,515,530	151,553	1,515,530
45,527 Equity shares of 10 each issued at Rs 615.02 each	45,527	455,270	45,527	455,270
6970800 Equity shares of Rs.10 each Bonus shares issued	6,970,800	69,708,000	6,970,800	69,708,000
2748000 Equity shares of Rs.10 each IPO for equity shares	2,748,000	27,480,000	2,748,000	27,480,000
Minority Share capital of 250 shares of Rs 10each	250	2,500	250	2,500
<b>Total</b>	<b>10,416,130</b>	<b>104,161,300</b>	<b>10,416,130</b>	<b>104,161,300</b>
<b>c) Reconciliation of the number of shares outstanding</b>				
Equity Shares	-	-	-	-
- at the beginning of the year	10,415,880	104,158,800	10,415,880	104,158,800
- allotted During the year	-	-	-	-
- <b>at the end of the year</b>	<b>10,415,880</b>	<b>104,158,800</b>	<b>10,415,880</b>	<b>104,158,800</b>

### d) Rights attached to shares

i. Rights attached to shares: The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii. On 29th June 2017 vide shareholder approval the Company got converted from Private to Public Company in order to fulfill the requirement to raise funds by further issue of equity shares by way of IPO on SME Platform which was subsequently approved by the Registrar of Companies, Pune vide its letter dated 21st July 2017.

iii. On 10th August 2017 vide shareholder approval the Company Re-classified the existing Authorised Share Capital to Rs. 3,50,00,000 (Rupees Three Crore Fifty Lakhs) divided into 35,00,000 (Thirty-five lacs) Equity shares of Rs. 10/- (Rupees Ten Only) each and also subsequently Increase the Authorised Share Capital to Rs. 13,00,00,000 (Rupees thirteen crores) divided into 1,30,00,000 (One crore thirty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each.

iv. On 18th August 2017, the Company has allotted 69,70,800 equity shares of Rs. 10/- each full-paid up "Bonus Shares" in the proportion of ten (10) such new equity share for every one(1) existing equity share, held by such members on 14th August, 2017 as per Register of members.

v. On 17th November 2017, the Company has allotted 27,48,000 Equity Shares of face value Rs. 10/- each fully paid -up at issue price of Rs. 69/- per share including a premium of Rs. 59/- per share aggregating to Rs. 1896.12 lakhs through the initial public offer (IPO). Subsequently, the entire equity share capital consisting 1,04,15,880 equity shares of Rs. 10/- each of the Company post-IPO listing and trading approval from BSE Limited Stock Exchange - SME platform vide their letter dated 22nd November 2017.

**e) Shares held by Holding / ultimate Holding company and / or their subsidiaries / associates**

The Company does not have any holding or ultimate holding company.

Particulars	As at 31 March, 2022		As at 31 March, 2021	
Darpan Sanghvi	5,499,945	52.80%	5,499,945	52.80%
Tano India Private Equity Fund II	2,167,880	20.81%	2,167,880	20.81%

Shares held by promoters at the end of the year As at March 31, 2022				% Change during the year
Sr. No.	Name of the Promoter	No. of Shares**	% of total shares**	NO CHANGE
1	Darpan Sanghvi	54,99,945	52.8000	
2	Disha Sanghvi	34,011	0.3265	
3	Kamini Sanghvi	11	0.0001	
4	Jaya Sanghvi	11	0.0001	

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

**Note: 2 Reserves and surplus**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>Securities Premium Account</b>		
Balance at the beginning of the year	160,987,463	160,987,463
Premium on shares issued/converted during the year	-	-
Less: Issue of bonus shares during the period	-	-
Less: IPO Expenditure	-	-
<b>Balance at the end of the year</b>	<b>160,987,463</b>	<b>160,987,463</b>
<b>Profit &amp; Loss account</b>		
Opening balance	(20,01,18,577)	(14,26,10,821)
Add: Transferred from deficit in Statement of Profit and Loss*	(2,80,29,239)	(5,75,07,756)
<b>Closing balance of Profit &amp; Loss account</b>	<b>(22,81,47,816)</b>	<b>(20,01,18,577)</b>
<b>Foreign Currency Translation Reserve</b>	49,52,297	(15,29,581)
<b>Total</b>	<b>(6,22,08,056)</b>	<b>(4,06,60,695)</b>

