# Sanghvi Brands Limited

# Annual Report 2023 -2024

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kruti Shah

## CHIEF EXECUTIVE OFFICER

Dr. Vijay Aggarwal

## CHIEF FINANCIAL OFFICER

Mr. Laxmi Rathi

## BOARD COMMITTEES

## AUDIT COMMITTEE

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

## NOMINATION AND REMUNERATION COMMITTEE

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

## STAKEHOLDERS RELATIONSHIP COMMITTEE

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

## CORPORATE IDENTIFICATION NUMBER

L74999PN2010PLC135586

## LISTED ON

BSE Limited – SME Platform

## STATUTORY AUDITORS

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

## SECRETARIAL AUDITOR

M/s. NKM & Associates Company Secretaries

## REGISTRAR & SHARE TRANSFER AGENT

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

## PRINCIPAL BANKERS

Axis Bank Limited

# NOTICE

NOTICE is hereby given that the **14th Annual General Meeting** of the Membersof **Sanghvi Brands Limited** will be held on Monday, 30th September 2024 at 2.00 p.m. through Video Conferencing ("VC") and Other Audio-Visual Means ("OAVM") to transact the following business: -

**ORDINARY BUSINESS**

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

To receive, consider and adopt:

(a) the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2024, includingaudited Balance Sheet as on March 31, 2024, the statement of Profit & Loss and the Cash flow for the year ended as on that date together with report of Director's and Auditor's thereon; and

(b) the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2024, including Consolidated audited Balance Sheet as on March 31, 2024, the Statement of Profit & Loss and the Cash flowfor the year ended as on that date together with report of Auditor's thereon.

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

To consider and if thought fit appoint Mr. Darpan Sanghvi (DIN: 02912102) Director of the Company, who retires by rotation to enable compliance with the provision of Section 152 of the Companies Act 2013 and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** pursuant to provision of Section 152(6) of the Companies Act, 2013, and the rules made there under,Mr. Darpan Sanghvi (DIN: 02912102) who retires by rotation and being eligible for reappointment, be and is hereby reappointed as the Director of the Company."

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

*Sd/-*

**Kruti Shah**
**Company Secretary**
**7th September 2024**
**`Place: Mumbai**

## NOTES:

1. In view of the prevailing COVID-19 pandemic, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, and Circular No. 02/2021 dated January 13, 2021 ("MCA Circulars") and all other relevant circulars issued from time to time, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM.

2. Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020 ("SEBI Circular"), permitted holding of Annual General Meetings through VC/OAVM. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circular, the 14th Annual General Meeting (AGM) of the Members will be held through VC/ OAVM. Accordingly, the members can attend and participate in the AGM through VC/OAVM only. The venue of the Meeting shall be deemed to be the registered office of the Company.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), a member who is entitled to attend and vote at the AGM is also entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this General Meeting is held through VC/OAVM the physical attendance of members is dispensed with. Accordingly, thefacility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, authorized representative of the Corporate Member(s) may be appointed for the purpose of participation in the 14th AGM through VC / OAVM and alsofor remote e-Voting during the 14th Annual General Meeting.

5. No Route map has been sent along with this Notice of the Meeting as the meeting is held through VC/OAVM.

6. Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.

7. In line with the MCA Circulars and the SEBI Circular, the Notice calling the AGM and the Annual Report for the F.Y 2022-23 has been uploaded on the website of the Company at www.sanghvibrands.com. The Notice and the Annual Report for the F.Y 2022-23 can also be accessed from the websites of the Stock Exchange i.e. BSE SME Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL/NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business, if any to be transacted at the meeting is annexed hereto.

9. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as required to be disclosed as per the Companies Act, 2013, Regulation 36(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) are provided as a part of this Notice.

10. All documents referred to in the accompanying Notice and the Explanatory Statement have been uploaded on the website of the Company at www.sanghvibrands.com shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of 14th Annual General Meeting. Members seeking to inspect such documents can send an email to compliance@sanghvibrands.com.

11. The entire Shareholding of the Company is in dematerialized Form.

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

13. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting.

    The Annual Reports together with the Notice of this meeting have been sent through registered email id to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants as on Friday, 30th August 2024.

14. Pursuant to Section 101 and 136 of the Act read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. As per provisions of Section 20 of the Act read with Rules thereunder, a document may be served on any member by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his / her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. In cases, where any member has not registered his / her e-mail address with the Company, the service of documents, etc. will be effected by other modes of service as provided in Section 20 of the Act read with the relevant Rules thereunder. Those members, who desire to receive notice / financial statement / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his / her Depository Participant / the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited, as the case may of; Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant.

15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Bigshare Services Private Limited (Bigshare) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Bigshare. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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

i. The voting period begins on **27th September 2024 at 10.00 a.m. and ends on 29th September 2024 at 6.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd September 2024** may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

**1.** Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. |

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

***Important note:*** *Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*

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

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

2. **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**
   - You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
   - Click on **"LOGIN"** button under the **'INVESTOR LOGIN'** section to Login on E-Voting Platform.
   - Please enter you **'USER ID'** (User id description is given below) and **'PASSWORD'** which is shared separately on you register email id.
     - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID as user id**.
     - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.**
     - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

     *Note: If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*

   - Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

***NOTE:*** *If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.*

   - If you have forgotten the password: Click on **'LOGIN'** under **'INVESTOR LOGIN'** tab and then Click on **'Forgot your password?**
   - Enter **"User ID"** and **"Registered email ID"** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **'Reset'**.

*(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).*

**Voting method for shareholders on i-Vote E-voting portal:**

   - After successful login, **Bigshare E-voting** system page will appear.
   - Click on **"VIEW EVENT DETAILS** (CURRENT)" under **'EVENTS'** option on investor portal.
   - Select event for which you desire to vote under the dropdown option.
   - Click on **"VOTE NOW**" option which appears on the right-hand side top corner of the page.
   - Cast your vote by selecting an appropriate option **"IN FAVOUR", "NOT IN FAVOUR" or "ABSTAIN"** and click on **"SUBMIT VOTE".** A confirmation box will be displayed. Click **"OK"** to confirm, else **"CANCEL"** to modify. Once you confirm, you will not be allowed to modify your vote.
   - Once you confirm the vote you will receive a confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once a vote on a resolution is cast, it cannot be changed subsequently.
   - Shareholders can **"CHANGE PASSWORD"** or **"VIEW/UPDATE PROFILE"** under **"PROFILE"** option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on **"REGISTER"** under **"CUSTODIAN LOGIN",** to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all the required details and submit.
- After Successful registration, a message will be displayed with **"User id and password will be sent via email on your registered email id".**
  *NOTE: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login*.
- If you have forgotten the password: Click on **'LOGIN'** under **'CUSTODIAN LOGIN'** tab and further Click on **'Forgot your password?**
- Enter **"User ID"** and **"Registered email ID"** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **'RESET**.
  *(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).*

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under **"DOCUMENTS"** option on custodian portal.
  - Click on "**DOCUMENT TYPE"** dropdown option and select document type power of attorney (POA).
  - Click on upload document **"CHOOSE FILE"** and upload power of attorney (POA) or board resolution for respective investor and click on **"UPLOAD".**
    *Note: The power of attorney (POA) or board resolution has to be named as the "InvestorID.pdf" (Mention Demat account number as Investor ID.)*
  - Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select **"VOTE FILE UPLOAD"** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **"UPLOAD".** Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **"CHANGE PASSWORD"** or **"VIEW/UPDATE PROFILE"** under **"PROFILE"** option on custodian portal.

Helpdesk for queries regarding e-voting:

| Login type | Helpdesk details |
|---|---|
| Shareholder 's other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22. |

4. <u>Procedure for joining the AGM through VC/ OAVM:</u>

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at https://ivote.bigshareonline.com under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting** system page will appear.
- Click on **"VIEW EVENT DETAILS (CURRENT)"** under '**EVENTS'** option on investor portal.
- Select event for which you are desire to attend the AGM under the dropdown option.
- For joining virtual meeting, you need to click on **"VC/OAVM"** link placed beside of **"VIDEO CONFERENCE LINK"** option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

1. The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@sanghvibrands.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@sanghvibrands.com. These queries will be replied to by the company suitably by email.

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

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

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

**Helpdesk for queries regarding virtual meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

i. Note for Non – Individual Shareholders and Custodians

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

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

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

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

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

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

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

*Sd/-*

**Kruti Shah**
**Company Secretary**
**Date: 7th September 2024**
**Place: Mumbai**

## ANNEXURE TO NOTICE

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

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

| | |
|---|---|
| **Name of Director** | Mr. Darpan Sanghvi<br>DIN: 02912102<br>(Re-appointed who is liable to retire by rotation) |
| **Date of Birth** | 7th September, 1979 |
| **Date of appointment** | Appointment as Director on 16th October 2010 |
| **Qualification** | He is qualified mechanical engineer from University of Pune and done his MBA from ESADE Business School |
| **Nature of Expertise** | He has vast experience in wellness industry |
| **Directorships held in other PublicCompanies/Foreign Companies** | NIL |
| **Directorships held in other Private LimitedCompanies** | 1. Sanghvi Beauty & Salon Private Limited<br>2. Sanghvi Fitness Private Limited<br>3. Sanghvi Beauty & Technologies Private Limited<br>4. Sanghvi Lifestyle Products Private Limited<br>5. Luxeva India Private Limited<br>6. Syscom Organic World Private Limited<br>7. Sirona Hygiene Private Limited<br>8. Amishi Consumer Technologies Private Limited<br>9. Scoopwhoop Media Private Limited<br>10. Boven Technologies Private Limited<br>11. Vidooly Media Tech Private Limited<br>12. Aves Shopping Network Private Limited<br>13. Drakk Consumers Products Private Limited |
| **No. of Shares held** | 5,499,945 Equity shares |

# DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 14th Director's Report of the Company, the affairs of the Company togetherwith the Audited Financial Statements for the year ended on 31st March 2024.

## FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The financial results for the year ended on 31st March 2024 and the corresponding figures for the previous year are as below;

| | | | | In Rs. In Thousand |
|---|---|---|---|---|
| | Standalone | | Consolidated | |
| Particulars | Year ended 31st March 2024 | Year ended 31st March 2023 | Year ended 31st March 2024 | Year ended 31st March 2023 |
| Net Revenue from Operations | 56,568.09 | 53,791.07 | 91,270.37 | 83,246.85 |
| Other Income | 3,013.53 | 2,032.51 | 8455.43 | 6,050.68 |
| Total Income | 59,581.62 | 55,823.57 | 99,725.80 | 89,297.53 |
| Total Expenditure | 60,168.44 | 65,516.20 | 93,710.28 | 85,955.46 |
| Profit before tax (PBT) | (586.82) | (9,692.62) | 6015.52 | 3,342.06 |
| Exceptional Items | - | 112.55 | - | - |
| Deferred Tax (Credit) | - | - | - | - |
| Current Tax | - | - | 982.65 | 1,973.08 |
| Taxes for Earlier Year | - | 3,453.53 | - | 3,584.30 |
| Proportionate Profit (Loss) of Associate Company | - | - | - | - |
| Profit after Taxes (PAT) | (586.82) | (13,258.70) | 5032.87 | (2,215.32) |

## 1. HIGHLIGHTS

During the year under review, your Company has achieved a consolidated turnover of Rs. 91,270.37 (in thousands) which is higher than compared with the previous financial year. The PAT of the Company has turned positive as compared with the previous financial year. Further, the Company has earned a net profit of Rs. 5032.87 (in thousands) in the financial year 2023-2024.

## 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. -12,070.16/- (in thousands) in comparison with the previous year's balance of Rs.-11,483.34/- (in thousands).

## 4. SHARE CAPITAL

The Total Paid-up Capital of the Company as on 31st March 2024 is Rs. 10,41,58,800 divided into 1,04,15,880 equityshares 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 beenconstituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

ii. Appointment and resignation of whole-time Key Managerial Personnel (KMP)
During the year under review there is no change in whole-time Key Managerial Personnel.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024, are:

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

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

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

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

## 7. BOARD COMMITTEES FORMED DURING THE YEAR

The Board of Directors has the following Committees:

a) Audit Committee

b) Nomination and Remuneration Committee

c) Stakeholder Relationships Committee

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

## 8. NO. OF MEETINGS HELD

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

## 9. BOARD EVALUATION

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

## 10. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

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

## 11. REPORT ON CORPORATE GOVERNANCE

Your Company has practiced sound Corporate Governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders’ expectations while continuing to comply with the mandatory provisions and strive to comply nonmandatory requirements of Corporate Governance. Your Company has given its deliberations to provide all the information in Report on Corporate Governance as per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms the part of this Annual Report as “Annexure II” as a matter of prudence and good governance.

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

## 12. RELATED PARTY TRANSACTIONS

All related party transactions have been entered into by the Company during the financial year in the ordinary course of business and at an 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 withthe provisions of the Act, have been given in "Annexure III" in Form No. AOC-2.”

## 13. STATUTORY AUDITOR

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

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

## 14. AUDITORS' REPORT

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

The Report given by M/s. B.K. Khare & Co., Chartered Accountants on the financial Statements of the Company for thefinancial year 2023-2024 forms part of this Annual Report.

## 15. INTERNAL AUDITOR

The Board had appointed Komandoor & Co. LLP, Chartered Accountants, as the Internal Auditors of the Company to carry out the Internal Audit for the year 2023-2024 under the provisions of section 138 of the Companies Act, 2013.

The Company has received a consent letter from Komandoor & Co. LLP, Chartered Accountants, for their re-appointment as the Internal Auditors of the Company for the financial year 2024-2025 and the Board has re-appointed them accordingly.

## 16. SECRETARIAL AUDIT REPORT

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

## 17. COST RECORDS AND AUDIT

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

## 18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

the Internal Auditor of the Company for inefficiency and inadequacy of such controls.

## 19. EXTRACT OF ANNUAL RETURN

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

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

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

## 21. COMPLIANCE WITH SECRETARIAL STANDARDS

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

## 22. CORPORATE SOCIAL RESPONSIBILITY

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

## 23. VIGIL MECHANISM

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

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

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

A) Conservation of Energy

1. The steps taken or impact on conservation of energy; The Company applied strict control system to monitor day today 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 in energy conservation equipment.

B) Technology Absorption: -

The Company has no activities relating to technology absorption.

C) Foreign Exchange Earnings and Outgo;

| Particulars | 2023-2024 (Rs. In Thousand) | 2022-2023 (Rs. In Thousand) |
|---|---|---|
| Foreign Exchange Earnings in terms of actual inflows | - | - |
| Foreign Exchange outgo in terms of actual outflow | 3,159.92 | 3,486.64 |

## 25. REVIEW OF SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

## 26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPARTING THEGOING CONCERN STATUS ANDCOMPANY' OPERATION IN FUTURE

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

## 27. DEPOSITS

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

## 28. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS

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

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

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed their under, the Company has formed an Internal Complaints Committee and framed and adopted the policy for Prevention of Sexual Harassment at Workplace. The following is the summary of Sexual Harassment complaints received and disposed of during the year 2023-2024.

No. of Complaints received: NIL

No. of Complaints Disposed off: NIL

## 30. STATEMENT OF UTILIZATION OF PUBLIC ISSUE PROCEEDS PURSUANT TO REGULATION 32 OF SEBI (LISTINGOBLIGATION 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 review by the Audit Committee the statement is as under;

**Amount (Rs. in Lakhs)**

| Particulars | Amount Funded from the Proceeds | Actual Utilization up to Financial Year ended 31st March 2024 | Pending for utilization |
|---|---|---|---|
| **Business Expansion** | 771.70 | | 183.33 |
| a. Expanding outlets/ distribution of current brand portfolio in India and overseas | | 207.52 | |
| a. Acquisitions and development of new brands | | 380.85 | |
| Marketing and sales promotion of the brands in our portfolio | 500.00 | 500.00 | 0.00 |
| Strategic Investments for business growth | 100.00 | 71.42 | 28.58 |
| General Corporate Purpose | 284.42 | 284.42 | 0.00 |
| Issue Expenses | 240.00 | 225.55 | 14.45 |
| **Total** | **1896.12** | **1669.76** | **226.36** |

## 31. HUMAN RESOURCES

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

## 32. PARTICULARS OF EMPLOYEES

The Company has no employee Companies, who are 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 ofthe Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## 33. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along withproper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimatesthat are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at theend of the financial year and of the profit and loss of the Company for that period;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordancewith the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis;

(e) They have laid down internal financial controls to be followed by the Company and that such internal financialcontrols are adequate and were operating effectively and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 34. LISTING WITH STOCK EXCHANGES

Sanghvi Brands Limited listed its shares on the SME Platform of BSE Limited on November 22, 2017.The listing fees duly paid to the exchange and annual custodial fees have been paid to CDSL and NSDL for the F.Y. 2023-24.

## 35. ACKNOWLEDGEMENT

Your directors take this opportunity to thank all Government Authorities, Bankers, Shareholders, Registrar & Transfer Agents, Investors and other Stakeholders for their assistance and co-operation with the Company. Your directors expresstheir 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

| | |
|---|---|
| Sd/- | Sd/- |
| Darpan Sanghvi | Narendra Sanghvi |
| Director | Director |
| DIN: 02912102 | DIN: 02912085 |

Date: 7TH September 2024
Place: Mumbai

ANNEXURE I

# MANAGEMENT DISCUSSION AND ANALYSIS

Against the backdrop of the external environment of 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 2024.

## GLOBAL ECONOMY

The global economy witnessed a recovery in 2023 following years of a pandemic-inflicted environment. The latest World Economic Outlook reports signs that policy tightening is starting to cool activity despite core inflation proving persistent. Risks are more balanced as banking sector stress has receded, but they remain tilted to the downside. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

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

## INDIAN ECONOMY: THE YEAR IN REVIEW

India is now the fastest growing, major economy in the world. India has retained its title of the world's fastest growing major economy as it expanded 8.4% in the last three months of 2023, from a year earlier. India has also become an increasingly attractive location for multinationals across a wide range of industries, with foreign direct investment inflows (FDI). The International Monetary Fund (IMF) expects India's economy to expand by 6.5% in 2024, compared with 4.6% for China.

Within services, 'trade, hotels, transport, communication and broadcasting related services constituting about a third of overall services. India's economic recovery where certain sectors like information technology, e-Commerce and financial services registered healthy recoveries while other sectors such as retail trade and consumer discretionary were highly impacted. Travel and hospitality remained beneficiaries of such a recovery.

## SALON AND SPA INDUSTRY

The beauty and personal care industry is a rapidly growing sector in India, and the salon industry is no exception. Over the past few years, the Indian spa and salon industry has seen significant growth, driven by several factors, including the growing middle class, increasing consumer awareness of the importance of personal grooming, and the rise of e-commerce and social media.

