



SANGHVI

SANGHVI BRANDS LIMITED

ANNUAL REPORT 2018-19



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Darpan Sanghvi	Managing 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 FINANCIAL OFFICER

Mr. Rameshwar Wadne

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. A.M. Antarkar & Co.
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

NOTICE is hereby given that the **9th Annual General Meeting** (Second AGM post IPO of the Company) of the Members of **Sanghvi Brands Limited** will be held on Friday, the 27th September 2019 at 2.00 p.m. at the Bliss Banquet, Tarawade Clarks Inn, Ground Floor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005 to transact the following businesses: -

ORDINARY BUSINESS

Item No. 1 – Adoption of Financial Statements

To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

(a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

Item No. 2 – To Appoint a Director in place of Ms. Disha Sanghvi, Non-Executive Director of the

Company, who retires by rotation and being eligible, offered herself for re-appointment

To appoint a Director in place of Ms. Disha Sanghvi (DIN:), a Non-Executive Director, liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible seeks re-appointment in the Company.

"RESOLVED THAT pursuant to Sub-Section 6 of Section 152 of the Companies Act, 2013, Ms. Disha Sanghvi (DIN:), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

(formerly known as Sanghvi Brands Private Limited)

Kruti Shah

Sd/

Company Secretary

Date: 26th August 2019

Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT TO BE MEMBER OF THE COMPANY. A person can act as proxy on behalf of not more than fifty (50) and holding in aggregate not more than ten percent of total Share capital of the Company. The instrument of proxy in order to be effective should be deposited at the registered office of the Company before 48 hours of commencement of the meeting.

2. The Blank Proxy Form is being sent herewith. Members/ Proxy holders must bring the attendance slip (attached herewith to the meeting and handover the same at the entrance of the meeting duly signed.

3. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 2.00 p.m. to 5.00 p.m. on any working day except Saturdays up to the date of this Annual General Meeting of the Company.

4. Members are requested to notify immediately if any change in their addresses and other communication details.

5. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to the Company a certified true copy of Board resolution together with their specimen signature authorizing their representative to attend and vote on their behalf at the meeting.

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any

member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

8. Details pursuant to Regulations 26 and 36 of the SEBI (LODR) Regulations, 2015 read with Secretarial Standard - 2 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

9. The notice of AGM along with Annual Report for 2018-19 is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

10. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.

11. Members are requested to make all correspondence in connection with shares held by

them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.

12. This notice is being sent to all members of the Company; whose name appears in the Register of Members / list of beneficiaries received from the depositories on the end of 23rd August 2019.

13. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorised representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued.

14. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, being www.sanghvibrands.com kindly bring your copy of Annual Report to the meeting.

15. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are

requested to update their details as aforesaid with their respective depository.

16. No gifts shall be provided to members before, during or after the AGM.

17. Members may pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014 file nomination in prescribed form SH-13 with the respective depository participant.

18. Members are requested to notify change of address and update bank accounts details to their respective depository participants directly.

19. A route map showing direction to reach the venue of the 9th AGM is given at the end of this notice as per the requirement of Secretarial Standards - 2 on General Meeting.

Voting system:

20. Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and sub Reg. (1) & (2) of Reg. 44 of SEBI (LODR) Regulations, 2015, the Company is not required to provide mandatorily to its members the electronic facility to exercise their right to vote at the AGM. Therefore, the facility for voting through polling paper shall be made available at the meeting and the members attending the Meeting shall be able to exercise their right at the Meeting through polling paper. A Proxy can vote in the ballot/poll process.

21. A Member present in person or by Proxy shall, on a poll or ballot, have votes in proportion to his share in the paid-up equity share capital of the Company, subject to differential rights as to voting, if any,

attached to certain shares as stipulated in the Articles or by the terms of issue of such shares. A Member, who is a related party, is not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party.

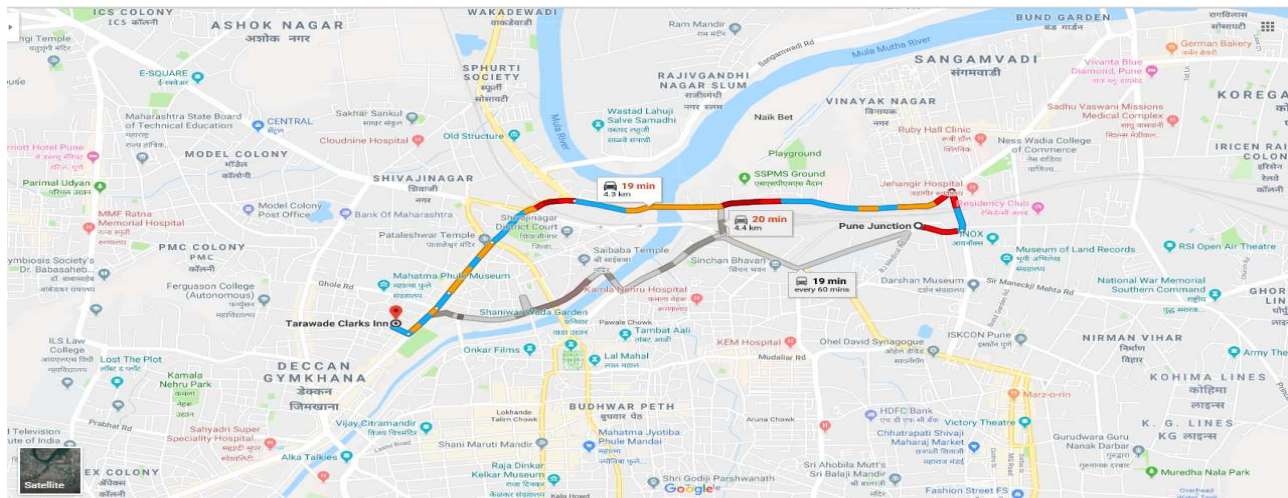
22. The Members of the Company holding shares on the "cut-off date" of 23rd August 2019 are entitled to vote on the resolutions proposed. Cut-off date means the date on which the right of voting of the members shall be reckoned and a person who is not a member as on the cut-off date should treat this notice for information purposes only.

23. The results of the Ballot process will be placed by the Company on its website www.sanghvibrands.com within two days from the date of the conclusion of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.

24. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to the receipt of the requisite number of votes in favor of the resolutions.

25. M/s. A. M. Antarkar & Co., Practicing Company Secretaries, Pune (CP No. 3022), has been appointed as the Scrutiniser to scrutinise the Ballot process.

Route Map to the venue of the 9th Annual General Meeting of the Company to be held on 27th September 2019



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]

Name of Director	Ms. Disha Sanghvi DIN: 06788323 (Re-appointed who is liable to retire by rotation)
Date of Birth	22 nd February 1986
Date of appointment	Appointment as Director on 12 th January 2014
Qualification	Master of Science from UK.
Nature of Expertise	Ms. Disha Sanghvi aged 33 years, is the Non-Executive Director of the company since 2014. She is graduated in Business Administration from Pune University and has also done Master of Science from UK.
Directorships held in other Public Companies/Foreign Companies	NIL
Directorships held in other Private Limited Companies	1. Sanghvi Beauty & Salon Private Limited 2. Sanghvi Fitness Private Limited
No. of Shares held	Eleven (11) equity shares

DIRECTORS' REPORT

Dear Members,

The Directors are please to present the 9th Director's Report of the Company, the affairs of the Company together with the Audited Financial Statements for the year ended on 31st March 2019.

FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The financial results for the year ended on 31st March 2019 and the corresponding figures for the previous year are as under;

Particulars	Standalone		Consolidated	
	Year ended 31 st March 2019	Year ended 31 st March 2018	Year ended 31 st March 2019	Year ended 31 st March 2018
Net Revenue from Operations	10,00,48,965	9,00,56,821	31,41,33,071	26,45,56,511
Other Income	83,19,493	67,11,789	1,06,38,954	91,48,106
Total Income	10,83,68,458	9,67,68,610	32,47,72,025	27,37,04,617
Total Expenditure	11,33,27,518	11,26,73,723	33,86,79,324	29,49,89,180
Profit before tax	(49,59,059)	(1,59,05,112)	(1,39,07,300)	(2,12,84,564)
Deferred Tax (Credit)	-	5,56,017	-	12,40,565
Current Tax	-	-	-	1,30,080
Profit after Taxes	(49,59,059)	(1,64,61,129)	(1,39,07,300)	(2,26,55,209)

1. HIGHLIGHTS

Your Company reported growth in revenue from operation of 11.09% over the previous year. At Standalone level, the Revenue from operations stood at Rs. 10,83,68,458 compared with Rs. 9,67,68,610 in the Previous Year. The Loss after taxes for the year stood at Rs. 49,59,059 against Rs. 1,64,61,129 reported in the Previous Year.

The Consolidated Revenue from operations for FY 2019 was 31,41,33,071 (Previous Year: Rs. 26,45,56,511), registering a growth of 18.73%. The Consolidated Loss after tax stood at Rs. 1,39,07,300 (Previous Year: Rs. 2,26,55,209).

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. 141,839,192/- in comparison with the previous year balance of Rs. 146,798,252/-

4. SHARE CAPITAL

The Total Paid-up Capital of the Company as on March 31, 2019 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. Ms. Disha Sanghvi Director retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting. Brief profile of Ms. Disha Sanghvi has been given in the Notice convening the Annual General Meeting.

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.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Darpan Sanghvi, Managing Director, Mr. Rameshwar Wadne, Chief Financial Officer (CFO) and Ms. Kruti Shah, Company Secretary.

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. 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 I" in Form No. AOC-2."

11. STATUTORY AUDITOR

At the AGM of the Company held on 30th September 2016, 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 2021 subject to the ratification at the annual general meeting in each of the subsequent years during the aforementioned term of their appointment.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

12. AUDITORS' REPORT

The report of the statutory auditors on Standalone Financial statements as well as Consolidated Financial Statements forms a part of the Annual Report. There were no adverse remarks/qualified remarks given by the Statutory Auditor on the financials of the Company.

13. 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. A. M. Antarkar & Co., Practicing Company Secretaries, Pune (CP No. 3022) as a Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure II to this report. The report is self-explanatory and do not call for any further comments.