\*Note: This Includes proportionate loss of Anayan Software Consultancy Pvt Ltd (The Company) for the Investment in equity shares done by Sanghvi Brands Limited (Formerly known as Sanghvi Brands Promoters Pvt Ltd) on 24th July 2017 to the tune of 20% post allotment equity share capital of the Company002



**Note: 4 Long Term Provisions**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>Provision for employee benefits</b>		
Gratuity (Funded)	10,54,538	16,83,866
Leave Encashment	3,34,359	3,37,359
<b>Total</b>	<b>13,88,897</b>	<b>20,21,225</b>

**Note: 5 Short Term Borrowings**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>Loans and advances from related parties payable on demand</b>		
Due to a director	-	-
Narendra Sanghvi	-	-
Sanghvi Fitness Pvt Ltd	-	-
Sanghvi Brands US Holding INC	-	-
Sanghvi Beauty & Salon Pvt Ltd	-	-
Sanghvi Brands Ltd	-	-
Sanghvi Beauty & Technologies Pvt Ltd	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 6 Trade Payable**

Trade payables due for payment					As at March 31, 2022
Particulars	Outstanding for following periods from due date of payment#				Total
	Less Than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) MSME	-	-	-	-	-
ii) Others	46,26,993	38,25,166	16,48,445	1,28,605	1,02,29,209
iii) Disputed dues – MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

# similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately;

Trade payables due for payment					As at March 31, 2022
Particulars	Outstanding for following periods from due date of payment#				Total
	Less Than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	81,86,262	39,22,678	90,997	68,877	1,22,68,813.98
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

# similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

**Note: 7 Other Current Liabilities**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
Statutory remittances	34,71,347	22,33,547
Advance from Others	1,82,808	1,86,696
Advance from Related party	-	-
Advance from Customer	7,752	-
Interest payable on loan from holding company	23,15,172	2,97,571
Income received in advance	63,77,390	34,48,510
Employee	-	-
Current liabilities	77,15,423	96,22,257
<b>Total</b>	<b>2,00,69,892</b>	<b>1,57,88,581</b>

<b>Note: 8 Short Term Provisions</b>		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	10,57,757	7,23,828
Leave Encashment (funded)	92,937	93,695
Provision for Expenses	1,69,252	8,14,321
<b>Total</b>	<b>13,19,946</b>	<b>16,31,844</b>

<b>Note: 10 Non-Current Investments</b>		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>Investments</b>		
National Savings certificate	70,000	70,000
Investment in Anayan Software Consultancy Pvt Ltd	836,251	1,125,906
Sanghvi Fitness Pvt Ltd	-	-
Sanghvi Beauty Salon Pvt Ltd	-	-
Group Fixed Interest Fund Plan-Allocation for Gratuity	-	150,000
Investment in Shares-Sanghvi Brands US Holdings Inc	-	-
Provision for Diminution in the value of Investment	-	-
Investment in Shares-Sanghvi Brands S L (Pvt) Ltd	-	-
Provision for Diminution in the value of Investment (SL)	-	-
Sanghvi Brands Beauty and Spa LLC (AD)-Invest A/c	-	-
Provision for Diminution in the value of Investment (UAE)	-	-
<b>Total</b>	<b>1,056,251</b>	<b>1,056,251</b>

**Note: 12 Long Term Loans and Advances**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
<b>a. Security Deposits</b>		
Unsecured, considered good	21,46,120	23,09,120
	<b>21,46,120</b>	<b>23,09,120</b>
<b>b. Other loans and advances</b>		
Tax Deducted at Source (net of provisions)	69,40,108	59,04,105
GST Credit	5,27,306	10,15,542
Prospective KAL-SBL JV		
	<b>74,67,414</b>	<b>69,19,647</b>
<b>Total</b>	<b>96,13,534</b>	<b>92,28,767</b>

**Note: 13 Other Non-current Assets**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
Fixed Deposit with original maturity of more than 12 months	44,26,358	42,51,695
MAT Credit Entitlement	-	-
<b>Total</b>	<b>44,26,358</b>	<b>42,51,695</b>

**Note: 14 Inventories**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Amount	Amount
Materials/Consumables	59,36,660	91,34,022
<b>Total</b>	<b>59,36,660</b>	<b>91,34,022</b>