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

## BUSINESS OVERVIEW

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

The year also saw strong performance of by the domestic location after pandemic. Your Company continues to

improve its on-shelf quality of services to enhance consumer experience. Our belief remains firmly embedded in 'Delighting consumers Everyday'.

The Company frequent measures to protect the health of its employees and guests by implementing renewed health and hygiene standards. New and detailed standard operating procedures were formulated as a comprehensive guide covering all areas of operations and service design, factoring in social distancing, digital-first approach and heightened precautionary processes for guests and employees.

The Company has reopened all of its location after establishing thorough and well-rehearsed safety protocols. Due to the unprecedented drop in revenues consequent to COVID-19 the Company decided to shut down its operations internationally. However, it expects demand for its services to pick up at a slow pace. Business recovery is likely to be driven by domestic and international leisure tourism, staycations, international business travel. The trust that the Company's brands enjoy and its emphasis on the health and safety of guests and employees will help it gain market share as and when the economy revives.

## HUMAN RESOURCES

An important challenge for the wellness industry is the need for professionally qualified personnel. Sustainable, profitable growth can only be achieved in an organization which focuses on performance culture and where employees are engaged and empowered to be the best they can be. While quality of talent has been your Company's strength, there has been an impetus on building future ready leadership that is equipped and empowered to thrive in this dynamic environment.

## RISKS AND CONCERNS

The Company has identified certain risks that are regard as the most relevant to our business. These are the risks that see most material to business and performance at this time. There may be other risks that could emerge in the future. However, the management is doing to ensure business continuity and working tirelessly to mitigate the risks. The management is monitoring the evolving situation carefully to understand the potential impact on the people and business.

*Cautionary statement*

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

ANNEXURE II

# 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 withoutcompromising 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 the relationship between itselfand 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 scare resources, promoting safetyand health of its employees and of the neighboring community etc.

## 2. BOARD COMPOSITION AND CATEGORY OF DIRECTORS

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

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

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

Mr. Narendra Sanghvi is the father of Mr. Darpan Sanghvi and Ms. 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 2023-2024 | | No. of Directorships as on 31st March 2024 (inclusive of the position held in Sanghvi Brands Limited) |
|---|---|---|---|---|
| | | Board | Last AGM | |
| Darpan Sanghvi | Executive Director | 1 | Yes | 14 |

| | | | | |
|---|---|---|---|---|
| Narendra Sanghvi | Non-Executive Director | 4 | Yes | 16 |
| Disha Sanghvi | Non-Executive Director | 4 | Yes | 16 |
| Carlton Pereira | Non-Executive Director | 4 | No | 10 |
| Sunil Lulla | Independent Director | 3 | No | 5 |
| Gaurav Agarwal | Independent Director | 3 | No | 9 |

## 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 | 26th May 2023 | 6 | 5 |
| 2 | 8th September 2023 | 6 | 5 |
| 3 | 7th November 2023 | 6 | 5 |
| 4 | 4th March 2024 | 6 | 4 |

**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 | 26th May 2023 | 3 | 3 |
| 2 | 8th September 2023 | 3 | 3 |
| 3 | 7th November 2023 | 3 | 3 |
| 4 | 4th March 2024 | 3 | 2 |

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

| Sr. No. | Date of Board meeting | Board Strength | No. of Director Present |
|---|---|---|---|
| 1 | 26th May 2023 | 3 | 3 |
| 2 | 8th September 2023 | 3 | 3 |
| 3 | 7th November 2023 | 3 | 3 |
| 4 | 4th March 2024 | 3 | 2 |

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

| Sr. No. | Date of Board meeting | Board Strength | No. of Director Present |
|---|---|---|---|
| 1 | 26th May 2023 | 3 | 3 |
| 2 | 8th September 2023 | 3 | 3 |
| 3 | 7th November 2023 | 3 | 3 |
| 4 | 4th March 2024 | 3 | 2 |

## 4. APPOINTMENT OF DIRECTORS

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

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

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

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

a. Managing Director: The Managing Director shall be appointed on the basis of their qualification, expertise and experience in the Business of Sanghvi Brands Limited. The term of the appointment or re-appointment of Managing Director shall be for the period of five years. Sanghvi Brands Limited shall not appoint or continue the employment ofany 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 qualifications, 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 shallbe 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 bepaid 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 the 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 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 the performance of every Director, KMP and Senior Management Personnel at a regular period of one year.

**10. ANNUAL GENERAL MEETINGS**

| Year | Location | Date | Time |
|---|---|---|---|
| 2022-23 | Annual General Meeting Conducted through Video Conferencing | 30.09.2023 | 12.00 noon |
| 2021-22 | Annual General Meeting Conducted through Video Conferencing | 30.09.2022 | 03.30 p.m. |
| 2020-21 | Annual General Meeting Conducted through Video Conferencing | 30.09.2021 | 03.30 p.m. |
| 2019-20 | Annual General Meeting Conducted through Video Conferencing | 28.09.2020 | 02.30 p.m. |
| 2018-19 | Bliss Banquet, Tarawade Clarks Inn, Ground Floor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005 | 27.09.2019 | 02.00 p.m. |
| 2017-18 | Red Wall Banquet, Tarawade Clarks Inn, First Floor, 1205/2/5, Shirole Road, Off J.M. Road, Pune: 411005 | 24.09.2018 | 02.00 p.m. |
| 2016-17 | "Sanghvi House", 105/2, Shivajinagar, Pune: 411005 | 14.09.2017 | 10.30 a.m. |

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

## 11. MEETINGS OTHER THAN ANNUAL GENERAL MEETING

During the year under review there are no other general meetings of the members of the Company except the 14th 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 an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conductof business and compliance with the 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 andcan be accessed at www.sanghvibrands.com.

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

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

For and on behalf of the Board
Sanghvi Brands Limited

Sd/-

Darpan Sanghvi
Director
DIN: 02912102

Sd/-

Narendra Sanghvi
Director
DIN: 02912085

Date: 7TH September 2024
Place: Mumbai

ANNEXURE II

## 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 thevalue, if any | Date(s) of approval by theBoard, if any; |
|---|---|---|---|---|---|
| **Mr. Narendra Sanghvi** | Director of the Company | Rent paid | - | In normal course of Business | - |
| **Ms. Disha Sanghvi** | Director of the Company | Rent paid | - | In normal course of Business | - |
| **Sanghvi Lifestyle Products Private Limited** | Significant Influence | Sale of Goods | Event Based | In normal course of Business | - |

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

**Sd/-**

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

**Sd/-**

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

**Date: 7th September 2024**
**Place: Mumbai**

ANNEXURE IV

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2024

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

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

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 with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management.

I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2024, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

I. The Companies Act, 2013 (**the Act**) and the Rules made there-under;

II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there-under;

III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')** to the extent applicable to the Company;

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

VI. There were no laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by the Management, since as the during the audit period, Company was engaged in salon and spa activities;

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and General Meetings;

(b) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

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

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

During the audit period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above except the following:

The Company has not filed Annual Returns forms i.e., AOC-4 XBRL, MGT-7, MGT-14 for the F.Y. 21-22, 22-23 and 23-24. Also the company has defaulted in filing various ROC forms for the F.Y. 23-24.

During the audit period under review, provisions of the following regulations were not applicable to the Company.

a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
c. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018); and
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

I further report that:

- The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of the Board of Directors of the Company and Committee thereof were carried out with requisite majority.
- The Company maintained the data base as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, in excel format during the part of the year.
- Delayed in filing of Statement of Investor Complaints under regulation 13(3) in XBRL Mode for the Quarter ended December 31, 2023
- Delayed in submission of Reconciliation of Share Capital Audit Report for the quarter/period ended 31-12-2023 and 31-03-2024.
- Non-submission of the Annual Certificate under Regulation 40(10) for the year ended 31-03-2024.
- Non submission of Statement on Impact of Audit Qualifications or Declaration of unmodified audit report in XBRL for the year ended March 31, 2024
- Delayed in submission of Compliance Certificate under regulation 7(3) For The Year Ended 31St March 2024
- The Company has not filed Non-Applicability of Corporate Governance Certificate under Regulation 27 during F.Y. 23-24
- Delay of 1 day in filing of Shareholding Pattern for half year ended on March 31, 2024
- Non-submission of Initial Corporate Disclosure under SEBI Circular SEBI/HO /DDHS/CIR/P/2018/144 dated 26th November 2018
- The Company has not disclosed on BSE Website the certificates under regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018
- The Company has uploaded Scrutinizer report on BSE Website beyond 48 hours.
- Pursuant to Regulation 46, the Company is required to disseminate information under a separate section on its website. The Company has maintained the website, however, the Company has not updated the

information as required.