14. 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.

15. 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.

16. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as Annexure - III. The Extract of Annual Return in Form MGT - 9 is available on the website of the Company www.sanghvibrands.com

17. 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 during the year.

18. 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).

19. 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.

20. 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.

21. 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	2018-19	2017-18
Foreign Exchange Earnings in terms of actual inflows	-	-
Foreign Exchange outgo in terms of actual outflow	33,06,559	58,80,176

22. 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.

Sanghvi Brands US Holding, INC, a Wholly Owned Subsidiary of the Company generated USD 10,43,315.57 /- as revenue during the Financial Year under consideration.

During the financial under review the incorporated a Limited Liability Company (LLC) named as Sanghvi Brands Beauty and Spa L.L.C., in Abu Dhabi as a Joint Venture which generated an operating revenue of Rs. 1,54,62,876/-

The Company has entered into a Joint Venture Agreement dated 9th October 2018 with Kerala Ayurveda Limited to establish, manage and operate wellness resorts and wellness ayurvedic spas under the new brand name jointly agreed by the parties to develop Ayurvedagram Wellness Resorts and Ayurvedagram inspired Ayurvedic Spas across the world by way of forming a Joint Venture Company ("JV Company") as per the terms and conditions agreed under the said JV Agreement.

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

23. 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.

24. DEPOSITS

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

25. 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.

26. 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 thereunder, 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 2018-19.

No. of Complaints received: NIL

No. of Complaints Disposed off: NIL

27. 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;

Particulars	Amount Funded from the Gross Proceeds	Actual Utilization up to year ended 31st March 2019	Pending for utilization as on 31st March, 2019
Business Expansion			
a. Expanding outlets/ distribution of current brand portfolio in India and overseas	77,170,000	13,845,352	25,239,591
b. Acquisitions and development of new brands		38,085,057	
Marketing and sales promotion of the brands in our portfolio	50,000,000	8,114,905	41,885,095
Strategic Investments for business growth	10,000,000	2,541,531	7,458,469
General Corporate Purpose	28,442,000	20,113,164	8,328,837
*Issue Expenses	24,000,000	22,554,685	1,445,315
Total	189,612,000	105,254,693	84,357,307

28. 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.

29. 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

30. 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:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- They have prepared the annual accounts on a going concern basis;
- 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.

31. 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. 2019-20.

32. ACKNOWLEDGEMENT

Your Directors takes 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

Managing Director

DIN: 02912102

Date: 26th August 2019

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

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 31st March 2019.

INDIAN ECONOMY

India continues to remain the fastest growing major economy in the world in 2018-19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. The slowdown in the world economy and Emerging Market and Developing Economies (EMDEs) in 2018 followed the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies.

Service sector is the most dynamic sector in the economy and has remained the key driver of economic growth along with being a major contributor to Indian Economy.

The spa industry continues to prove itself as thriving market, in fact it is estimated to grow twice as fast as markets in the United States and Europe. India is estimated to be the second largest consumer market in the world.

KEY GROWTH DRIVES

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.



Your Company has 25 Spa and Salons across the World which are Operational as well as training academies. The Company has another 5 under development projects of Spa, Salons and Club house which shall be operational in the coming years. Your Company continues to improve its on-shelf quality of services to enhance consumer experience. Our belief remains firmly embedded in 'Delighting consumers Everyday'.

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 organisation 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

Your Company operates in an increasingly volatile, uncertain, complex and ambiguous world with rapid changes in all domains potentially impacting your Company. These changes bring in new opportunities for your Company but also bring about multi-dimensional risks, which need to be judiciously managed. Risk Management is, thus, an integral part of your Company's strategy. We proactively identify potential risks and accordingly devise our short-term and long-term actions to mitigate any risk which could materially impact your Company's long-term goals.

AWARDS

The Company was awarded by Asia Spa Awards India the Best New Spa (Resort), Hot 25 Spa Hotel in Asia by Asia Smart Travel, Best Salon by ELLE Beauty Awards and Runner Up Favourite Hotel Spa in India by Conde Nast Traveller Readers Award. Apart, we have been Nominated for Best Luxury Day Spa by Asia Spa Awards, Spa of the Year (North & West Asia) by Asia Spa Awards Hong Kong, Eco-Spa of the Year Asia Spa Awards Hong Kong, Spa Treatment of the Year by Asia Spa Awards Hong Kong.

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)

To,
The Board of Directors,
Sanghvi Brands Limited

I, Mr. Rameshwar Wadne, 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/-

Rameshwar Wadne
Chief Financial Officer

Date: 26th August 2019

Place: Mumbai

ANNEXURE I

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;
Mr. Narendra Sanghvi	Director of the Company	Rent paid	-	In normal course of Business	-
Mr. Darpan Sanghvi	Managing Director	Salary	5 years	In normal course of Business	24 th July 2018
Ms. Disha Sanghvi	Director of the Company	Rent paid	-	In normal course of Business	-
Sanghvi Beauty & Technologies Private Limited	Significant Influence	Management Fees/ Receipt for sales	Event Based	In normal course of Business	-
Sanghvi Lifestyle Products Private Limited	Significant Influence	Sale of Goods	Event Based	In normal course of Business	-

Date: 26th August 2019

Place: Mumbai

For and on behalf of the Board

Sanghvi Brands Limited

(formerly known as Sanghvi Brands Private Limited)

Sd/-

Darpan Sanghvi
Managing Director
DIN: 02912102

ANNEXURE II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2019

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

To,
The Members,
Sanghvi Brands Limited
Pune

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sanghvi Brands Limited 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sanghvi Brands Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iii) The Securities Contracts (Regulation) Act, 1956 and Rules made there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment as well as overseas Direct Investments
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - 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, 1992
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d. The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011
 - e. The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - f. 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
 - g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit period)

I have also examined compliance with the applicable clauses of the following:

- (i) Memorandum and Articles of Association
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (iii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange on SME Platform.
- (iv) SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 to the extent applicable to a SME Listed Company to which it belongs.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

I 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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through, while the dissenting members' views, if any were captured and recorded as part of these minutes.

I 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 the applicable laws, rules, regulations and guidelines.

For A. M. Antarkar & Co.

Company Secretaries

Sd/-

Ajay M. Antarkar

FCS No. 3525

C P No.: 3022

Date: 26th August 2019

Place: Pune

ANNEXURE III

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L74999PN2010PLC135586
ii)	Registration Date:	16/02/2010
iii)	Name of the Company:	SANGHVI BRANDS LIMITED
iv)	Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered Office and contact details	"Sanghvi House", 105/2, Shivajinagar, Pune: 411005
vi)	Email	investor@sanghvibrands.com
vii)	Whether listed Company	Yes
viii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059 Tel: 022-62638200; Fax: 022 – 62638299 Email: ipo@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Spa and Salons.	93095	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Sanghvi Beauty & Salon Private Limited	U74900PN2011PTC141626	Wholly Owned Subsidiary	99.99%	2(87)
2	Sanghvi Fitness Private Limited	U74900PN2010PTC137959	Subsidiary	97.50%	2(87)

3	Sanghvi Hospitality Private Limited*	U74900PN2015PTC154025	Wholly Owned Subsidiary	99.99%	2(87)
4	Sanghvi Brands US Holding INC	-	Wholly Owned Subsidiary	100%	2(87)
5	Love of Spa RFO LLC	-	One Layer Subsidiary	100%	2(87)
6	Sanghvi Brands SL (Private) Limited	-	Wholly Owned Subsidiary	100%	2(87)
7	Sanghvi Brands Beauty & Spa LLC	-	Joint Venture	49%	2(87)
8	Anayan Software Consultancy Private Limited	U74999MH2015PTC263837	Associate	20%	2(87)

***Note:** Sanghvi Hospitality Private Limited was struck from the Register of Registrar of Company vide Notice dated November 1, 2017 in Form No. STK-7

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year 1st April 2018				No. of Shares held at the end of the year 31st March 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	54,99,978	0	54,99,978	52.80	54,99,978	0	54,99,978	52.80	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.(VBHC)	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other-Holding Company	0	0	0	0	0	0	0	0	0
Sub-total(A) (1)	54,99,978	0	54,99,978	52.80	54,99,978	0	54,99,978	52.80	0
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0

b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	54,99,978	0	54,99,978	52.80	54,99,978	0	54,99,978	52.80	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio Investor	1,04,000	0	1,04,000	1.00	1,04,000	0	1,04,000	1.00	0
j) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	1,04,000	0	1,04,000	1.00	1,04,000	0	1,04,000	1.00	0
2. Non Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas	21,67,880	0	21,67,880	20.81	21,67,880	0	21,67,880	20.81	0
b) Individuals									
i) Individual shareholders holding nominal	14,75,875	0	14,75,875	14.16	14,75,875	0	14,75,875	14.16	0

share capital upto Rs. 2 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	7,09,000	0	7,09,000	6.80	7,09,000	0	7,09,000	6.80	0
c) Others(specify)									
i) Other -Clearing Member	63,034	0	63,034	0.61	79,877	0	79,877	0.76	
ii) Other - (NON RESIDENT INDIANS (NRI))	38,000	0	38,000	0.36	97,000	0	97,000	0.93	
Sub-total(B)(2)	48,11,902	0	48,11,902	46.20	48,11,902	0	48,11,902	46.20	
Total Public Shareholding (B)=(B)(1) + (B)(2)	49,15,902	0	49,15,902	47.20	49,15,902	0	49,15,902	47.20	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	104,15,880	0	104,15,880	100.00	104,15,880	0	104,15,880	100.00	0

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Darpan N. Sanghvi	54,99,945	52.80	0	54,99,945	52.80	0	0
2	Disha N. Sanghvi	11	0	0	11	0.00	0	0
3	Jaya D. Sanghvi	11	0	0	11	0.00	0	0
4	Kamini N. Sanghvi	11	0	0	11	0.00	0	0
Total		54,99,978	52.80	0	54,99,978	52.80	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	54,99,978	52.80	54,99,978	52.80
	There is no change in promoter's shareholding	-	-	-	-
	At the end of the year			54,99,978	52.80