**Note: 15 Trade Receivables**
**Trade Receivables ageing schedule**

Particulars	For the year ended March 31, 2022					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	86,08,522	-	56,48,897	1,13,57,954	34,30,295	2,90,45,668
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-45,81,760	-39,64,718	-	-85,46,478
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-4,36,040	-34,68,018	-	-39,04,058
<b>TOTAL</b>	<b>86,08,522</b>	<b>-</b>	<b>6,31,097</b>	<b>39,25,218</b>	<b>34,30,295</b>	<b>1,65,95,132</b>

# similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately;

Trade Receivables ageing schedule					For the year ended March 31, 2021	
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	43,81,607	7,38,897	1,66,00,882	42,12,428	2,44,295	26178109
(ii) Undisputed Trade Receivables – considered doubtful	-	-4,67,010	-57,85,190	-	-	-6252200
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	0
(iv) Disputed Trade Receivables considered doubtful	-	-	-34,68,018	-	-	-3468018
<b>TOTAL</b>	<b>4381607</b>	<b>271887</b>	<b>7347674</b>	<b>4212428</b>	<b>244295</b>	<b>16457891</b>

Note: 16 Cash and Cash equivalents			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount	Amount	Amount
<b>Cash and cash equivalents</b>			
(a) Cash on hand	14,009		3,45,600
(b) Bank Balances	1,27,55,438		85,68,740
(c) Fixed Deposits with Original Maturities lower than 3 months	-		-
<b>Other bank balances</b>			
Fixed Deposits with Original Maturities lower than 12 months but greater than 3 months	1,80,11,579		2,14,22,718
<b>Total</b>	<b>3,07,81,026</b>		<b>3,03,37,058</b>

Note:17 Short-term loans and advances			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount	Amount	Amount
<b>a. Loans and advances to related Parties</b>			
Unsecured, considered good *	51,916		51,916
Others (Expense Re-imbursement Recoverable)	-		-
Advances others	2,62,632		20,11,294
Deposit	2,17,899		5,03,617
Advance to Suppliers	5,829		1,34,477
Employee advances and others	2,02,756		4,19,912
Balances with Government Authorities	31,57,968		41,90,788
<b>Total</b>	<b>38,99,000</b>		<b>73,12,004</b>
<b>* Consists of advances given to following parties</b>			
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021
	Amount	Amount	Amount
Sanghvi International Beauty & Spa			
Sanghvi Fitness Pvt Ltd	-		-

Sanghvi Beauty & Salon Pvt	-	-
Sanghvi Brands US Holding INC	-	-
Spa La Vie Beauty LLC (W DC)	-	-
Love of Spa RC SFO	-	-
Provision for Doubtful Advances (US)	-	-
Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)	-	-
Provision for Doubtful Advances (UAE)	-	-
Sanghvi Beauty & Technologies Pvt Ltd	42,480	42,480
Sanghvi Brands S L Pvt Ltd	-	-
Provision for Doubtful Advances (UAE)	-	-
Darpan N. Sanghvi	9,436	9,436
<b>Total</b>	<b>51,916</b>	<b>51,916</b>

#### Note 18 Other current assets

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest accrued	-	-
Non-Compete Consideration	-	-
Prepaid Expenses	131,539	99,505
Provision for Income	-	-
Provision for Impairment in Investment	-	-
<b>Total</b>	<b>131,539</b>	<b>99,505</b>

#### Note 19 Revenue from operations

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	Amount	Amount
Services	4,94,51,071	3,36,03,038
Technical Fees	38,58,950	-
Reimbursement from Expenses & Salaries	-	-
Management Fees	-	-
Sale of services (A)	<b>5,33,10,021</b>	<b>3,36,03,038</b>
Sale of products (B)	2,42,947	16,86,536
<b>Total (A +B)</b>	<b>5,35,52,968</b>	<b>3,52,89,574</b>

#### Note 20 Other Income

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	Amount	Amount
Interest on Income tax refund	58,522	86,930
Interest income on Fixed Deposits	11,50,537	16,25,267
Sundry Credit Balances Appropriated	9,67,129	-
Foreign Exchange gain / (loss), (net)	-	-
Interest - Others	11,504	-
Reimbursement from Expenses & Salaries	-	-
Other Income	2,64,36,223	4,06,997
<b>Total</b>	<b>2,86,23,915</b>	<b>21,19,194</b>