I further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For NKM & Associates**
**Company Secretary**
**[Firm Registration No. I2018MH1812700]**

**Sd/-**

**Nikita Kedia**
**Proprietor**
**Membership No.: A54970**
**COP No.: 20414**
**PR No. 2470/2022**

**Place: Mumbai**
**Date: September 07, 2024**
**UDIN: A054970F001169446**

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

Annexure – "A"

To,
The Members
SANGHVI BRANDS LIMITED
[CIN: L74999PN2010PLC135586]
"Sanghvi House", 105/2, Shivajinagar, Pune-411005

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

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

For NKM & Associates
Company Secretary
[Firm Registration No. I2018MH1812700]

Sd/-

Nikita Kedia
Proprietor
Membership No.: A54970
COP No.: 20414
PR No. 2470/2022

Place: Mumbai
Date: September 07, 2024

UDIN: A054970F001169446

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 |
| | Reporting Currency | INR | INR | LKR |
| 1 | Equity Share Capital | 1,00.00 | 1,00.00 | 4 |
| 2 | Reserves & surplus | (-41,483.46) | -5,942.56 | (2,720.90) |
| 3 | Total Assets | 19,105.81 | 3,365.29 | 726.30 |
| 4 | Total Liabilities | 19,105.81 | 3,365.29 | 726.30 |
| 5 | Investments | - | - | - |
| 6 | Turnover | 37,313.34 | 2,830.84 | - |
| 7 | Profit/ Loss before Taxation | 4,336.34 | 1,852.32 | (0.06) |
| 8 | Provision for taxation | 4,336.34 | 1,563.36 | - |
| 9 | Net Profit/ Loss after Taxation | 3,642.65 | 1,563.36 | (0.06) |
| 10 | Proposed Dividend | - | - | - |
| 11 | % of shareholding | 100% | 97.50% | 100% |

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

(a) I have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of ourknowledge 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 the belief, no transactions entered into by the Company during the yearwhich are fraudulent, illegal or violative of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

i. There has not been any significant change in internal control over financial reporting during the year under reference

ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

iii. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

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

**Sd/-**

**Laxmi Rathi**
**Chief Financial Officer**
**Date: 7th September 2024**
**Place: Mumbai**

# INDEPENDENT AUDITOR'S REPORT

To the Members of
**SANGHVI BRANDS LIMITED**

## Report on the Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Sanghvi Brands Limited ("the Company"), which comprise the Balance Sheet as of March 31, 2024, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act read with Companies Rules 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss and cash flows for the year ended on that date.

### Basis for Opinion

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

### Material uncertainty relating to Going concern

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

### Emphasis of Matter

5. We draw attention to following matters in notes to the financial statement

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

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

## Key Audit Matters

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

| Key audit matter | Response to Key audit matter |
|---|---|
| 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.<br><br>The Company has 100% investment Sanghvi Beauty and Salons Pvt Lt and 97.5% in Sanghvi Fitness. These entities are engaged in the business of providing beauty, fitness and spa treatment.<br><br>At 31st March 24, the net worth of above-mentioned subsidiaries has completely eroded.<br><br>The existence of the above impairment indicator required management to estimate the recoverable amount of the Company's investment in subsidiary along with loans and advances provided to subsidiaries. | Our audit approach was a combination of test of controls and substantive procedures which included the following:<br>i. Tested the management oversight and controls over valuation of investments.<br><br>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.<br><br>iii. Based on our audit procedures, we noted no reportable matters regarding investments and its valuation except for Sanghvi Fitness and Sanghvi Beauty and Salons. For those entities company will require to take impairment provision in the books. |

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

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

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

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

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

## Responsibility of Management for Financial Statements

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

12. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial

control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

19. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on other Legal and Regulatory Requirements

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

21. As required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act
e) On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause

(a) and (b) contain any material misstatement.

v. The Company has not declared and paid any dividend during the year.

vi. Based on our examination which included test checks, Company has used an accounting software for maintenance of books of accounts which has feature of recording of audit trail (edit log) facility. However, the same was not enabled throughout the financial year 23-24.

**For B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

s/d

**Amit Mahadik**
**Partner**
**Membership No.: 125657**
**UDIN: 24125657BKESNM7788**
**Pune, 27th May 2024**

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

**Referred to in paragraph 20 of our report of even date on the accounts of Members of Sanghvi Brands Limited for the year ended March 31, 2024**

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

b) According to the information and explanation given to us, property, plant and equipment and investment properties were not physically verified during the year by the management. The Company does not have a programme for verification of its property, plant and equipment and investment properties.

c) According to the information and explanation given to us, no immovable property is held by the Company in its own name.

d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. a) According to the information and explanations given to us, the inventory comprising of consumables and other spa-related material has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records

b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits. Accordingly, reporting under clause 3(ii)(b) is not applicable to the company.

3) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited liability partnerships or any other parties during the year. Accordingly, the reporting under clauses 3(iii)(a) to 3(iii)(f) of the order is not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

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 on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and

other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few cases.

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

iii)According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no undisputed dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, that were outstanding at the year-end for a period of more than six months from the date they become payable.

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

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

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

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

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

e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

10 a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11 a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures or Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the company.

14) a) In our opinion and according to the information and explanations given to us and based on our examination, the Company does not have internal audit system commensurate with the size and nature of its business.

b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

15) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16 a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

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

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

17) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs.1,36,128/- during the current financial year and Rs. 1,26,27,347/- in the immediately preceding financial year.

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

19) As more fully explained in Note 31 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

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

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

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

**For B. K. Khare and Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Sd/-

**Amit Mahadik**
Partner
Membership No.: 125657
UDIN: 24125657BKESNM7788
Pune, May 27, 2024

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

### Qualified Opinion

We have audited the internal financial controls with reference to financial statements of Sanghvi Brands Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

According to the information and explanations given to us and based on our audit procedure, the following material weakness has been identified in Company's internal financial controls as at March 31, 2024.

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

In our opinion, except for the effects of material weakness described above , the Company has maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India("the ICAI")

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

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

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

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**For B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Sd/-

**Amit Mahadik**
Partner
Membership No. 125657
UDIN: 24125657BKESNM7788
Pune, May 27,2024

# BALANCE SHEET AS AT MARCH 31, 2024

In Rs. In Thousand

| Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| | | Amount | Amount |
| I. **EQUITY AND LIABILITIES** | | | |
| 1 **Shareholders' funds** | | | |
| (a) Share capital | 1 | 1,04,158.80 | 1,04,158.80 |
| (b) Reserves and surplus | 2 | -12,070.16 | -11,483.34 |
| 2 **Non-current liabilities** | | | |
| (a) Long-term provisions | 3 | 1,519.25 | 1,717.79 |
| 3 **Current liabilities** | | | |
| (a) Trade Payable | | | |
| - Micro Enterprises & Small Enterprises | | 97.41 | - |
| - Other than Micro Enterprises & Small Enterprises | 4 | 6,717.10 | 9,156.48 |
| (b) Other current liabilities | 5 | 7,733.30 | 7,120.06 |
| (c) Short-term provisions | 6 | 1,030.75 | 1,032.33 |
| **TOTAL** | | **1,09,186.45** | **1,11,702.12** |
| II. **ASSETS** | | | |
| **Non-current assets** | | | |
| 1 (a) Property, Plant and Equipment and Intangible Assets | 7 | | |
| (i) Tangible assets | | 840.41 | 1,260.74 |
| (ii) Intangible assets | | 39.18 | 69.54 |
| (b) Non-current investments | 8 | 267.50 | 1,667.50 |
| (c) Long-term loans and advances | 9 | 4,819.09 | 4,058.43 |
| (d) Other Non-Current Assets | 10 | 805.57 | 2,052.21 |
| 2 **Current assets** | | | |
| (a) Inventories | 11 | 4,128.74 | 5,533.44 |
| (b) Trade receivables | 12 | 5,854.24 | 4,718.50 |
| (c) Cash and cash equivalents | 13 | 29,745.93 | 26,973.56 |
| (d) Short-term loans and advances | 14 | 62,528.42 | 65,222.28 |
| (e) Other current assets | 15 | 157.37 | 145.92 |
| **TOTAL** | | **1,09,186.45** | **1,11,702.12** |
| See accompanying Notes to The Financial Statements | 22 -37 | | |

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

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

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

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|---|
| Amit Mahadik | Dr. Vijay Aggarwal | Laxmi Rathi | Kruti H. Shah | Darpan N Sanghvi | Narendra R Sanghvi |
| Partner | CEO | CFO | Company Secretary | Director | Director |
| M.No. 125657 | Place: Mumbai | Place: Mumbai | Place: Mumbai | DIN: 02912102 | DIN: 02912085 |
| Place: Pune | Date: 27/05/2024 | Date: 27/05/2024 | Date: 27/05/2024 | Place: Mumbai | Place: Mumbai |
| Date: 27/05/2024 | | | | Date: 27/05/2024 | Date: 27/05/2024 |

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs in Thousand

| | Particulars | Refer Note No | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| 1 | Revenue from operations | 16 | 56,568.09 | 53,791.07 |
| 2 | Other income | 17 | 3,013.53 | 2,032.51 |
| **3** | **Total Income (1+2)** | | **59,581.62** | **55,823.58** |
| 4 | Expenses: | | | |
| | Cost of materials consumed | 18 | 6,458.87 | 2,476.15 |
| | Employee benefits expense | 19 | 27,934.53 | 32,384.64 |
| | Finance costs | 20 | 334.00 | 404.32 |
| | Depreciation and amortization expense | 7 | 631.27 | 809.29 |
| | Other expenses | 21 | 24,990.35 | 29,619.82 |
| | **Total expenses** | | **60,168.44** | **65,516.20** |
| **5** | **Profit / (Loss) before Exceptional & Extra Ordinary Items & Tax** | | (586.82) | (9,692.62) |
| 6 | Exceptional Items | | - | 112.55 |
| **7** | **Profit / (Loss) before Tax (3-5)** | | (586.82) | (9,805.17) |
| **8** | **Tax expense:** | | | |
| | (1) Current tax/Deferred Tax | | - | - |
| | (2) Taxes for Earlier Year | | - | 3,453.53 |
| **9** | **Profit (Loss) for the period** | | **(586.82)** | **(13,258.71)** |
| 10 | Earnings per equity share: | | | |
| | (1) Basic | | (0.06) | (1.27) |
| | (2) Diluted | | (0.06) | (1.27) |
| | See accompanying Notes to The Financial Statements | 22-37 | | |
| | The accompanying notes form an integral part of The Financial Statements. | | | |