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Tano India Private Equity Fund II	21,67,880	20.81	21,67,880	20.81
2	Gita Kirti Ambani	3,60,000	3.46	3,69,000	3.54
3	Mukul Mahavir Prasad Agrawal	2,00,000	1.92	-	-
4	Pivotal Enterprises Private Limited	1,40,000	1.34	-	-
5	Maverick Financial Services Private Limited	1,36,000	1.31	72,000	0.69
6	Nikhil Vora	1,24,000	1.19	1,24,000	1.19
7	Maverick Share Brokers Private Limited - Colletral A/C. (NSE)	-	-	52,500	0.50
8	Tano Mauritius India FVCI II	1,04,000	0.99	1,04,000	0.99
9	Anoop Jain	68,000	0.65	58,000	0.56
10	ECAP EQUITIES LIMITED	30,000	0.29	-	-
11	Kailash Khandelwal HUF	-	-	42,000	0.40
12	NNM Securities	78,000	0.75	65,000	0.62
13	Shashi Kiran Janardhan Shetty	-	-	40,000	0.38

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director /Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
There is no change in the shareholding of the Directors or KMP of the Company during the year.					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	-	-	-	-
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not a due	-	-	-	-
Total	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Directors and/ or Manager:

Sr. No.	Particulars of Remuneration	Total Amount
Name of Managing Directors: Darpan Sanghvi		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	66,00,000
2.	Stock Option	NA
3.	Sweat Equity	NA
4.	Commission - as % of profit - others, specify...	NA
5.	Others, please specify	-
	Total (A)	66,00,000
	Ceiling as per the Act	84,00,000

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Total Amount
1.	Mr. Sunil Lulla (Independent Director) (a) Fee for attending board meetings (b) Commission	Rs. 1,00,000/- -
2.	Mr. Gaurav Agarwal (Independent Director) (a) Fee for attending board meetings (b) Commission	Rs. 75,000/- -
3.	Mr. Carlton Pereira (Non-Executive Director) (a) Fee for attending board meetings (b) Commission	Rs. 75,000/- -

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,72,114	30,00,000	33,72,000

	(b)Value of perquisites u/s17(2) of the Income-tax Act,1961	-	-	-
	(c)Profits in lieu of salary under section17(3) of the Income- tax Act,1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	3,72,114	30,00,000	33,72,114

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Act	Brief Description	Details of Penalty/Punishment/ Compounding fee imposed	Authority (RD/NCLT/Court)	Appeal Made, if any (Give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Date: 26th August 2019

Place: Mumbai

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

Sd/-

Darpan Sanghvi
Managing Director
DIN: 02912102

ANNEXURE IV

REPORT ON CORPORATE GOVERNANCE

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 neighbouring 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	Managing 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 2018-19		No. of Directorships as on 31 st March, 2019
		Board	Last AGM	
Darpan Sanghvi	Managing Director	4	Yes	5
Narendra Sanghvi	Non-Executive Director	3	Yes	5
Disha Sanghvi	Non-Executive Director	4	-	3
Carlton Pereira	Non-Executive Director	3	-	12
Sunil Lulla	Independent Director	4	-	-
Gaurav Agarwal	Independent Director	3	Yes	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	30 th May 2018	6	5
2	27 th August 2018	6	6
3	14 th November 2018	6	5
4	6 th March 2019	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	30 th May 2018	3	2
2	27 th August 2018	3	3
3	14 th November 2018	3	2
4	6 th March 2019	3	3

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	30 th May 2018	3	2
2	27 th August 2018	3	3
3	14 th November 2018	3	2
4	6 th March 2019	3	3

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	30 th May 2018	3	2
2	27 th August 2018	3	3
3	14 th November 2018	3	2
4	6 th March 2019	3	3

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
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 8th 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 Mind-set, 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.

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.

ANNEXURE V

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 Brands SL (Private) Limited	Sanghvi Brands Beauty and Spa LLC	Sanghvi Brands US Holding INC
	Reporting Currency	INR	INR	LKR	AED	USD
1	Equity Share Capital	1,00,000	1,00,000	10	2,00,000	1,05,001
2	Reserves & surplus	(16,166,126)	(757,444)	(49,87,288)	(175,759)	(161,258.13)
3	Total Assets	37,285,941	3,499,614	11,114,464	598,801	352,880.53
4	Total Liabilities	37,285,941	3,499,614	11,114,464	598,801	352,880.53
5	Investments	-	-	-	-	-
6	Turnover	112,169,936	5,023,421	34,638,840	396,604	10,43,315.57
7	Profit/ Loss before taxation	622,063	630,340	(2,271,370)	10,609	(87,450.79)
8	Provision for taxation	-	-	-	-	-
9	Net Profit/ Loss after taxation	622,063	630,340	(2,271,370)	10,609	(87,450.79)
10	Proposed Dividend	-	-	-	-	-
11	% of shareholding	100%	75%	100%	49%	100%

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanghvi Brands Limited

Report on the Standalone 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, 2019, 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 principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, 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 Act. 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. 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
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. The Company has 100% subsidiaries Sanghvi Beauty, Sanghvi US Holding and Sanghvi Sri Lanka. It also holds 97.5% in Sanghvi Fitness. These entities are engaged in the business of providing beauty, fitness and spa treatment. At 31st March19, the net worth of above-mentioned subsidiaries has eroded.	Our audit approach was a combination of test of controls and substantive procedures which included the following: i. Tested the management oversight and controls over valuation of investments. 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. iii. Based on our audit procedures, we noted no reportable matters regarding investments and its valuation.

The existence of the above impairment indicator required management to estimate the recoverable amount of the Company's investment in subsidiary.	
2. Recognition of Intangible Assets During the year the Company acquired Intangible assets in the form of Business Rights amounting to Rs.361.20 lakhs. The business rights/non-compete arrangements were considered as intangible assets on the basis that by virtue of these agreements, the Company has control over the territories for conducting business and the arrangements are expected to result in increased profits in future years.	Our audit approach and procedures included: Evaluating the reasonableness of management's conclusions on key assumptions, including forecast cash flows focusing on revenues and earnings, historical and budgetary financial information, current market conditions and growth rates - Assessing the reliability of management's forecast, whilst considering the risk of management bias - Obtained documentary evidence like agreements entered for acquiring business rights, study of agreement - Obtained future projections relating to these business rights - Reviewed disclosures included in the notes to the accompanying standalone financial statements. - Testing of impairment at the end of year

Other Information

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is included in the Director's report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 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
- If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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

- 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, including the Indian Accounting Standards specified under Section 133 of the Act.
- 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.

11. 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.
12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

13. 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.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the financial 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 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.
15. 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.
16. 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

17. As required by the Companies (Auditor's Report) Order, 2016, 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.

18. 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, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.

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.

For B. K. Khare and Co.

Chartered Accountants

Firm Registration No.: 105102W

Sd/-

Shirish Rahalkar

Partner

Membership No.: 111212

Mumbai, May 30, 2019

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, 2019

- 1) i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

ii) The property, plant and equipment were physically verified during the year by the Management in accordance with regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed during the period.

iii) According to the information and explanation given to us, no immovable property is held by the Company in its own name.
- 2) Inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In our opinion, the frequency of verification is reasonable.
- 3) The Company has granted unsecured loan to four wholly owned subsidiary and one partially owned subsidiary company covered in the register maintained under section 189 of the Act.
 - a. In our opinion, rate of interest and other terms granted to conditions on which the loans had been granted to the wholly owned subsidiary company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b. In respect of the aforesaid loan, the parties are repaying the principal amount, as stipulated, and are also regular in payment of interest as applicable.
 - c. In respect of the aforesaid loan, there is no overdue amount.
- 4) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans given, investment made and guarantees given to parties covered under the respective sections have been complied with by the Company.
- 5) 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.
- 6) 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.
- 7) i) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, *except for certain dues in respect of Provident fund, TDS and Profession Tax, which have not been deposited till 31st March 2019, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income tax, goods and service tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding as at 31st March 2019 for a period of more than six months from the date they become payable are as follows-*

ii) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, goods and service tax, duty of custom and excise or value added tax or cess which have not been deposited on account of any dispute.
- 8) The Company has not taken any loans or borrowings from financial institution, banks and government or has not issued any debentures.

Hence reporting under clause (viii) of the order is not applicable to company.

- 9) According to the information and explanations given by the management, the Company has utilized the money raised by way of initial public offer for the purposes mentioned in the prospectus of IPO. The unutilized portion of the IPO is deployed in fixed term deposit.

- 10) 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 fraud by the Company or no material fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Due date	Date of payment
THE EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952	Provident Fund	20,098	July 18-Sept18	15 th of respective month	Not paid
Profession Tax Act, 1975	Profession Tax	1,620	Aug18-Sept18	21 st of respective month	Not paid
	TOTAL	21,718			

- 11) Based on the records examined by us and according to information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with schedule V of the Act.

the Order are not applicable to the Company.

- 12) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company

- 15) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company.

- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company.

- 13) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standard.

For B. K. Khare and Co.

Chartered Accountants

Firm's Registration No. : 105102W

Sd/-

- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause (xiv) of

Shirish Rahalkar

Partner

Membership No.: 111212

Mumbai, May 30, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANGHVI BRANDS LTD

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

We have audited the internal financial controls over financial reporting of Sanghvi Brands Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“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 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 Act, 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 ICAI. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorizations of management and directors of the company; and

- 3 Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 ICAI.