#### Note 21 Cost of materials consumed

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	Amount	Amount
<b>Opening Inventory</b>	91,34,022	1,43,50,730
<b>Add - Purchases</b>		
Purchases of other materials	17,48,604	27,11,490

Consumables	15,20,595	21,86,751
	<b>32,69,199</b>	<b>48,98,241</b>
<b>Less - Closing Inventory</b>	59,36,660	91,34,022
<b>Total</b>	<b>64,66,561</b>	<b>1,01,14,949</b>

**Note 22 Employee Costs**

Particulars	For the year ended	For the year ended
	March 31,2022	March 31,2021
	Amount	Amount
Salaries and incentives	2,36,52,388	2,19,16,832
Directors remuneration	-	-
<b>Contributions to -</b>		
(i) Provident fund	4,85,956	4,42,291
(ii) Gratuity fund contributions	(2,95,399)	(2,12,795)
(iii) Leave Encashment	(3,758)	(2,56,374)
(iv) Staff welfare expenses	28,42,796	33,82,816
<b>Total</b>	<b>2,66,81,983</b>	<b>2,52,72,770</b>

**Note 23 Finance Costs**

Particulars	For the year ended	For the year ended
	March 31,2022	March 31,2021
	Amount	Amount
Interest Expense	1,43,333	1,70,792
Bank Charges	4,41,876	6,07,080
<b>Total</b>	<b>5,85,209</b>	<b>7,77,872</b>

**Note 24 Other Expenses**

SR No	Particulars	For the year ended	For the year ended
		March 31,2022	March 31,2021
		Amount	Amount
1	Electricity charges	19,56,848	6,39,527
2	Repairs and Maintenance to:-		
3	- Plant & Machinery	20,663	2,08,829
4	- Others	1,68,860	66,871
5	Insurance (Including Keyman Insurance)	1,74,445	2,03,670
6	Rent expenses	6,55,100	2,94,756
7	Rates & Taxes	13,83,501	45,10,001
8	Audit fees (Ref note 25)	6,27,252	4,69,305
9	Business Development & Sales Promotion	13,81,617	9,58,965
10	License Fees	1,40,59,769	1,13,50,218
11	Royalty	57,84,421	15,57,383
12	Legal & professional Fees	29,42,740	48,54,339
13	Advertisement	95,645	4,13,990
14	Housekeeping expenses	4,03,130	1,46,666
15	Postage & Courier	-	6,669
16	Printing & Stationery	-	-
17	Telephone Expenses	1,12,908	1,39,320
18	Travelling and conveyance	7,77,936	4,02,381
19	Sundry Debit Balances W/off	19,21,618	99,65,336
20	Miscellaneous Expenses	15,84,448	22,10,444
21	Information Technology Cost	5,68,805	1,36,134
22	Foreign License Fees	-	5,409
23	Diminution in the value of invest (Investment Expenses)	71,96,706	-
24	Provision for Expenses of bad and Doubtful	4,36,040	1,16,88,182

25	Pre-incorporation Expense	-	-
26	Loss of Obsolete Inventory	-	64,83,879
27	Exchange Fluctuation Gain/(Loss)	28,635	-
28	Provision for Doubtful Advances (Expenses)	3,31,27,985	-
29	Income Tax Expenses	61,287	-
<b>Total</b>		<b>7,54,70,359</b>	<b>5,67,12,272</b>