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

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

| | | | | | |
|---|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Amit Mahadik | Dr. Vijay Aggarwal | Laxmi Rathi | Kruti H. Shah | Darpan N Sanghvi | Narendra R Sanghvi |
| Partner | CEO | CFO | Company Secretary | Director | Director |
| M.No. 125657 | Place: Mumbai | Place: Mumbai | Place: Mumbai | DIN: 02912102 | DIN: 02912085 |
| Place: Pune | Date: 27/05/2024 | Date: 27/05/2024 | Date: 27/05/2024 | Place: Mumbai | Place: Mumbai |
| Date: 27/05/2024 | | | | Date: 27/05/2024 | Date: 27/05/2024 |

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Rs in Thousand

| | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| A. | **Cash flow from Operating Activities** | | |
| | **Profit/Loss before Tax** | **(586.82)** | **(9,805.17)** |
| | **Adjustments for:** | | |
| | Depreciation & Amortisation Expenses | 450.69 | 631.27 |
| | Sundry Credit Balances Appropriated | (1,460.59) | (755.79) |
| | Interest income | (1,379.27) | (1,232.88) |
| | Sundry Debit Balances W/off | 1,253.88 | - |
| | **Operating profit before working capital changes** | **(1,722.11)** | **(11,162.57)** |
| | **Adjustment for:** | | |
| | Trade and Other Receivables | (1,135.74) | 623.02 |
| | Inventories | 1,404.71 | (406.11) |
| | Loans and Advances- short term | 2,693.86 | 7,828.93 |
| | Long term loans and advances | (27.00) | - |
| | Other Current Assets | 1,235.19 | 2,139.72 |
| | Trade and Other Payables | (468.27) | (652.33) |
| | **Cash generated from operations** | 1,980.63 | **2,303.03** |
| | Less: Taxes paid net of refund | (737.54) | 82.39 |
| | **Net Cash from Operating Activities (A)** | **1,243.09** | **2,385.42** |
| B. | **Cash flow from Investing Activities** | | |
| | Decrease in Investment | 150.00 | - |
| | Interest Received | 1,379.27 | 1,232.88 |
| | Decrease in Fixed Deposits/ (Increase in Fixed Deposits) | 1,268.30 | (3,284.99) |
| | **Net Cash used in Investing Activities (B)** | **2,797.57** | **(2,052.11)** |
| C. | **Cash flow from Financing Activities** | | |
| | Change in Borrowings | - | - |
| | Interest Paid | - | - |
| | Share issue expenses | - | - |
| | Share issued | - | - |
| | Premium on shares issued | - | - |
| | **Net Cash used in Financing Activities (C)** | **-** | **-** |
| D | **Net increase/decrease in cash and cash equivalents** (A+B+C) | **4,040.66** | **333.31** |
| E | **Opening Balance of Cash and Cash Equivalents** | | |
| F | **Closing Balance of Cash and Cash Equivalents** | | |
| | **Components of cash and cash equivalents** | | |
| | cash in hand | 41.74 | 11.47 |
| | With Banks: | | |
| | on Current Accounts | 9,675.92 | 5,665.53 |

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.<br>Chartered Accountants<br>Firm Registration Number - 105102W | | For and On behalf of Board of Directors<br>Sanghvi Brands Limited | | | |
|---|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Amit Mahadik | Dr. Vijay Aggarwal | Laxmi Rathi | Kruti H. Shah | Darpan N Sanghvi | Narendra R Sanghvi |
| Partner | CEO | CFO | Company Secretary | Director | Director |
| M.No. 125657<br>Place: Pune | Place: Mumbai<br>Date: 27/05/2024 | Place: Mumbai<br>Date: 27/05/2024 | Place: Mumbai<br>Date: 27/05/2024 | DIN: 02912102<br>Place: Mumbai | DIN: 02912085<br>Place: Mumbai |
| Date: 27/05/2024 | | | | Date: 27/05/2024 | Date: 27/05/2024 |

## NOTES TO FINANCIAL STATEMENTS

In Rs. In Thousand

**Note: 1 Share capital**

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| a) Authorised | | | | |
| 1,30,00,000 Equity shares of 10 each | 13,000,000 | 1,30,000.00 | 13,000,000 | 1,30,000.00 |
| Total | 13,000,000 | 1,30,000.00 | 13,000,000 | 1,30,000.00 |
| b) Issued, Subscribed & Fully Paid up | | | | |
| 5,00,000 (5,00,000) Equity shares of 10 each | 500,000 | 5,000.00 | 500,000 | 5,000.00 |
| 151,553 (151,553) Equity shares of 10 each issued at Rs 461.89 each | 151,553 | 1,515.53 | 151,553 | 1,515.53 |
| 45,527 Equity shares of 10 each issued at Rs 615.02 each | 45,527 | 455.27 | 45,527 | 455.27 |
| 6,970,800 Equity shares of Rs.10 each Bonus shares issued | 6,970,800 | 69,708.00 | 6,970,800 | 69,708.00 |
| 2748000 Equity shares of Rs.10 each IPO for equity shares | 2,748,000 | 27,480.00 | 2,748,000 | 27,480.00 |
| Total | 10,415,880 | 1,04,158.80 | 10,415,880 | 1,04,158.80 |
| c)Reconciliation of the number of shares outstanding | | | | |
| Equity Shares | | | | |
| - at the beginning of the year | 10,415,880 | 1,04,158.80 | 10,415,880 | 1,04,158.80 |
| - allotted During the year | - | - | - | - |
| - at the end of the year | 10,415,880 | 1,04,158.80 | 10,415,880 | 1,04,158.80 |

d)Rights attached to shares

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

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

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

iv. On 18th August 2017, the Company had alloted 69,70,800 equity shares of Rs. 10/- each full-paid up “Bonus Shares” in

the proportion of ten (10) such new equity share for every one (1) existing equity share, held by such members on 14th August, 2017 as per Register of members.
v. On 17th November 2017, the Company had allotted 27,48,000 Equity Shares of face value Rs. 10/- each fully paid -up at issue price of Rs. 69/- per share including a premium of Rs. 59/- per share aggregating to Rs. 1896.12 lakhs through the initial public offer (IPO). Subsequently, the entire equity share capital consisting of 1,04,15,880 equity shares of Rs. 10/- each of the Company post-IPO listing and trading approval from BSE Limited Stock Exchange - SME platform vide their letter dated 22nd November 2017.

e) Shares held by Holding / ultimate Holding company and / or their subsidiaries / associates
The Company does not have any holding or ultimate holding company.

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| Darpan Sanghvi | 5,499,945 | 52.80% | 5,499,945 | 52.80% |
| Tano India Private Equity Fund II | 2,167,880 | 20.81% | 2,167,880 | 20.81% |
| Total | 7,667,825 | 100% | 7,667,825 | 100% |

| Shares held by promoters at the end of the year As at March 31, 2024 | | | | % Change during the year |
|---|---|---|---|---|
| Sr. No. | Name of the Promoter | No. of Shares** | % Of total shares** | |
| 1 | Darpan Sanghvi | 54,99,945 | 52.80 | NO CHANGE |
| 2 | Disha Sanghvi | 34,011 | 0.33 | |
| 3 | Kamini Sanghvi | 11 | 0.00 | |
| 4 | Jaya Sanghvi | 11 | 0.00 | |

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

**Note: 2 Reserves and surplus**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| Securities Premium Account | | |
| Balance at the beginning of the period/year | 1,60,987.46 | 1,60,987.46 |
| **Balance at the end of the year** | **1,60,987.46** | **1,60,987.46** |
| | | |
| Profit & Loss account | - | - |
| Opening balance | (1,72,470.80) | (1,59,212.10) |
| Add: Profit for the Year | (586.82) | (13,258.71) |
| **Closing balance of Profit & Loss account** | (1,73,057.62) | (1,72,470.80) |
| | | |
| **Total - Reserves and Surplus** | **(12,070.16)** | **(11,483.34)** |

**Note: 3 Long Term Provisions**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| Provision for employee benefits | | |
| Gratuity | 951.36 | 1,253.67 |
| Leave Encashment | 567.89 | 464.12 |
| **Total** | **1,519.25** | **1,717.79** |

**Note: 4 Trade Payable**

**Trade payables due for payment** **As at March 31, 2024**
**Trade Payables ageing schedule**

| Particulars | Outstanding for following periods from due date of payment# " As at March 31, 2024 | As at March 31, 2024 |
|---|---|---|

| | Less Than 1 Year | 1-2 Years | Total | More than 3 Years | Total |
|---|---|---|---|---|---|
| (i) MSME | 97.41 | - | - | - | 97.41 |
| (ii) Others | 3,848.63 | 531.97 | 824.10 | 1,512.40 | 6,717.10 |
| (iii) Disputed dues MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| | | | | | |
| **Trade payables due for payment Trade Payables ageing schedule** | | **As at March 31, 2023** | | | |
| **Particulars** | **Outstanding for following periods from due date of payment# "** | | | | **As at March 31, 2023** |
| | **Less Than 1 Year** | **1-2 Years** | **Total** | **More than 3 Years** | **Total** |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 6,812.38 | 533.77 | 939.60 | 870.73 | 9,156.48 |
| (iii) Disputed dues MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