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Sd/-

Shirish Rahalkar

Partner

Membership No. 111212

Mumbai, May 30, 2019

BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS		Note No.	As at March 31, 2019 Amount	As at March 31, 2018 Amount
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a)	Share capital	1	104,158,800	1041,58,800
(b)	Reserves and surplus	2	141,839,192	1467,98,252
2 Non-current liabilities				
(a)	Other Long-term liabilities	3	-	2,54,296
(b)	Long-term provisions	4	2,620,390	10,99,219
3 Current liabilities				
(b)	Trade Payable			
	- Micro Enterprises & Small Enterprises		-	-
	- Other than Micro Enterprises & Small Enterprises	5	2,464,402	88,47,704
(c)	Other current liabilities	6	10,734,403	157,60,126
(d)	Short-term provisions	7	406,505	1,04,836
TOTAL			262,223,692	27,70,23,233
II. ASSETS				
Non-current assets				
1 (a) Fixed Assets				
	(i) Property, Plant and Equipment		3,111,973	33,90,763
	(i) Intangible assets		30,152,361	7,65,944
(b)	Non-current investments	9	13,378,676	87,14,210
(c)	Deferred tax assets (net)	10	-	-
(d)	Long-term loans and advances	11	8,779,302	56,23,437
(e)	Other Non-Current Assets	12	4,350,254	34,45,041
2 Current assets				
(a)	Inventories	13	13,965,328	133,99,065
(b)	Trade receivables	14	8,814,786	110,06,474
(c)	Cash and Cash equivalents	15	89,411,104	1581,43,887
(d)	Short-term loans and advances	16	89,813,472	713,43,504
(e)	Other current assets	17	446,437	11,90,908
TOTAL			262,223,692	27,70,23,233
See accompanying Notes to The Financial Statements		24 -33		
The accompanying notes form an integral part of The Financial Statements.				

For B K Khare and Co. Chartered Accountants S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS		Refer Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Revenue from operations	18	100,048,965	9,00,56,821
2	Other income	19	8,319,493	67,11,789
3	Total Revenue (1+2)		108,368,458	967,68,610
4	Expenses:			
	Cost of materials consumed	20	7,246,532	57,68,435
	Employee benefits expense	21	54,054,186	5,46,85,543
	Finance costs	22	778,947	8,97,346
	Depreciation and amortization expense	8	7,608,840	13,42,751
	Other expenses	23	43,639,012	4,99,79,647
5	Total expenses		113,327,518	11,26,73,723
6	Profit / (Loss) before Tax (3-5)		(4,959,059)	(159,05,112)
7	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax (Credit)		-	5,56,017
8	Profit (Loss) for the period		(4,959,059)	(1,64,61,129)
9	Earnings per equity share:			
	(1) Basic		-1.91	-1.91
	(2) Diluted		-1.91	-1.91
See accompanying Notes to The Financial Statements		24-33		
The accompanying notes form an integral part of The Financial Statements.				

For B K Khare and Co. Chartered Accountants S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from Operating Activities		
Profit/Loss before Tax	(4,959,059)	(159,05,112)
Adjustments for:		
Depreciation & Amortisation Expenses	7,608,840	13,42,751
Sundry Credit Balances Appropriated	(1,409,799)	(19,25,879)
Interest income	(6,909,694)	(47,75,388)
Operating profit before working capital changes	(5,669,713)	(212,63,629)
Adjustment for:		
Trade and Other Receivables	2,191,688	71,37,027
Inventories	(566,263)	(45,55,041)
Loans and Advances- short term	(18,469,968)	(197,03,322)
Long term loans and advances	(2,419,881)	(19,56,120)
Other Current Assets	(160,742)	(16,88,021)
Trade and Other Payables	(8,430,682)	63,63,837
Cash generated from operations	(33,525,560)	(3,56,65,269)
Less: Taxes paid net of refund	(735,984)	(6,95,613)
Net Cash from Operating Activities (A)	(34,261,544)	(3,63,60,882)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets/Capital Expenditure	(36,716,468)	(11,61,795)
Increase in Investment	(4,664,466)	(11,50,004)
Interest Received	6,909,694	47,75,388
Increase in Fixed Deposits	37,498,891	(1012,86,890)
Net Cash used in Investing Activities (B)	3,027,652	(9,88,23,301)
C. Cash flow from Financing Activities		
Change in Borrowings	-	-
Interest Paid	-	-
Share issue expenses	-	(2,22,71,726)
Share issued	-	2,74,80,000
Premium on shares issued	-	16,21,32,000
Net Cash used in Financing Activities (C)	-	16,73,40,274
D Net increase/decrease in cash and cash equivalents (A+B+C)	(31,233,892)	3,21,56,091
E Opening Balance of Cash and Cash Equivalents	34,767,412	26,11,322
F Closing Balance of Cash and Cash Equivalents	3,533,520	3,47,67,413
Components of cash and cash equivalents		
cash in hand	242,343	3,32,081
With Banks: on Current Accounts	3,291,178	3,44,35,332
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 S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

NOTES TO FINANCIAL STATEMENTS

Note: 1 Share capital				
Particulars	As at March 31, 2019		As at March 31, 2018	
	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
Compulsory Convertible 28,000 (28,000)	-	-	-	-
Preference Shares of 1000 each				
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
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	-	-	-	-
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	697,080	6,970,800
- allotted During the year	-	-	9,718,800	97,188,000
- at the end of the year	10,415,880	104,158,800	10,415,880	104,158,800
Compulsory Convertible Preference Shares				
- at the beginning of the year	-	-	-	-
- Converted into Equity Shares during the year	-	-	-	-
- at the end of the year	-	-	-	-
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 was converted from Private to Public Company in order to fulfil 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 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) Shareholders exceeding 5% of capital				
The Company does not have any holding or ultimate holding Company.				
Particulars	As at 31 March 2019		As at 31 March 2018	
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%

Note: 2 Reserves and surplus		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Securities Premium Account		
Balance at the beginning of the period/year	160,987,463	908,35,189
Premium on shares issued/converted during the period/year	-	16,21,32,000
Less: Issue of bonus shares during the period	-	6,97,08,000
Less: IPO Expenditure	-	2,22,71,726
Balance at the end of the year	160,987,463	16,09,87,463
Profit & Loss account		
Opening balance	(14,189,212)	22,71,917
Add: Profit for the Year	(4,959,059)	(1,64,61,129)
	(19,148,271)	(1,41,89,212)
Total - Reserves and Surplus	141,839,192	14,67,98,252
Note: IPO expenses have been adjusted to share premium account as per section 52 of Companies Act 2013		

Note: 3 Other Long-Term Liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Deposits from customers	-	2,54,296
Total	-	2,54,296

Note: 4 Long Term Provisions		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Provision for employee benefits		
Gratuity	1,779,139	653,439
Leave Encashment	841,251	445,780
Total	2,620,390	1,099,219

Note: 5 Trade Payable		
Trade Payables	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
(a) Total outstanding dues of Micro, Small and Medium Enterprises	-	-
(b) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	2,464,402	8,847,704
Total	2,464,402	8,847,704

Note: 6 Other Current Liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Statutory remittances	2,861,485	2,351,979
Advance from Others	-	-
Advance from Related party	-	880,223
Advance from Customer	226,162	1,532,702
Income received in advance	3,526,890	6,194,697
Employee Payables	3,206,225	4,029,857
Other liabilities	913,641	770,669
Total	10,734,403	15,760,127

Note: 7 Short Term Provisions		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Provision for employee benefits		
Gratuity (Ref Note 29)	103,237	16,386
Leave Encashment	303,268	88,450
Total	406,505	104,836

Note: 11 Long Term Loans and Advances		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
a. Security Deposits		
Unsecured, considered good	2,558,620	2,429,120
	2,558,620	2,429,120
b. Other loans and advances		
Tax Deducted at Source (net of provisions)	3,930,301	3,194,317
Prospective KAL-SBL JV	2,290,381	-
	6,220,682	3,194,317
Total	8,779,302	5,623,437

Note: 12 Other Non-current Assets		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Fixed Deposit with original maturity of more than 12 months	4,350,254	3,445,041
	4,350,254	3,445,041

Note: 13 Inventories		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Materials/Consumables	13,965,328	13,399,065
Total	13,965,328	13,399,065

Note: 14 Trade Receivables		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	8,653,299	5,303,305
	8,653,299	5,303,305
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	161,487	5,703,169
Total	8,814,786	11,006,474

Note: 15 Cash and Cash equivalents		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Cash and bank balances		
(a) Cash on hand	242,343	332,081
(b) Bank Balances	3,291,178	34,435,332
	3,533,521	34,767,413

Other bank balances		
Fixed Deposits with Original Maturities lower than 12 months but greater than 3 months	85,877,583	123,376,474
Total	89,411,104	158,143,887

Note:16 Short-term loans and advances		
Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount
a. Loans and advances		
Unsecured, considered good *	84,362,639	66,521,041
Other recoverable (Expenses reimbursement)	-	-
	84,362,639	66,521,041
b. Other loans and advances		
Unsecured, considered good		
Advance to Suppliers	48,761	993,709
Employee advances and others	343,338	526,687
Balances with Govt. Authority	5,058,734	3,302,067
Total	89,813,472	71,343,504
* Consists of advances given to following parties		
Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount
<u>Loan & Advances to Related Parties</u>		
Advances to Wholly-Owned subsidiaries		
Sanghvi International Beauty & Spa	-	1,431,286
Sanghvi Fitness Pvt Ltd	3,465,346	1,334,307
Sanghvi Beauty & Salon Pvt	40,640,362	41,673,963
Sanghvi Brands US Holding INC	23,627,850	15,536,868
Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)	7,888,780	-
Love of Spa RC SFO	3,266,693	1,728,233
Sanghvi Brands S L Pvt Ltd	5,473,607	4,816,383
Total	84,362,639	66,521,041

Note 17 Other current assets		
Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount
Interest accrued	89,439	89,439
Prepaid Expenses	356,998	1,101,469
Total	446,437	1,190,908

Note 18 Revenue from operations		
Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount
Services	87,962,023	77,126,013
Technical Fees	11,125,000	8,679,990
Reimbursement of Expenses & Salaries	-	998,907
Sale of services (A)	99,087,023	86,804,910
Sale of products (B)	961,942	3,251,911
Total (A +B)	100,048,965	90,056,821

Note 19 Other Income		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Interest on Income tax refund	-	-
Interest income on Fixed Deposits	6,909,694	4,775,388
Sundry Credit Balances Appropriated	1,409,799	1,925,879
Foreign Exchange gain / (loss), (net)	-	10,522
Total	8,319,493	6,711,789

Note 20 Cost of materials consumed		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Opening Inventory	13,399,065	8,844,024
Add – Purchases		
Purchases of other materials	5,814,133	6,852,451
Consumables	1,998,662	3,471,025
	10,323,476	1,47,90,207
Less - Closing Inventory	13,965,328	13,399,065
Total	7,246,532	5,768,435