**Note 9 Consolidated Property, Plant and Equipment Schedule for year ended March 31, 2022**

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance As On March 31, 2021	Additions/ (Disposals)	Balance As On March 31, 2022	Balance As On March 31, 2021	Depreciation for the period	On disposals	Balance As On March 31, 2022	Net Balance As On March 31, 2022	Net Balance As On March 31, 2021
<b>Tangible Assets</b>									
Computers & Accessories	27,89,509	-	26,98,440	27,77,180	-	86,515	26,90,665	7,775	12,329
Furniture & Fittings	1,07,56,946	-	59,95,364	53,33,445	5,65,394	20,90,502	38,08,337	21,87,027	54,23,501
Office Equipment's	47,69,042	-1,33,731	23,29,922	40,89,185	1,82,434	20,47,557	22,24,062	1,05,860	6,79,857
Vehicle	28,66,957	-	28,66,957	28,66,957	-	-	28,66,957	-	-
<b>Total</b>	<b>2,11,82,454</b>	<b>(1,33,731)</b>	<b>1,38,90,683</b>	<b>1,50,66,767</b>	<b>7,47,828</b>	<b>42,24,574</b>	<b>1,15,90,021</b>	<b>23,00,662</b>	<b>61,15,687</b>
<b>Intangible Assets</b>									
Software/Trademarks	15,96,228	-	15,96,228	10,91,487	2,54,182	-	13,45,669	2,50,559	5,04,741
Business Rights	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,96,228</b>	<b>-</b>	<b>15,96,228</b>	<b>10,91,487</b>	<b>2,54,182</b>	<b>-</b>	<b>13,45,669</b>	<b>2,50,559</b>	<b>5,04,741</b>
<b>Total</b>	<b>2,27,78,682</b>	<b>(1,33,731)</b>	<b>1,54,86,911</b>	<b>1,61,58,254</b>	<b>10,02,010</b>	<b>42,24,574</b>	<b>1,29,35,690</b>	<b>25,51,221</b>	<b>66,20,428</b>
<b>CWIP</b>	<b>10,385,206</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,385,206</b>

**25. SIGNIFICANT ACCOUNTING POLICIES:**
**a) Company Overview**

Sanghvi Brands Limited (formerly known as Sanghvi Brands Private Limited) is a public company, domiciled in India. It was incorporated on 16th February 2010 under the provisions of Companies Act, 1956. The Company is in the business of branding of national and international brands, dealing in goods and services of such brands and providing spa services. The Company has its registered office at Shivajinagar, Pune.

The Company is listed with BSE Limited on SME platform from November 22, 2017.

**b) Basis of preparation of financial statements**

The Consolidated financial statements of Sanghvi Brands Promoters Private Limited (the Parent Company) and its subsidiaries (collectively referred to as 'the Group') have been prepared to in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended). These consolidated financial statements have been prepared by the Company in compliance with requirement of Accounting standard 25-Interim financial Reporting.

**c) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates.

**d) Basis of Consolidation**

These Consolidated financial statements include the financial statements of Sanghvi Brands Ltd and its subsidiaries. The subsidiaries considered in the Consolidated Financial Statements are summarized below:

Name	Country of Incorporation	Percentage (%) of Shareholding	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Sanghvi Beauty & Salon Private Limited	India	99.99%	99.99%
Sanghvi Fitness Private Limited	India	97.50%	97.50%

Sanghvi Brand US Holding Inc.	US	100%	100%
Sanghvi Brands SL Private Limited	Srilanka	100%	100%
Sanghvi Brands Beauty and Spa LLC	UAE	100%	100%

The shares in Sanghvi Fitness Pvt Ltd (2.5% of the Share Capital) minority are held by a third party Shed Design Ltd (U.K). Sanghvi Brands US Holding Inc was incorporated on dated 23<sup>rd</sup> April 2015 and is in the business of branding of national and international lifestyle and wellness brands and dealing in goods and services of such brands.

Sanghvi Brands S L Private Limited was incorporated on dated 13<sup>rd</sup> September 2016 and is in the business of branding of national and international lifestyle and wellness brands and dealing in goods and services of such brands.

Sanghvi Brands Beauty and Spa LLC was incorporated on dated 10<sup>th</sup> June 2018 and is in the business of branding of national and international lifestyle and wellness brands and dealing in goods and services of such brands.

The Consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard 21-“ Consolidated Financial Statements”. The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company’s separate financial statements.

The Minority share of the net losses of consolidated subsidiary for the period ended 31<sup>st</sup> March 2022 is identified. The losses applicable to minority have been adjusted to the extent of their share in the equity, remaining losses have been adjusted against the majority interest. Minority share of net assets of consolidated subsidiary is identified in the Balance Sheet separate from liabilities and the equity of the shareholders of the Company.

**e) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Service income is recognized net of duties & taxes.

Revenue in respect of Management & Technical fees and Royalty is recognised as and when the related services are performed.