**Note: 5 Other Current Liabilities**

| **Particulars** | **For the year ended March 31, 2024** Amount | **For the year ended March 31, 2024** Amount |
|---|---|---|
| Statutory remittances | 1,262.99 | 1,050.07 |
| Advance From Customer | - | 147.84 |
| Income received in advance | 3,952.01 | 3,388.67 |
| Employee Payables | 2,518.30 | 2,533.48 |
| **Total** | **7,733.30** | **7,120.06** |

**Note: 6 Short Term Provisions**

| **Particulars** | **For the year ended March 31, 2024** Amount | **For the year ended March 31, 2023** Amount |
|---|---|---|
| Provision for employee benefits | | |
| Gratuity (Funded) (Ref Note 26) | 868.80 | 898.73 |
| Leave Encashment | 161.95 | 133.60 |
| **Total** | **1,030.75** | **1,032.33** |

**Note: 9 Long Term Loans and Advances**

| **Particulars** | **For the year ended March 31, 2024** Amount | **For the year ended March 31, 2024** Amount |
|---|---|---|
| a. Security Deposits | | |
| Unsecured, considered good | 2,173.12 | 2,146.12 |
| | **2,173.12** | **2,146.12** |
| b. Other loans and advances | | |
| Tax Deducted at Source (net of provisions) | 2,645.97 | 1,912.31 |
| | 2,645.97 | 1,912.31 |
| **Total** | **4,819.09** | **4,058.43** |

**Note: 10 Other Non-current Assets**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** |
|---|---|---|

| | Amount | Amount |
|---|---|---|
| MAT Credit Entitlement | - | - |
| Fixed Deposit with original maturity of more than 12 months | 805.57 | 2,052.21 |
| **Total** | **805.57** | **2,052.21** |

| **Note: 11 Inventories**<br>**Particulars** | **For the year ended March 31, 2024**<br>Amount | **For the year ended March 31, 2023**<br>Amount |
|---|---|---|
| Materials/Consumables | 4,128.74 | 5,533.44 |
| **Total** | **4,128.74** | **5,533.44** |

**Note: 12 Trade Receivables**

Trade Receivables ageing schedule — **As at March 31, 2024**

| **Particulars** | **Outstanding for following periods from due date of payment#** | | | | | **Total** |
|---|---|---|---|---|---|---|
| | **Less Than 6 Months** | **6 Months - 1 Year** | **1-2 Years** | **2 - 3 Years** | **More than 3 Years** | |
| (i) Undisputed Trade receivables – considered good | 5,269.20 | 132.65 | 356.51 | 95.88 | 3,186.00 | 9,040.24 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | -3,186.00 | (3,186.00) |
| **TOTAL** | 5,269.20 | 132.65 | 356.51 | 95.88 | - | 5,854.24 |

**Trade Receivables ageing schedule** — **As at March 31, 2023**

| **Particulars** | **Outstanding for following periods from due date of payment#** | | | | | **Total** |
|---|---|---|---|---|---|---|
| | **Less Than 6 Months** | **6 Months - 1 Year** | **1-2 Years** | **2 - 3 Years** | **More than 3 Years** | |
| (i) Undisputed Trade receivables – considered good | 4,622.62 | - | 95.88 | - | 7,008.02 | 11,726.52 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | -7,008.02 | -7,008.02 |
| **TOTAL** | 4,622.62 | - | 95.88 | - | - | 4,718.50 |

| **Note: 13 Cash and Cash equivalents**<br>**Particulars** | **For the year ended March 31, 2024**<br>Amount | **For the year ended March 31, 2023**<br>Amount |
|---|---|---|
| Cash and cash equivalents | | |
| (a) Cash on hand | 41.74 | 11.47 |
| (b) Bank Balances | 9,675.92 | 5,665.53 |

| | | |
|---|---|---|
| | **9,717.66** | **5,677.00** |
| Other bank balances | | |
| Fixed Deposits with Original Maturities lower than 12 months but greater than 3 months | 20,028.27 | 21,296.56 |
| **Total** | **29,745.93** | **26,973.56** |

**Note:14 Short-term loans and advances**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** |
|---|---|---|
| | Amount | Amount |
| a. Loans and advances | | |
| Unsecured, considered good * | 60,579.32 | 62,910.28 |
| Other recoverable (Expenses reimbursement) | | |
| | **60,579.32** | **62,910.28** |
| b. Other loans and advances | | |
| Unsecured, considered good | | |
| Advance to Suppliers | 205.16 | 39.50 |
| Employee advances and others | 37.42 | 1.14 |
| Balances with Govt. Authority | 1,706.52 | 2,271.36 |
| **Total** | **62,528.42** | **65,222.28** |
| * Consists of advances given to following parties | 205.16 | 39.50 |

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| | Amount | Amount |
| Loan & Advances to Related Parties (Wholly Owned subsidiaries) | | |
| Sanghvi Fitness Private Limited | 8,753.70 | 10,255.00 |
| Sanghvi Beauty & Salon Private Limited | 51,825.62 | 52,655.28 |
| Sanghvi Brands S L Pvt Ltd | 5,598.61 | 5,598.61 |
| Provision for Doubtful Advances (SL) | (5,598.61) | (5,598.61) |
| **Total** | **60,579.32** | **62,910.28** |

**Note 15 Other current assets**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** |
|---|---|---|
| | Amount | Amount |
| Prepaid Expenses | 157.37 | 145.92 |
| **Total** | **157.37** | **145.92** |

**Note 16 Revenue from operations**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2024** |
|---|---|---|
| | **Amount** | **Amount** |
| Services | 54,586.07 | 53,384.53 |
| Technical Fees | 1,500.00 | - |
| Reimbursement from Expenses & Salaries | 292.39 | - |
| Sale of services (A) | **54,586.07** | **53,384.53** |
| Sale of products (B) | **189.63** | **406.54** |
| **Total (A +B)** | **56,568.09** | **53,791.07** |

**Note 17 Other Income**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** |
|---|---|---|
| | **Amount** | **Amount** |
| Interest on Income tax refund | 61.84 | 43.84 |
| Interest income on Fixed Deposits | 1,379.27 | 1,232.88 |

| | | |
|---|---|---|
| Sundry Credit Balances Appropriated | 1,460.59 | 755.79 |
| Interest Income | 111.51 | - |
| Other Income | 0.32 | - |
| **Total** | **3,013.53** | **2,032.51** |

**Note 18 Cost of materials consumed**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| **Opening Inventory** | 5,533.44 | 5,127.33 |
| **Add - Purchases** | | |
| Purchases of other materials | 2,488.03 | 8.40 |
| Consumables | 2,566.14 | 2,873.86 |
| | **5,054.17** | **2,882.26** |
| **Less - Closing Inventory** | 4,128.74 | 5,533.44 |
| **Total** | **6,458.87** | **2,476.15** |

**Note 19 Employee Costs**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| Salaries and incentives | 24,830.06 | 30,155.31 |
| **Contributions to -** | | |
| (i) Provident fund | 326.63 | 250.55 |
| (ii) Gratuity fund contributions | 264.52 | 386.38 |
| (iii) Leave Encashment | 265.66 | 209.20 |
| (iv) Staff welfare expenses | 2,247.66 | 1,383.20 |
| **Total** | **27,934.53** | **32,384.64** |

**Note 20 Finance Costs**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| Interest Expense | - | 17.81 |
| Bank Charges | 334.00 | 386.51 |
| **Total** | 334.00 | 404.32 |

**Note 21 Other Expenses**

| SR No | Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|---|
| 1 | Electricity charges | 816.70 | 965.27 |
| 2 | Repairs and Maintenance to: - | | |
| 3 | - Plant & Machinery | 41.73 | 20.01 |
| 4 | - Others | 250.57 | 213.25 |
| 5 | Insurance | 153.51 | 158.65 |
| 6 | Rent expenses | 480.00 | 1,292.67 |
| 7 | Rates & Taxes | 197.28 | 46.62 |
| 8 | Audit fees (Ref note 23) | 415.00 | 337.50 |
| 9 | Business Development & Sales Promotion | 336.16 | 687.74 |
| 10 | License Fees | 14,720.30 | 15,799.18 |
| 11 | Royalty | 3,159.92 | 3,486.64 |
| 12 | Legal & professional Fees | 1,564.84 | 1,612.03 |

| | | | |
|---|---|---|---|
| 13 | Housekeeping expenses | 118.20 | 312.04 |
| 14 | Telephone Expenses | 90.66 | 92.26 |
| 15 | Travelling and conveyance | 711.47 | 354.48 |
| 16 | Sundry Debit Balances W/off | 1,253.88 | 2.00 |
| 17 | Miscellaneous Expenses | 650.05 | 691.01 |
| 18 | Provision for Expenses of bad and Doubtful | - | 3,540.00 |
| 19 | Exchange Fluctuation Gain/(Loss) | 30.08 | 8.47 |
| **Total** | | **24,990.35** | **29,619.82** |