Note 21 Employee benefits expense		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Salaries and incentives	37,593,981	40,881,790
Directors remuneration	6,600,000	6,600,000
Contribution to Provident and other funds	3,351,074	258,639
Staff welfare expenses	6,509,131	6,945,114
Total	54,054,186	54,685,543

Note 22 Finance Costs		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Interest Expense	196,086	388,729
Bank Charges	582,861	508,617
Total	778,947	897,346

Note 23 Other Expenses			
SR No	Particulars	As at March 31, 2019	As at March 31, 2018
		Amount	Amount
1	Electricity charges	1,463,803	1,513,924
2	Repairs		
	- Plant & Machinery	276,227	108,050
	- Others	253,119	279,224
3	Insurance	509,047	976,614
4	Rent expenses	1,119,000	1,154,000
5	Rates & Taxes	30,050	63,354
6	Audit fees (Ref note 25)	627,000	265,000
7	Business Development & Sales Promotion	2,536,844	6,297,983
8	License Fees	27,599,643	23,973,760
9	Royalty	1,895,986	2,900,078

10	Legal & professional Fees	1,891,112	3,625,361
11	Housekeeping expenses	1,100,840	684,076
12	Telephone Expenses	308,169	826,482
13	Travelling and conveyance	1,736,380	3,098,536
14	Debit Balances W/off	486,745	2,180,422
15	Miscellaneous Expenses	1,805,048	2,032,783
Total		43,639,012	4,99,79,647

Note 8 Fixed Assets

Fixed Assets Schedule for the year ended March 31, 2019

	Balance as on March 31, 2018	Gross Block Additions/ (Disposals)	Balance as on March 31, 2019	Balance as on March 31, 2018	Accumulated Depreciation Depreciation charge for the year 2018-2019	On disposals	Balance as on March 31, 2019	Net Balance as on March 31, 2019	Net Balance as on March 31, 2018
Fixed Assets									
Computers & Accessories	1,861,442	-	1,861,442	1,806,888	54,554	-	1,861,442	0.00	54,554
Furniture's & Fittings	4,349,670	220,021	4,569,691	1,542,064	354,952	-	1,897,016	2,672,675	2,807,606
Office Equipment's	1,458,517	85,512	1,544,029	929,914	174,816	-	1,104,730	439,298	528,603
Total	7,669,629	305,533	7,975,162	4,278,866	584,322	-	4,863,189	3,111,973	3,390,763
Software/Tra demarks	962,078	290,400	1,252,478	196,134	227,512	-	423,646	828,832	765,944
Total	-	36,120,535	36,120,535	-	6,797,006	-	6,797,006	29,323,529	-
	962,078	36,410,935	37,373,013	196,134	7,024,518	-	7,220,652	30,152,361	765,944
Grand Total	8,631,707	36,716,468	45,348,175	4,475,000	7,608,840	-	12,083,840	33,264,334	4,156,707

Note: 9 Non-Current Investments

Particulars	Face Value per share	No of Shares As at March 31, 2019	No of Shares As at March 31, 2018	Amount in Rs. As at March 31, 2019	Amount in Rs. As at March 31, 2018
Trade investments					
Unquoted					
Investments in equity instruments in wholly owned subsidiaries (fulled 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	1,00,000	1,00,000
Sanghvi Hospitality Pvt Ltd	Rs.10		10,000	-	1,00,000
Sanghvi Brands SL Pvt Ltd	LKR10	1		4	
Investment in Shares-Sanghvi Brands US Holdings Inc	\$ 1	1050,01,000	1050,01,000	71,96,706	71,96,706
Sanghvi Brands Beauty and Spa LLC (AD)-Invest A/c				4,514,466	-
Non-Trade investments					
Unquoted					
Investment in National Savings certificate	-	-	-	70,000	70,000
Investments In Gratuity (Birla Sun Life)				1,50,000	-
Investment in Anayan Software Consultancy Pvt Ltd				12,50,000	-
Total		105,020,751	105,030,751	13,378,676	8,714,210

Note 10 - Deferred Tax Liability/Assets		
Particulars	As at March 31, 2019	As at March 31, 2018
Opening Deferred Tax Assets (A)	-	-
Add: Depreciation	-	-
Add: Gratuity provision & Leave Encashment	-	-
Closing Deferred tax assets (B)	-	-
Less: Reversal of DTA	-	-
Closing Deferred tax assets	-	-

24. 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.

25. Auditor's Remuneration

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Audit Fees	5,97,000	2,35,000
Tax Audit Fees	30,000	30,000
Total	6,27,000	2,65,000

26. Earnings per Share

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
a.	Profit for the year	(49,59,059)	(1,64,61,128)
b.	Weighted Average no. of equity shares	1,04,15,880	86,39,179
c.	Basic EPS (a/b)	(0.48)	(1.91)
d.	Diluted EPS	(0.48)	(1.91)

27. Based on the information available, the Company has no outstanding as at 31st March 2019 that are required to be furnished u/ s 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

28. Deferred Tax

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Deferred Tax Assets (A)	-	5,56,017
Add: Depreciation	-	-
Add: Gratuity provision & Leave Encashment	-	-
Closing Deferred tax Assets (B)	-	5,56,017
Less: Reversal of DTA	-	(5,56,017)
Closing Deferred Tax Assets	-	-

29. Retirement Benefits

A. GRATUITY

I. Assumptions:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.80%	7.70%
Rate of Increase in Compensation Level	4%	5%
Expected Average remaining working lives of employees (years)	13.32%	13.75%

II. Table Showing Changes in Present Value of Obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation as at the beginning of the year	6,69,825	10,83,943
Acquisition adjustment	-	-
Interest Cost	48,152	80,212
Past Service Cost	-	-
Current Service Cost	2,71,732	3,59,789
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(88,950)	-
Actuarial (gain)/ loss on obligations	14,55,181	(8,54,119)
Present Value of Obligation as at the end of the year	23,55,940	6,69,825

III. Actuarial Gain/ (Loss) Recognized

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial (gain)/loss for the year – Obligation	14,55,181	(8,54,119)
Actuarial (gain)/loss for the year - Plan Assets	-	-
Total (gain) / loss for the year	14,55,181	(8,54,119)
Actuarial (gain) / loss recognized in the year	14,55,181	(8,54,119)
Unrecognized actuarial (gains) / losses at the end of year	-	-

IV. The Amounts to be recognized in Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation as at the end of the year	23,55,940	6,69,825
Fair Value of Plan Assets as at the end of the year		
Funded Status as at the end of the period	(23,55,940)	(6,69,825)
Unrecognized Actuarial (gain)/loss at the end of the period		
Net Asset / (Liability) Recognized in Balance Sheet	(23,55,940)	(6,69,825)

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

Particulars	As on 31st March, 2019	As on 31 st March, 2018
Current Service Cost	2,71,732	3,59,789
Acquisition (Gain)/Loss	-	-
Past Service Cost	-	-
Interest cost	48,152	80,212
Expected return on plan Asset	-	-
Curtailment of (Gain)/Loss	-	-
Settlement of (Gain)/Loss	-	-
Actuarial (Gain)/Loss recognized in the period	14,55,181	(8,54,119)
Expenses recognized in P&L at the end of the period	17,75,065	(4,14,118)

VI Reconciliation of Net Assets/(Liability) Recognized

Particulars	As at March 31, 2019	As at March 31, 2018
Net Assets/(Liability) recognized at the beginning of the period	(6,69,825)	(10,83,943)
Benefits paid by Company	88,950	-
Expenses recognized at the end of period	(17,75,065)	4,14,118
Net Asset/(Liability) recognized at the end of the period	(23,55,940)	(6,69,825)

30. 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
	Samghvi Brands SL Pvt Ltd, Sri Lanka
	Sanghvi Brands US Holdings INC, USA
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	31-03-2019 (Rs.)	31-03-2018 (Rs.)
1. Mr. Darpan Sanghvi	Remuneration	66,00,000	66,00,000
	Advance Paid	12,70,000	2,00,000
2. Mr. Narendra R Sanghvi	Rent paid	3,24,000	3,86,100
3. Miss. Disha N Sanghvi	Rent paid	2,02,500	-
4. Sanghvi Fitness Pvt. Ltd	Loan/Advance given	21,31,039	8,34,091
5. Sanghvi Beauty & Salon Pvt. Ltd.	Loan/Advance given	6,15,51,685	7,21,41,865
	Repayment of Loan/Advances	(6,25,85,286)	(6,04,17,498)
6. Sanghvi Beauty & Technologies Pvt Ltd	Value Management Fees Income	5,75,051	25,65,970
	Advances paid against purchase of products	-	16,40,949
	Receipt for sales/Mang Fees	(35,000)	(64,76,029)
7. Sanghvi Brands US Holding INC	Advances given	80,90,982	-
8. Sanghvi Brands SL Pvt Ltd	Advances given	6,57,224	46,67,975
	Management Fees Income	47,10,000	-
	Receipt for Mang Fees	(32,21,683)	-
9. Love of Spa RC SFO	Advances given	15,38,460	6,71,680
10. Sanghvi Lifestyle Products Pvt Ltd	Value of Goods Sold	11,47,710	21,11,694
	Receipt against sales	(11,19,619)	(18,27,328)
11. Spa La Vie Beauty LLC	Advances given	-	-
12. Sanghvi Brands Beauty and Spa LLC	Advances given	78,88,780	14,31,286
	Investment	45,14,466	-

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

Particulars	Relationship	31-03-2019	31-03-2018
		(Rs.)	(Rs.)
1. Mr. Darpan Sanghvi	Key Managerial Person	-	(2,00,000)
2. Mr. Narendra R Sanghvi	Key Managerial Person	(64,800)	-
3. Miss. Disha N Sanghvi	Key Managerial Person	(1,35,000)	-
4. Sanghvi Beauty & Salon Pvt. Ltd.	Subsidiary	4,06,40,362	4,16,73,965
5. Sanghvi Fitness Pvt. Ltd	Subsidiary	34,65,346	13,34,307
6. Spa La Vie Beauty LLC (WDC)	Step Subsidiary	-	-
7. Love of Spa RC SFO	Step subsidiary	32,66,693	17,28,233
8. Sanghvi Brands US Holding INC	Subsidiary	2,36,27,850	1,55,36,868
9. Sanghvi Brands SL Pvt Ltd	Subsidiary	69,61,924	48,16,383
10. Sanghvi Beauty & Technologies Pvt Ltd	Enterprises over which Key Managerial Personnel are able to exercise significant influence	(3,40,171)	(8,80,222)
11. Sanghvi Lifestyle Products Pvt Ltd		12,57,584	12,29,493
12. Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)	Subsidiary	78,88,780	14,31,286

31. 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.