Interest income is accounted on an accrual / time proportionate basis at contractual rates.

**f) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, less accumulated depreciation until the date of the balance sheet and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such costs include taxes, duties, freight and incidental expenses relating to the acquisition and installation of Property, Plant and Equipment. Cost also includes the interest paid/ payable during the period of construction in respect of borrowed funds pertaining to construction/ acquisition of qualifying Property, Plant and Equipment.

**g) Depreciation and Amortization**

Depreciation on tangible assets is provided on the Straight-line Method (SLM) over the useful lives of assets as prescribed in Schedule –II of the Companies Act 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized on SLM basis over their estimated useful life.

**h) Employee benefit**

- i. Contribution to Provident fund- Company’s contribution paid/payable during the year to provident fund is recognized in the statement of profit and loss.
- ii. Gratuity – The company accounts for liability of future gratuity benefits based on an independent actuarial valuation on projected unit credit method carried out for assessing liability as at the year end. Actuarial gains/losses are immediately taken into account.
- iii. Leave Encashment- The provision for compensated absences is accounted for based on actuarial valuation at the year end.



**i) Current Assets, loans & advances**

Current Assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.

**j) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**k) Income Tax**

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**l) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**m) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**26. Earnings per Share**

Sr. No.	Particulars	31.03.2022 (Rs.)	31.03.2021 (Rs.)
a.	Profit /(Loss) for the year	(2,80,29,239)	(5,75,07,756)
b.	Weighted Average no. of Equity Shares	1,04,15,880	1,04,15,880
c.	<b>Basic EPS (a/b)</b>	<b>(2.69)</b>	<b>(5.52)</b>
d.	<b>Diluted EPS</b>	<b>(2.69)</b>	<b>(5.52)</b>

**28. RELATED PARTY DISCLOSURE: -**

Names of related party and nature of relationship

Relationship	Name of the Party
Key Managerial Personnel	Mr. Darpan Sanghvi
Relative of Key Managerial Personnel	Mr. Narendra R Sanghvi & Mrs. Disha Sanghvi
Companies in which influence of directors	Sanghvi Beauty & Technologies Pvt Ltd. Sanghvi Lifestyle Products Pvt Ltd.

Transaction with related parties

Particulars	Nature of Transaction	31.03.2022 (Rs.)	31.03.2021 (Rs.)
1. Mr. Narendra R Sanghvi	Rent of Pune Office	2,10,000	2,40,000
2. Sanghvi Beauty & Technologies Pvt Ltd	Membership Fees Income	4,00,000	-
	Reimbursement of Expenses	-	4,25,181
	Sale Spa Gift Card Sales	5,21,000	-
	Receipt for sales/Mang Fees	(19,15,668)	(35,000)
3. Sanghvi Lifestyle Products Pvt Ltd	Sale of Goods	1,59,965	2,39,401

**Closing Balances with Related Parties [Receivable/ (Payable)]**

Particulars	31.03.2022 (Rs.)	31.03.2021 (Rs.)
1.Sanghvi Beauty & Technologies Pvt Ltd	1,38,360	8,68,861
2.Sanghvi Lifestyle Products Pvt Ltd	33,84,358	49,69,084

**29. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest**

	Share in Profit or Loss		Net Assets	
	Amounts	As a % of consolidated Profit	Amounts	As % of consolidated net assets
<b>Parent</b>	(495,06,937)	176.63%	1319,81,521	<b>249.20%</b>
<b>Subsidiaries</b>				
Sanghvi Beauty & Salon Pvt Ltd	15,76,195	-5.62%	(541,08,172)	<b>-76%</b>
Sanghvi Fitness Pvt Ltd	(1,78,483)	0.64%	(104,22,642)	<b>-14%</b>
Sanghvi Brands US Holding INC	2,02,67,507	-77.31%	-	<b>-30%</b>
Sanghvi Brands S L Private limited	(9,271)	0.03%	(25,29,561)	<b>-5%</b>
Sanghvi Brands Beauty and Spa LLC	(1,78,250)	0.64%	(179,26,932)	<b>-24%</b>
Associate	-	-	-	-
Less:- Minority Interest	-	-	-	-
Less: - inter-company Elimination	-	-	-	-
<b>Total</b>	<b>(2,80,29,239)</b>	<b>100%</b>	4,69,94,214	<b>100%</b>