Note 7 Property, Plant and Equipment & Intangible Assets

| Fixed Assets | Gross Block | | | Accumulated Depreciation | | | Net Block | |
|---|---|---|---|---|---|---|---|---|
| | Balance As On March 31, 2023 | Additions/ (Disposals) | Balance As On March 31, 2024 | Balance As On March 31, 2023 | Depreciation for the period | Balance As On March 31, 2024 | Balance As On March 31, 2024 | Balance As On March 31, 2023 |
| **Tangible Assets** | | | | | | | | |
| Property, Plant and Equipment | | | | | | | | |
| Computers & Accessories | 1,861.44 | - | 1,861.44 | 1,861.44 | - | 1,861.44 | - | - |
| Furniture & Fittings | 4,946.83 | - | 4,946.83 | 3,710.53 | 404.87 | 4,115.39 | 831.44 | 1,236.30 |
| Office Equipment's | 1,617.54 | - | 1,617.54 | 1,593.10 | 15.47 | 1,608.57 | 8.97 | 24.44 |
| **Total** | **8,425.81** | **-** | **8,425.81** | **7,165.06** | **420.34** | **7,585.40** | **840.41** | **1,260.74** |
| **Intangible Assets** | | | | | | | | |
| Software/Trademarks | 1,364.98 | - | 1,364.98 | 1,295.44 | 30.36 | 1,325.80 | 39.18 | 69.54 |
| Business Rights | - | - | - | -0.00 | - | -0.00 | 0.00 | 0.00 |
| **Total** | **1,364.98** | **-** | **1,364.98** | **1,295.44** | **30.36** | **1,325.80** | **39.18** | **69.54** |
| **Grand Total** | **9,790.79** | **-** | **9,790.79** | **8,460.51** | **450.69** | **8,911.20** | **879.59** | **1,330.28** |

| Note: 8 Non-Current Investments<br>Particulars | Face Value per share | No of Shares | | Amount in Rs. | |
|---|---|---|---|---|---|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Non-Trade investments** | | | | | |
| Unquoted | | | | | |
| Investments in equity instruments in wholly owned subsidiaries (fully paid up) | | | | | |
| Sanghvi Fitness Pvt Ltd | Rs.10 | 9.750 | 9.750 | 97.50 | 97.50 |
| Sanghvi Beauty Salon Pvt Ltd | Rs.10 | 10.00 | 10.000 | 100.00 | 100.00 |
| Sanghvi Brands SL Pvt Ltd | LKR10 | 0.001 | 0.001 | 0.004 | 0.004 |
| Provision for Diminution in the value of Investment (SL) | | - | - | (0.004) | (0.004) |
| **Non-Trade investments** | | | | | |
| **Unquoted** | | | | | |
| Investment in National Savings certificate | - | - | - | 70.00 | 70.00 |
| Investments in Gratuity (Birla Sun Life) | | | | - | 150.00 |
| Investment in Anayan Software Consultancy Pvt Ltd | | | | - | 1,250.00 |
| **Total** | | **19,751** | **19,751** | **267.50** | **1,667.50** |

## 22. SIGNIFICANT ACCOUNTING POLICIES:

### a) Company overview

Sanghvi Brands Limited (formerly known as Sanghvi Brands Private Limited) is a public company, domiciled in India. It was incorporated on 16th February 2010 under the provisions of the 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 Section133 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) Property, Plant and Equipment**

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

**f) Depreciation and Amortization**

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

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

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

**h) Impairment**

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

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

i) Income Tax

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

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

j) Provisions

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

k) Earnings per Share

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

23. Auditor's Remuneration

| Particulars | 31.03.2024 (Rs. In Thousand) | 31.03.2023 (Rs. In Thousand) |
|---|---|---|
| Statutory Audit Fees | 315.00 | 282.50 |
| Tax Audit Fees | 45.00 | 40.00 |
| Other services (Limited review) | 130.00 | 55.00 |
| **Total** | **490.00** | **337.50** |

24. Earnings per Share

| Sr. No. | Particulars | 31.03.2024 (Rs. In Thousand) | 31.03.2023 (Rs. In Thousand) |
|---|---|---|---|
| a. | Profit for the year | (586.82) | (13,258.70) |
| b. | Weighted Average no. of Equity Shares | 10,415.88 | 10,415.88 |
| **c.** | **Basic EPS (a/b)** | **(0.06)** | **(1.27)** |
| d. | **Diluted EPS** | **(0.06)** | **(1.27)** |

25. Disclosure required under section 22 of Micro, Small and Medium Enterprise Development Act

| PARTICULARS | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| (i)The principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year<br>Principal<br>Interest | <br>97.41<br>Nil | <br>Nil<br>Nil |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |

| | | |
|---|---|---|
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | Nil | Nil |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |

## 26. Retirement Benefits

### A. GRATUITY

I. Assumptions:

| Particulars | As on 31st March 2024 | As on 31st March 2023 |
|---|---|---|
| Discount Rate | 7.20% | 7.40% |
| Rate of Increase in Compensation Level | 4.00% | 4.00% |
| Expected Average remaining working lives of employees (years) | 9.38 | 9.26 |

II. Table Showing Changes in Present Value of Obligations

| Particulars | As on 31st March 2024 | As on 31st March 2023 |
|---|---|---|
| **Present Value of Obligation as at the beginning of the year** | 2,152.40 | 1,766.02 |
| Transfer In / (Out) | (307.85) | - |
| Interest Cost | 139.28 | 123.62 |
| Current Service Cost | 308.31 | 359.00 |
| Benefits paid | (27.40) | - |
| Actuarial (gain)/ loss on obligations | (183.07) | (96.24) |
| **Present Value of Obligation as at the end of the year** | **2,081.67** | **2,152.40** |

III. Actuarial Gain/(Loss) Recognized

| Particulars | As on 31st March 2024 | As on 31st March 2023 |
|---|---|---|
| Actuarial gain/(loss) for the year – Obligation | (183.07) | (96.24) |
| Total (gain) / loss for the year - Plan Assets | (183.07) | (96.24) |
| Actuarial (gain) / loss recognized in the year | (183.07) | (96.24) |
| Unrecognized actuarial (gains) / losses at the end of year | - | - |

IV. The Amounts to be recognized in Balance Sheet

| Particulars | As on 31st March, 2024 | As on 31st March, 2023 |
|---|---|---|
| Present Value of Obligation as at the end of the year | 2,081.67 | 2,152.40 |
| Fair Value of Plan Assets as at the end of the year | (261.51) | - |
| Surplus/(Deficit) | (1,820.16) | (2,152.40) |
| Net Asset / (Liability) Recognized in Balance Sheet | (1,820.16) | (2,152.40) |

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

| Particulars | As on 31st March 2024 | As on 31st March 2023 |
|---|---|---|
| Current Service Cost | 308.31 | 359.00 |
| Interest cost | 139.28 | 123.62 |

| | | |
|---|---|---|
| Actuarial (Gain)/Loss recognized in the period | (183.07) | (96.24) |
| Expenses recognized in P&L at the end of the period | 264.52 | 386.38 |

VI. Reconciliation of Net Assets/(Liability) Recognized

| Particulars | As on 31st March 2024 | As on 31st March 2023 |
|---|---|---|
| Net Assets/(Liability) recognized at the beginning of the period | (2152.40) | (1,766.02) |
| Benefits paid by Company | 27.40 | - |
| Expenses recognized at the end of period | (264.52) | (386.38) |
| Transfer Out | 307.84 | |
| Net Asset/(Liability) recognized at the end of the period | (2081.67) | (2,152.40) |

## 27. RELATED PARTY DISCLOSURE:

Names of related party and nature of relationship

| Relationship | Name of the Party |
|---|---|
| Key Managerial Personnel | Mr. Darpan Sanghvi |
| Relative of Key Managerial Personnel | Mr. Narendra R Sanghvi |
| | Disha N Sanghvi |
| Subsidiary | Sanghvi Beauty & Salon Pvt. Ltd. |
| | Sanghvi Fitness Pvt. Ltd. |
| | Sanghvi Brands SL Pvt Ltd |
| 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 | 31-03-2024 (Rs. In Thousand) | 31-03-2023 (Rs. In Thousand) |
|---|---|---|---|
| 1. Mr. Narendra R Sanghvi | Rent paid | 180.00 | 360.00 |
| 2. Miss. Disha N Sanghvi | Rent paid | 300.00 | 450.00 |
| 3. Sanghvi Fitness Pvt. Ltd | Loan/Advance given | 498.70 | 668.18 |
| | Repayment of Loan/Advances | (2,000.00) | (2,044.80) |
| 4. Sanghvi Beauty & Salon Pvt. Ltd. | Loan/Advance given | 3,385.12 | 759.90 |
| | Repayment of Loan/Advances | (4,214.77) | (6,529.68) |
| 5. Sanghvi Lifestyle Products Pvt Ltd | Value of Goods Sold | 189.64 | 204.33 |
| | Receipt against sales | - | 13.60 |
| 6. Sanghvi Brands Beauty and Spa LLC | Advances given | - | 112.55 |

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

| Particulars | Relationship | 31-03-2024 (Rs. In Thousand) | 31-03-2023 (Rs. In Thousand) |
|---|---|---|---|
| 1. Sanghvi Beauty & Salon Pvt. Ltd. | Subsidiary | 51,825.62 | 52,655.28 |
| 2. Sanghvi Fitness Pvt. Ltd | Subsidiary | 8,753.70 | 10,255.00 |
| 3. Sanghvi Brands SL Pvt Ltd | Subsidiary | 5,598.61 | 5,598.61 |
| 4. Sanghvi Beauty & Technologies Pvt Ltd | Enterprises over which Key Managerial | 95.88 | 95.88 |
| 5. Sanghvi Lifestyle Products Pvt Ltd | | 105.49 | (394.27) |

| | | | |
|---|---|---|---|
| | Personnel are able to exercise significant influence | | |

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

29. Expenditure in foreign currency (on accrual basis)

| Particulars | Year Ended 31-03-2024 (Rs. In Thousand) | Year Ended 31-03-2023 (Rs. In Thousand) |
|---|---|---|
| Royalty Expenses | 3,159.92 | 3,486.64 |

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

31. The business of the Group for the previous period was impacted due to outbreak of Covid 19. During the current year the company witnessed a good recovery in the business aided by leisure travel and gradual pickup in the business segment. Management has secured a cash reserve to enable the Company to meet its obligations as they fall due and for its operational need. The Group has assessed future projections and based on estimates, expects to recover the carrying amount of these assets. Even though material uncertainty about going concern exists, considering various mitigating factors, the management does not see any risks in the ability to continue as a going concern and meeting its liabilities as and when payable. Accordingly, financials have been prepared on going concern basis. The Company will closely monitor any material changes to future economic conditions on account of Covid 19 to assess any possible impact on the Company.