32. Expenses in Foreign Currency (on accrual basis)

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Foreign Travel	11,98,101	13,60,232
Royalty Expense	18,95,986	29,00,078
Professional Fees	2,12,472	16,19,866

33. Utilization of IPO Proceeds

Amount (Rs. in Lakhs)

Particulars	Amount Funded from the Gross Proceeds	Actual Utilization up to year ended 31st March 2019	Pending for utilization as on 31st March, 2019
Business Expansion			
a. Expanding outlets/ distribution of current brand portfolio in India and overseas	77,170,000	13,845,352	25,239,591
b. Acquisitions and development of new brands		38,085,057	
Marketing and sales promotion of the brands in our portfolio	50,000,000	8,114,905	41,885,095
Strategic Investments for business growth	10,000,000	2,541,531	7,458,469
General Corporate Purpose	28,442,000	20,113,164	8,328,837
Issue Expenses	24,000,000	22,554,685	1,445,315
Total	189,612,000	105,254,693	84,357,307

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

As per our attached report on even date

For B K Khare and Co. Chartered Accountants S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

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 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, 2019 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, 2019, 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.

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.

Key audit matter	Response to Key audit matter
1. Testing of Carrying value of Investment in Subsidiary or Joint ventures was considered as key audit matter as it involved significant management judgement and reliance on future projections. The Company has 100% subsidiaries Sanghvi Beauty, Sanghvi US Holding and Sanghvi Sri Lanka. It also holds 97.5% investment in Sanghvi Fitness. These entities are engaged in the business of providing beauty, fitness and spa treatment.	Our audit approach was a combination of test of controls and substantive procedures which included the following: i. Tested the management oversight and controls over valuation of investments. 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. iii. Based on our audit procedures, we noted no reportable matters regarding investments and its valuation.

At 31st March19, the net worth of above-mentioned subsidiaries has eroded. The existence of the above impairment indicator required management to estimate the recoverable amount of the Company's investment in subsidiary.	
2. Recognition of Intangible Assets During the year the company has significant investment in Intangible asset amounting to Rs 361.20 lacs as part of acquisition of Business rights. Management contention is that this will result in higher profitability in future.	Our audit approach and procedures included: Evaluating the reasonableness of management's conclusions on key assumptions, including forecast cash flows focusing on revenues and earnings, historical and budgetary financial information, current market conditions and growth rates - Assessing the reliability of management's forecast, whilst considering the risk of management bias - Obtained documentary evidence like agreements entered for acquiring business rights, study of agreement - Obtained future projections relating to these business rights - Reviewed disclosures included in the notes to the accompanying standalone financial statements. - Testing of impairment at the end of year

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. This responsibility also includes 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 scepticism 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) of Rs. 38,454,775 as at March 31, 2019, total revenue (before consolidation adjustments) of Rs. 103,920,211 and an associate company whose share of income of Rs (124,094) for the year ended March 31, 2019 for the year then ended. These financial statements and other financial information of 2 subsidiaries were audited by other auditors and one subsidiary's financial statement have been certified by the management 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. We have audited these conversion adjustments made by the Holding Company's management. 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 done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The 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.
- d. 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.
- e. on the basis of written representations received from the directors of the Holding Company as on March 31, 2019 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, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure

I'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. 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.

- h. 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, 2019

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

Chartered Accountants

Firm's Registration Number – 105102W

Sd/-

Shirish Rahalkar

Partner

M No.: 111212

Mumbai, May 30, 2019

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, 2019

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, 2019 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"). 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 of the Holding company 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.

Opinion

In our opinion, 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, 2019, 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

Shirish Rahalkar

Partner

Membership No. 111212

Mumbai, May30, 2019

BALANCE SHEET (CONSOLIDATED)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	104,158,800	104,158,800
(b) Reserves and surplus	2	108,266,732	122,754,123
2 Non-current liabilities			
(a) Other Long-term liabilities	3	-	254,296
(b) Long-term provisions	4	3,108,967	1,553,056
3 Current liabilities			
(a) Trade payables	6		
- Micro Enterprises & Small Enterprises		-	-
- Other than Micro Enterprises & Small Enterprises		7,624,384	13,657,704
(b) Other current liabilities	7	20,794,584	25,804,609
(c) Short-term provisions	8	1,115,149	733,551
TOTAL		245,068,616	268,916,139
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Property, Plant and Equipment		20,432,886	15,078,950
(i) Intangible assets		30,215,420	801,573
(b) Non-current investments	10	1,345,905	1,165,335
(c) Long-term loans and advances	12	10,312,277	9,305,886
(d) Other non current Assets	13	6,792,110	3,586,978
2 Current assets			
(a) Inventories	14	33,701,364	31,558,583
(b) Trade receivables	15	30,051,663	27,020,494
(c) Cash and Cash equivalents	16	96,105,198	165,424,212
(d) Short-term loans and advances	17	15,298,933	11,572,796
(e) Other current assets	18	812,861	3,401,333
TOTAL		245,068,616	268,916,139
See accompanying Notes to The Financial Statements	25-32		
The accompanying notes form an integral part of The Financial Statements.			

For B K Khare and Co. Chartered Accountants S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019 (CONSOLIDATED)

Particulars		Note no.	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
1	Revenue from operations	19	314,133,071	264,556,511
2	Other income	20	10,638,954	9,148,106
3	Total Revenue		324,772,025	273,704,617
4	Expenses:			
	Cost of materials consumed	21	20,317,613	17,070,943
	Employee benefits expense	22	186,070,259	154,347,387
	Finance costs	23	2,715,246	2,545,339
	Depreciation and amortization expense	9	8,557,063	2,660,257
	Other expenses	24	121,019,143	118,365,254
5	Total expenses		338,679,324	294,989,180
6	Profit / (Loss) before Tax		(13,907,300)	(21,284,564)
7	Tax expense:			
	(1) Current tax		-	130,080
	(2) Deferred tax		-	1,240,565
	(3) MAT Credit Entitlement		-	-
8	Profit / (Loss) after tax		(13,907,300)	(22,655,209)
	Less: - Minority Interest		-	(18,153)
9	Profit (Loss) for the period		(13,907,300)	(22,637,056)
	Proportionate Profit (Loss) of Associate Company		(124,094)	(154,665)
	Net Profit (Loss) after Tax		(14,031,394)	(22,791,722)
10	Earnings per equity share:			
	(1) Basic		(1.34)	(2.64)
	(2) Diluted		(1.34)	(2.64)
See accompanying Notes to The Financial Statements		25-32		

For B K Khare and Co. Chartered Accountants S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (CONSOLIDATED)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from Operating Activities		
Profit/Loss before Tax	(13,907,301)	(21,284,564)
Adjustments for:		
Depreciation & Amortisation Expenses	8,556,241	2,660,257
Unrealized Foreign exchange Gain	(661,984)	19,805
Sundry Credit Balances Appropriated	(1,409,799)	(1,925,879)
Interest income	(6,920,292)	(4,785,223)
Interest Expenses	-	-
Operating profit before working capital changes	(14,343,135)	(25,315,605)
Changes in:		
Trade and Other Receivables	(3,031,169)	10,056,537
Inventories	(2,142,781)	(10,019,698)
Loans and Advances- short term	(32,550,515)	(21,598,773)
Long term loans and advances	(3,447,704)	(2,065,258)
Other Current Assets	(616,660)	(3,821,627)
Trade and Other Payables	(7,950,326)	6,302,897
Cash generated from operations	(64,082,291)	(46,461,528)
Less: Taxes paid net of refund	(1,242,602)	(1,404,890)
Net Cash from Operating Activities (A)	(65,324,893)	(47,866,418)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets/Capital Expenditure	(43,324,025)	(6,141,834)
Increase in Investment	(4,664,466)	(1,150,000)
Interest Received	6,920,292	4,785,223
Increase in Fixed Deposits	37,498,891	(101,286,890)
Net Cash used in Investing Activities (B)	(3,569,307)	(103,793,501)
C. Cash flow from Financing Activities		
Change in Borrowings	32,839,579	19,471,834
Interest Paid	-	-
Share issue expenses	-	(22,271,726)
Share issued	4,514,466	27,480,000
Premium on shares issued	-	162,132,000
Net Cash used in Financing Activities (C)	37,354,045	186,812,108
D Net increase/decrease in cash and cash equivalents(A+B+C)	(31,540,154)	35,152,189
E Opening Balance of Cash and Cash Equivalents	41,767,768	6,895,549
F Closing Balance of Cash and Cash Equivalents (D+E)	10,227,614	42,047,738
Components of cash and cash equivalents		
cash in hand	1,033,670	1,085,936
With Banks:	-	-
on Current Accounts	9,193,945	40,961,801
on Deposit Accounts	-	-

The accompanying notes form an integral part of the Financial Statements

For B K Khare and Co. Chartered Accountants S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	For and on behalf of Board of Directors Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May, 2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note: 1 Share capital				
Particulars	As at March 31, 2019		As at March 31, 2018	
	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
Compulsory Convertible 28,000 (28,000) Preference Shares of 1000 each	-	-	-	-
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
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
Total	10,416,130	104,161,300	10,416,130	104,161,300
c) Reconciliation of the number of shares outstanding				
Equity Shares				
- at the beginning of the year	10,415,880	104,158,800	697,080	6,970,800
- allotted During the year	-	-	9,718,800	97,188,000
- at the end of the year	10,415,880	104,158,800	10,415,880	104,158,800
Compulsory Convertible Preference Shares				
- at the beginning of the year	-	-	-	-
- Converted into Equity Shares during the year	-	-	-	-
- at the end of the year	-	-	-	-
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 was converted from Private to Public Company in order to fulfil 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 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 shares 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) Shareholders exceeding 5% of capital				
The Company does not have any holding or ultimate holding Company.				
Particulars	As at 31 March 2019		As at 31 March 2018	
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%

Note: 2 Reserves and surplus		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Securities Premium Account		
Balance at the beginning of the year	160,987,463	90,835,189
Premium on shares issued/converted during the year	-	162,132,000
Less: Issue of bonus shares during the period	-	69,708,000
Less: IPO Expenditure	-	22,271,726
Balance at the end of the year	160,987,463	160,987,463
Profit & Loss account		
Opening balance	(37,405,103)	(14,749,894)
Add: Transferred from deficit in Statement of Profit and Loss*	(14,031,394)	(22,791,721)
Closing balance of Profit & Loss account	(51,436,497)	(37,541,614)
Foreign Currency Translation Reserve	(1,284,233)	(691,726)
Total	108,266,732	122,754,123

*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 Company.