**30.** The business has been impacted during the year on account of COVID-19 and the Company has witnessed loss of Rs 2,80,29,239/- During the first three months of the year, the Company witnessed softer revenues due to the second wave of COVID-19 and consequent lockdowns in several states across the country. However, with increased vaccinations and consequent reduction in number of cases and easing of all restrictions, the company has witnessed recovery in both leisure and business segments in all the other months. Management has secured cash reserve to enable the Company to meet its obligations as they fall due and for its operational need. The Company has assessed future projections and based on estimates, expects to recover the carrying amount of these assets. Even though material uncertainty about going concern exists, considering various mitigating factors, the management does not see any risks in the ability to continue as a going concern and meeting its liabilities as and when payable. Accordingly, financials have been prepared on going concern basis. The impact of COVID-19 may be different from that estimated as at the date of approval of these consolidated financial results and the Company management will continue to closely monitor any material changes to future economic conditions.

**31.** The company has invested Rs 12,50,000/-in the equity share capital of an associate – Anayan Software Consultancy Pvt Ltd. The share of profit / loss of the Group from the same associate has not taken for consolidation purpose. The group did not have access to the information, 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.

### 32. Additional Regulatory Information

#### a. Following Ratios to be disclosed:-

Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% Variance	Reason for Variance
Current ratio	Current assets	Current liabilities	1.81	2.14	-15%	
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.53)	(0.62)	-15%	
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	7.11	3.01	136%	This year Inventory consumptions were pretty fast as compare to last financial year, as turnover this financial year went up significantly.
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	3.21	1.06	203%	In the current financial year, company has followed receivables aggressively and done better and quick realization from receivables.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.29	0.47	-38%	In the current financial year trade payable went down, as company paid most of the past liabilities.
Net capital turnover ratio	Net Sales	Working Capital	1.79	0.57	212%	In current financial year, most of the centers were operative throughout the year that is why turnover has gone up.
Net profit ratio	Net Profit	Net Sales	(0.52)	(1.63)	-68%	In current financial year, loss went down significantly as most of the centers were operative throughout the year.
Return on capital employed	Earnings before interest and taxes	Capital Employed	(0.67)	(0.91)	-26%	In the current financial year capital employed went down, as company paid most of the past liabilities.

### 33. Utilization of IPO Proceeds

Amount (Rs. in Lakhs)

Particulars	Amount Funded from the Gross Proceeds	Actual Utilization up to year ended 31st March 2022	Pending for utilization
Business Expansion			
a. Expanding outlets/ distribution of current brand portfolio in India and overseas	771.70	168.23	
b. Acquisitions and development of new brands		380.85	
Marketing and sales promotion of the brands in our portfolio	500.00	500.00	0.00

Strategic Investments for business growth	100.00	71.42	28.58
General Corporate Purpose	284.42	284.42	0.00
Issue Expenses	240.00	225.55	14.45
<b>Total</b>	<b>1896.12</b>	<b>1630.47</b>	<b>265.65</b>

34. Previous year figures are regrouped/reclassified wherever necessary to make them those comparable.

As per our attached report on even date

For B K Khare and Co.

Chartered Accountants

Firm Registration Number - 105102W

For and on behalf of Board of Directors

Sanghvi Brands Limited

(Formerly Known as SANGHVI BRANDS PRIVATE LIMITED)

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Shirish Rahalkar	Dr. Vijay Aggarwal	Darpan Sanghvi	Narendra Sanghvi	Kruti H. Shah	Laxmi Rathi
Partner	CEO	Director	Director	Company Secretary	CFO
M.No. 111212	Place: Mumbai	DIN: 02912102	DIN: 02912085	Place: Mumbai	Place: Mumbai
Place: Mumbai	Date: 26/05/2022	Place: Mumbai	Place: Mumbai	Date: 26/05/2022	Date: 26/05/2022
Date: 26/05/2022		Date: 26/05/2022	Date: 26/05/2022		



# **Sanghvi Brands Limited**

Registered office: 105/02, Sanghvi House, Shivaji  
Nagar, Pune: 411005

CIN: L74999PN2010PLC135586

[www.sanghvibrands.com](http://www.sanghvibrands.com)