Note: 3 Other Long-Term Liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Deposits from customers	-	2,54,296
Total	-	2,54,296

Note: 4 Long Term Provisions		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Provision for employee benefits		
Gratuity (Funded)	2,006,701	843,443
Leave Encashment	1,102,266	709,613
Total	3,108,967	1,553,056

Note: 5 Short Term Borrowings		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Total	-	-

Note: 6 Trade Payable		
Trade Payables	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
(a) Total outstanding dues of Micro, Small and Medium Enterprises	-	-
(b) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	7,624,384	13,657,704
Total	7,624,384	13,657,704

Note: 7 Other Current Liabilities		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Statutory remittances	6,050,182	4,778,989
Advance from Others	1,238,714	154,231
Advance from Related party	-	880,223
Advance from Customer	226,162	1,532,702
Interest payable on loan from holding company	25,674	-

Income received in advance	3,526,890	6,194,697
Employee Payables	3,206,225	4,029,857
Current liabilities	6,520,737	8,233,910
Total	20,794,584	25,804,609

Note: 8 Short Term Provisions		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
(a) Provision for employee benefits		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	688,111	593,573
Leave Encashment (funded)	427,038	139,978
Provision for Expenses	-	-
Provision for Income Tax	-	-
Total	1,115,149	733,551

Note: 10 Non-Current Investments		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Investments		
National Savings certificate	70,000	70,000
Investment in Anayan Software Consultancy Pvt Ltd	1,125,906	1,095,335
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	(0)	-
Investment in Shares-Sanghvi Brands S L (Pvt) Ltd	-	-
Sanghvi Brands Beauty and Spa LLC (AD)-Invest A/c	-	-
Total	1,345,905	1,165,335

Note: 11 Deferred tax		
Particulars	As at March 31, 2019	As at March 31, 2018
Timing differences under Income Tax Act	-	-
Total	-	-

Note: 12 Long Term Loans and Advances		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
a. Security Deposits		
Unsecured, considered good	2,558,620	2,429,120
b. Other loans and advances		
Tax Deducted at Source (net of provisions)	7,753,657	6,876,766
Total	10,312,277	9,305,886

Note: 13 Other Non-current Assets		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Fixed Deposit with original maturity of more than 12 months	4,501,729	3,586,978
Prospective KAL-SBL JV	2,290,381	-
Total	6,792,110	3,586,978

Note: 14 Inventories		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Materials/Consumables	33,701,364	31,558,583
Total	33,701,364	31,558,583

Note: 15 Trade Receivables		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	28,878,264	19,745,583
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,173,399	7,274,911
Total	30,051,663	27,020,494

Note: 16 Cash and Cash equivalents		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Cash and bank balances		
(a) Cash on hand	1,033,670	1,085,935
(b) Bank Balances	9,193,945	40,961,801
(c) Fixed Deposits with Original Maturities lower than 3 months	-	-
	10,227,615	42,047,737
Other bank balances		
Fixed Deposits with Original Maturities lower than 12 months but greater than 3 months	85,877,583	123,376,475
Total	96,105,198	165,424,212

Note: 17 Short-term loans and advances		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
a. Loans and advances to related Parties		
Unsecured, considered good *	3,837,372	2,359,916
Others (Expense Re-imbursement Recoverable)	-	-
Advances others	3,211,952	-
Deposit	735,310	1,100,379
Advance to Suppliers	1,821,903	3,234,958
Employee advances and others	483,073	1,574,475
Balances with Government Authorities	5,209,323	3,303,068
Total	15,298,933	11,572,796

* Consists of advances given to following parties

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Sanghvi Fitness Pvt Ltd	-	-
Sanghvi Beauty & Salon Pvt	-	-
Sanghvi Brands US Holding INC	-	-
Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)	-	-
Sanghvi Brands Ltd	-	-
Love of Spa RC SFO	-	-

Sanghvi Brands SL Pvt Ltd	-	-
Sanghvi Beauty & Technologies Pvt Ltd	1,357,276	-
Total	1,357,276	-

Note 18 Other current assets		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Interest accrued	89,439	91,583
Prepaid Expenses	723,422	1,683,750
Others	-	1,626,000
Total	812,861	3,401,333

Note 19 Revenue from operations		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Services	273,859,760	228,790,820
Technical Fees	24,950,000	17,071,444
Reimbursement from Expenses & Salaries	7,430,580	8,519,316
Management Fees	949,414	1,102,709
Sale of services (A)	307,189,754	255,484,289
Sale of products* (B)	6,943,317	9,072,222
Total (A +B)	314,133,071	264,556,511

Note 20 Other Income		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Interest on Income tax refund	130,770	-
Interest income on Fixed Deposits	6,920,292	4,785,223
Sundry Credit Balances Appropriated	3,209,198	4,344,358
Foreign Exchange gain / (loss), (net)	-	10,522
Interest - Others	-	-
Reimbursement from Expenses & Salaries	-	-
Other Income	378,693	8,004
Total	10,638,954	9,148,106

Note 21 Cost of materials consumed		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Opening Inventory	31,558,583	21,538,884
Add - Purchases		
Purchases of materials	8,464,466	13,705,445
Consumables	13,995,928	13,385,196
	22,460,394	27,090,641
Less - Closing Inventory	33,701,364	31,558,583
Total	20,317,613	17,070,943

Note 22 Employee Costs		
Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Salaries and incentives	159,866,257	133,272,781
Directors remuneration	6,600,000	6,600,000
Contributions to Provident fund	5,128,387	2,448,297
Staff welfare expenses	14,475,615	12,026,310
Total	186,070,259	154,347,387

Note 23 Finance Costs			
Particulars	As at March 31, 2019		As at March 31, 2018
	Amount		Amount
Interest Expense	375,254		467,542
Bank Charges	2,339,992		2,077,797
Total	2,715,246		2,545,339

Note 24 Other Expenses			
SR No	Particulars	As at March 31, 2019	As at March 31, 2018
		Amount	Amount
1	Electricity charges	3,947,637	4,081,277
2	Repairs:		-
3	- Plant & Machinery	937,883	610,173
4	- Others	2,904,497	3,216,588
5	Insurance (Including Keyman Insurance)	4,371,702	3,708,623
6	Rent expenses	10,143,921	9,700,176
7	Rates & Taxes	670,149	2,205,905
8	Auditors remuneration (Refer Note 26)	911,564	375,000
9	Business Development Sales Promotion	7,554,282	10,339,523
10	License Fees	55,825,637	46,380,908
11	Royalty	15,590,933	15,806,245
12	Legal & professional Fees	4,850,531	4,689,690
13	Advertisement	52,541	174,040
14	Housekeeping expenses	3,171,263	2,374,877
15	Postage & Courier	95,209	3,012
16	Telephone Expenses	337,734	929,543
17	Travelling and conveyance	2,783,009	4,884,743
18	Advances W/off	770,586	3,976,349
19	Miscellaneous Expenses	5,125,802	4,430,475
20	Information Technology Cost	974,263	478,106
21	Foreign License Fees	-	-
Total		121,019,143	118,365,254

Note 9 Consolidated Fixed Assets Schedule for year ended March 31, 2019									
Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as on March 31, 2018	Additions/ (Disposals)	Balance as on March 31, 2019	Balance as on March 31, 2018	Depreciated on charge for the year 2018-19	On disposals	Balance as on March 31, 2019	Net Balance as on March 31, 2019	Net Balance as on March 31, 2018
Property, Plant and Equipment									
Computers & Accessories	2,789,509	-	2,789,509	2,667,462	112,674	-	2,780,135	9,374	122,047
Furniture's & Fittings	10,015,856	363,955	10,379,810	2,446,858	521,650	-	2,968,508	7,411,304	7,568,999
Office equipment's	4,132,043	411,216	4,543,259	1,473,140	760,335	-	2,233,474	2,309,783	2,658,903
Vehicle	2,866,957	-	2,866,957	2,432,271	117,467	-	2,549,738	317,219	434,686
Total	19,804,364	775,171	20,579,535	9,019,730	1,512,126	-	10,531,855	10,047,680	10,784,635

Intangible Assets									
Software/Trademarks	1,115,078	338,250	1,453,328	313,505	247,932	-	561,437	891,891	801,573
Business Rights	-	36,120,535	36,120,535	-	6,797,006	-	6,797,006	29,323,529	-
Total	1,115,078	36,458,785	37,573,863	313,505	7,044,938	-	7,358,443	30,215,420	801,573
Grand Total	20,919,442	37,233,956	58,153,398	9,333,235	8,557,063	-	17,890,298	40,263,100	11,586,208
CWIP	4,294,315	6,090,891	10,385,206	-	-	-	-	10,385,206	4,294,315

24. 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.

25. Auditor's Remuneration

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Statutory Audit Fees	5,97,000	2,35,000
Tax Audit Fees	30,000	30,000
Total	6,27,000	2,65,000

26. Earnings per Share

Sr. No.	Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
a.	Profit for the year	(49,59,059)	(1,64,61,128)
b.	Weighted Average no. of Equity Shares	1,04,15,880	86,39,179
c.	Basic EPS (a/b)	(0.48)	(1.91)
d.	Diluted EPS	(0.48)	(1.91)

27. 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.

28. Deferred Tax

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Opening Deferred Tax Assets (A)	-	5,56,017
Add: Depreciation	-	-
Add: Gratuity provision & Leave Encashment	-	-
Closing Deferred tax assets (B)	-	5,56,017
Less: Reversal of DTA	-	(5,56,017)
Closing Deferred Tax Assets	-	-

29. Retirement Benefits
A. GRATUITY
I. Assumptions:

Particulars	As on 31st March, 2019	As on 31 st March, 2018
Discount Rate	7.80%	7.70%
Rate of Increase in Compensation Level	4%	5%
Expected Average remaining working lives of employees (years)	13.32%	13.75%

II. Table Showing Changes in Present Value of Obligations

Particulars	As on 31st March 2019	As on 31 st March 2018
Present Value of Obligation as at the beginning of the year	6,69,825	10,83,943
Acquisition adjustment	-	-
Interest Cost	48,152	80,212
Past Service Cost	-	-
Current Service Cost	2,71,732	3,59,789
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(88,950)	-
Actuarial (gain)/ loss on obligations	14,55,181	(8,54,119)
Present Value of Obligation as at the end of the year	23,55,940	6,69,825

III. Actuarial Gain/(Loss) Recognized

Particulars	As on 31st March, 2019	As on 31 st March, 2018
Actuarial gain/(loss) for the year – Obligation	14,55,181	(8,54,119)
Actuarial (gain)/loss for the year - Plan Assets	-	-
Total (gain) / loss for the year	14,55,181	(8,54,119)
Actuarial (gain) / loss recognized in the year	14,55,181	(8,54,119)
Unrecognized actuarial (gains) / losses at the end of year	-	-

IV. The Amounts to be recognized in Balance Sheet

Particulars	As on 31st March, 2019	As on 31 st March, 2018
Present Value of Obligation as at the end of the year	23,55,940	6,69,825
Fair Value of Plan Assets as at the end of the year		
Funded Status	(23,55,940)	(6,69,825)
Unrecognized Actuarial (gains) / losses		
Net Asset / (Liability) Recognized in Balance Sheet	(23,55,940)	(6,69,825)

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

Particulars	As on 31st March, 2019	As on 31 st March, 2018
Current Service Cost	2,71,732	3,59,789
Acquisition (Gain)/Loss		
Past Service Cost		
Interest cost	48,152	80,212
Expected return on plan Asset		
Curtailment of (Gain)/Loss		
Settlement of (Gain)/Loss		
Actuarial (Gain)/Loss recognized in the period	14,55,181	(8,54,119)
Expenses recognized in P&L at the end of the period	17,75,065	(4,14,118)

VI. Reconciliation of Net Assets/(Liability) Recognized

Particulars	As on 31st March, 2019	As on 31 st March, 2018
Net Assets/(Liability) recognized at the beginning of the period	(6,69,825)	(10,83,943)
Benefits paid by Company	88,950	-
Expenses recognized at the end of period	(17,75,065)	4,14,118
Net Asset/(Liability) recognized at the end of the period	(23,55,940)	(6,69,825)

30. 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	31-03-2019 (Rs.)	31-03-2018 (Rs.)
1. Mr. Darpan Sanghvi	Remuneration	66,00,000	66,00,000
	Advance Paid	12,70,000	2,00,000
2. Mr. Narendra R Sanghvi	Rent paid	3,24,000	3,86,100
3. Miss. Disha N Sanghvi	Rent paid	2,02,500	-
4. Sanghvi Fitness Pvt. Ltd	Loan/Advance given	21,31,039	8,34,091
5. Sanghvi Beauty & Salon Pvt. Ltd.	Loan/Advance given	6,15,51,685	7,21,41,865
	Repayment of Loan/Advances	(6,25,85,286)	(6,04,17,498)
6. Sanghvi Beauty & Technologies Pvt Ltd	Value Management Fees Income	5,75,051	25,65,970
	Advances paid against purchase of products	-	16,40,949
	Receipt for sales/Mang Fees	(35,000)	(64,76,029)
7. Sanghvi Brands US Holding INC	Advances given	80,90,982	-
8. Sanghvi Brands SL Pvt Ltd	Advances given	6,57,224	46,67,975
	Management Fees Income	47,10,000	-
	Receipt for Mang Fees	(32,21,683)	-
9. Love of Spa RC SFO	Advances given	15,38,460	6,71,680
10. Sanghvi Lifestyle Products Pvt Ltd	Value of Goods Sold	11,47,710	21,11,694
	Receipt against sales	(11,19,619)	(18,27,328)
11. Spa La Vie Beauty LLC	Advances given	-	-
12. Sanghvi Brands Beauty and Spa LLC	Advances given	78,88,780	14,31,286
	Investment	45,14,466	-

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

Particulars	Relationship	31-03-2019	31-03-2018
		(Rs.)	(Rs.)
1. Mr. Darpan Sanghvi	Key Managerial Person	-	(2,00,000)
2. Mr. Narendra R Sanghvi	Key Managerial Person	(64,800)	-
3. Miss. Disha N Sanghvi	Key Managerial Person	(1,35,000)	-
4. Sanghvi Beauty & Salon Pvt. Ltd.	Subsidiary	4,06,40,362	4,16,73,965
5. Sanghvi Fitness Pvt. Ltd	Subsidiary	34,65,346	13,34,307
6. Spa La Vie Beauty LLC (WDC)	Step Subsidiary	-	-
7. Love of Spa RC SFO	Step subsidiary	32,66,693	17,28,233
8. Sanghvi Brands US Holding INC	Subsidiary	2,36,27,850	1,55,36,868
9. Sanghvi Brands SL Pvt Ltd	Subsidiary	69,61,924	48,16,383
10. Sanghvi Beauty & Technologies Pvt Ltd	Enterprises over which Key Managerial Personnel are able to exercise significant influence	(3,40,171)	(8,80,222)
11. Sanghvi Lifestyle Products Pvt Ltd		12,57,584	12,29,493
12. Sanghvi Brands Beauty and Spa LLC (Abu Dhabi)	Subsidiary	78,88,780	14,31,286

31. 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.

32. Expenditure in foreign currency (on accrual basis)

Particulars	Year Ended 31-03-2019 (Rs.)	Year Ended 31-03-2018 (Rs.)
Foreign travel	11,98,101	13,60,232
Royalty Expenses	18,95,986	29,00,078
Products Purchases	2,12,472	16,19,866

33. Utilization of IPO Proceeds

Statement of Utilization of funds raised through Initial Public Offering (IPO) as on March 31,2019 is as follows:

Particulars	Amount Funded from the Gross Proceeds	Actual Utilization up to year ended 31st March 2019	Pending for utilization as on 31st March, 2019
Business Expansion			
a. Expanding outlets/ distribution of current brand portfolio in India and overseas	77,170,000	13,845,352	25,239,591
b. Acquisitions and development of new brands		38,085,057	

Marketing and sales promotion of the brands in our portfolio	50,000,000	8,114,905	41,885,095
Strategic Investments for business growth	10,000,000	2,541,531	7,458,469
General Corporate Purpose	28,442,000	20,113,164	8,328,837
Issue Expenses	24,000,000	22,554,685	1,445,315
Total	189,612,000	105,254,693	84,357,307

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 S/d- Firm Registration Number - 105102W Shirish Rahalkar Partner M.No. 111212 Place Mumbai Date: 30th May, 2019	<i>For and on behalf of Board of Directors</i> Sanghvi Brands Limited.		
	S/d- Kruti H. Shah Company Secretary Place: Mumbai Date: 30th May,2019	S/d- Darpan N Sanghvi Managing Director DIN: 02912102 Place: Mumbai Date: 30th May, 2019	S/d- Narendra R Sanghvi Director DIN: 02912085 Place: Mumbai Date: 30th May, 2019



SANGHVI BRANDS LIMITED

"Sanghvi House", 105/2, Shivajinagar, Pune: 411005
CIN: L74999PN2010PLC135586

ATTENDANCE SLIP

9th ANNUAL GENERAL MEETING HELD ON FRIDAY 27TH SEPTEMBER 2019
(To be handed over at the registration counter situated near the entrance of the meeting venue)

1.	Full name and Registered address of the member attending (in BLOCK LETTERS)	
2	Folio No. / DP ID – Client ID*	
3	Full Name of Proxy (To be filled in if Proxy Form has been duly deposited with the Company) (in BLOCK LETTERS)	
4	Number of Share(s) held	

I / We being the registered shareholder / proxy for the registered shareholder of the Company, hereby record my / our presence at the 9th Annual General Meeting of the Company held on 27th September 2019 at 2:00 p.m. at Bliss Banquet, Tarawade Clarks Inn, Ground Floor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005 and at any adjournment(s) thereof.

Member's / Proxy's Signature

* Applicable for members holding shares in electronic form. ** Strike-off whichever is not relevant

NOTES:

- Members are requested to bring their copy of the Annual Report and this Attendance Slip at the Annual General Meeting of the Company.



SANGHVI BRANDS LIMITED

"Sanghvi House", 105/2, Shivajinagar, Pune: 411005
CIN: L74999PN2010PLC135586

FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

Name of member(s): _____

Registered address: _____

Email ID: _____

Folio Number/ DP ID- Client ID: _____

I / We, being the Member(s) holding _____ shares of Sanghvi Brands Limited, hereby appoint:

1. Name: _____

Address: _____

Email ID: _____

Signature: _____, or failing him / her

2. Name: _____

Address: _____

Email ID: _____

Signature: _____, or failing him / her as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 9th Annual General Meeting of Sanghvi Brands Limited to be held on 27th September 2019 at 2:00 p.m. at Bliss Banquet, Tarawade Clarks Inn, Ground Floor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005 and at any adjournment(s) thereof, in respect of such resolutions as are indicated below:

ORDINARY BUSINESS	For	Against
1. Consider and Adopt Audited Financial Statements, the Reports of the Board of Directors and the Auditors for the financial year ended on 31st March 2019		
2. Appointment of a director in place of Ms. Disha Sanghvi, who is liable to retire by rotation and being eligible, offers himself for re-appointment.		

Signed this.....day of, 2019

Signature of Shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Registered Office Address .: Sanghvi House, 105/2, Shivaji Nagar, Pune - 411 005

CIN: L74999PN2010PLC135586

www.sanghvibrands.com