32. The Company has invested Rs 1,00,000/- in equity capital of its wholly owned domestic subsidiary – Sanghvi Beauty and Salons Private Ltd and had also granted unsecured loan aggregating to (Rs. In Thousand) 51,825.62/-. In addition to this, the subsidiary company has been incurring losses and its net worth as on March 24, is negative (Rs. In Thousand) 41,383.46/- The Management has considered that erosion in net worth is temporary and expects improvements in operations in near future.

33. The Company has invested Rs. 97,500/- in the equity share capital of its subsidiary - Sanghvi Fitness Private Limited and given unsecured loan of (Rs. In Thousand) 8,753.70/- The subsidiary company has been incurring losses for the past few years and its net worth as on March 24, is negative (Rs. In Thousand) 5,842.56/-. The Management has considered that erosion in net worth is temporary and expects improvements in operations in the near future.

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

35. Additional Regulatory Information

(i) Following Ratios to be disclosed:-

| Ratio | Numerator | Denominator | 31st March 2024 | 31st March 2023 | % Variance | Reason for Variance |
|---|---|---|---|---|---|---|
| Current ratio | Current assets | Current liabilities | 6.57 | 5.93 | 10.91% | |
| Debt-equity ratio | Total debt | Shareholder's Equity | NA | NA | NA | NA |
| Return on equity ratio | Net Profits after taxes – Preference Dividend (if | Average Shareholder's Equity | (0.01) | (0.14) | (95.24) % | Due to loss in current year. |
| Inventory turnover ratio | sales | Average Inventory | 11.71 | 10.09 | 16.03% | |
| Trade receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | 10.70 | 7.69 | 39.18% | Due to increase in turnover and better collection |
| Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 0.63 | 0.35 | 80.12% | Due to better payouts |
| Net capital turnover ratio | Net Sales | Working Capital | 0.65 | 0.63 | 3.17% | |
| Net profit ratio | Net Profit | Net Sales | (0.01) | (0.25) | (95.79) % | Due to increased operations & additional prov. in PY |
| Return on capital employed | Earnings before interest and taxes | Capital Employed | (0.01) | (0.10) | (93.90) % | Due to better EBIT in current year |

## 36. Utilization of IPO Proceeds

Amount (Rs. in Lakhs)

| Particulars | Amount Funded from the Gross Proceeds | Actual Utilization up to year ended 31st March 2024 | Pending for utilization |
|---|---|---|---|
| Business Expansion | | | |
| a. Expanding outlets/ distribution of current brand portfolio in India and overseas | 771.70 | 207.52 | 183.33 |
| b. Acquisitions and development of new brands | | 380.85 | |
| Marketing and sales promotion of the brands in our portfolio | 500.00 | 500.00 | - |
| Strategic Investments for business growth | 100.00 | 71.42 | 28.58 |
| General Corporate Purpose | 284.42 | 284.42 | - |

| | | | |
|---|---|---|---|
| Issue Expenses | 240.00 | 225.55 | 14.45 |
| **Total** | **1896.12** | **1669.76** | **226.36** |

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

As per our attached report on even date

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

**For and on behalf of Board of Directors**

**Sanghvi Brands Limited**
**(Formerly Known as SANGHVI BRANDS PRIVATE LIMITED)**

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|---|
| **Amit Mahadik** | **Dr. Vijay Aggarwal** | **Darpan Sanghvi** | **Narendra Sanghvi** | **Kruti H. Shah** | **Laxmi Rathi** |
| **Partner** | **CEO** | **Director** | **Director** | **Company Secretary** | **CFO** |
| **M.No. 125657** | **Place: Mumbai** | **DIN: 02912102** | **DIN: 02912085** | **Place: Mumbai** | **Place: Mumbai** |
| **Place: Pune** | **Date: 27/05/2024** | **Place: Mumbai** | **Place: Mumbai** | **Date: 27/05/2024** | **Date: 27/05/2024** |
| **Date: 27/05/2024** | | **Date: Date: 27/05/2024** | **Date: 27/05/2024** | | |

# 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 Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024 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, 2024, and its Consolidated loss and its Consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty relating to Going Concern

We draw attention to Note 27 to the financial statement which indicates that the Group has incurred a net loss/net cash loss during the current and previous years. These conditions along with other matters set forth in Note 30 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements of the Company have however been prepared on a going concern basis based on an evaluation of the above facts in the light of the representation by the management and various mitigating factors as detailed in the said note to the financial statements.

### Emphasis of matter

We draw attention to Note 28 of the consolidated financial statements, stating that the share of profit / loss of the Group from one of the Associates has not been considered for consolidation purpose. The Group has written off the Investment as it ceases to have significant influence in an associate and remote possibility of expected cash flows.
Our opinion is not modified in this matter.

### 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. Except for the matters described in the Material Uncertainty related to Going Concern, we have determined that there are no Key Audit Matters to communicate in our report.

## Other Information

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

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

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

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

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

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

In preparing the Consolidated financial statements, the Board of Directors is responsible for assessing the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiaries which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of one subsidiary included in the consolidated financial statements; whose financial statements reflect total assets (before consolidation adjustments) Rs 7,26,301/- as at March 31, 2024, total revenue (before consolidation adjustments) of Rs. NIL as at March 31, 2024 and total profit/(loss) after tax (before consolidation adjustment) of Rs (65)/- for the year then ended. These financial statements and other financial information of one subsidiary were 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 unaudited financial statements/financial information furnished to us by the Board of Directors.

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

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

## Report on Other Legal and Regulatory Requirements

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

| Sr No | Name | CIN | Nature of relationship | Clause number of the CARO report which is qualified or adverse |
|---|---|---|---|---|
| 1 | Sanghvi Brands Limited | U74999PN2010PLC135586 | Holding | 1, 14 |
| 2 | Sanghvi Beauty and Salon Pvt Ltd | U74900PN2011PTC141626 | Subsidiary | 1, 14 |
| 3 | Sanghvi Fitness Pvt Ltd | U74900PN2010PTC137959 | Subsidiary | 1, 14 |

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the Subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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, 2024 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, 2024, 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 operating effectiveness of such controls of the Holding Company and its subsidiary companies incorporated in India refer to our separate Report in **'Annexure A'**.

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.

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, 2024.

iv. (a) The respective managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company/Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company, its Subsidiary Company have not declared/paid/declared and paid any dividend during the year.

vi. Based on our examination which included test checks, Company and its Indian subsidiaries has used an accounting software for maintenance of books of accounts which did not have the audit trail feature enabled throughout the year .

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number – 105102W

Sd/-

**Amit Mahadik**
Partner
M No.: 125657
UDIN: 24125657BKESNN8630
Pune, May 27,2024

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### 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, 2024 and for the year then ended, we have audited the internal financial controls over financial reporting of Sanghvi Brands Limited (hereinafter referred to as "the Holding Company") and its subsidiaries incorporated in India. (Holding company and its Indian Subsidiaries together referred to as "Group") The holding company has subsidiary company incorporated outside India to whom provisions regarding internal financial control over financial reporting are not applicable.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Qualified Opinion**

According to the information and explanations given to us and based on the consideration of audited Indian Subsidiaries referred to in other matter paragraph below, the following material weakness have been identified as at March 31, 2024.

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

In our opinion, except for the effects of material weakness described above, and to the best of our information and according to the explanations given to us and based on the consideration of audited Indian subsidiaries referred to in Other Matter paragraph below, the Holding Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

**Other Matters**

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

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

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

**Sd/-**

**Amit Mahadik**
Partner
M No.: 125657
UDIN: 24125657BKESNN8630
Pune, May 27,2024

# BALANCE SHEET AS AT MARCH 31, 2024 (CONSOLIDATED)

Rs in Thousand

| | Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| I. | **EQUITY AND LIABILITIES** | | | |
| 1 | **Shareholders' funds** | | | |
| | (a) Share capital | 1 | 1,04,158.80 | 1,04,158.80 |
| | (b) Reserves and surplus | 2 | -59,033.22 | -64,113.77 |
| | (c) Minority Interest | | - | - |
| 2 | **Non-current liabilities** | | | |
| | (a) Long-term provisions | 3 | 2,363.00 | 1,951.46 |
| 3 | **Current liabilities** | | | |
| | (a) Trade payables | 4 | | |
| | - Micro Enterprises & Small Enterprises | | 127.41 | - |
| | - Other than Micro Enterprises & Small Enterprises | | 9,923.14 | 17,517,56 |
| | (b) Other current liabilities | 5 | 12,560.24 | 12,429.45 |
| | (c) Short-term provisions | 6 | 1,442.67 | 1,327.85 |
| | **TOTAL** | | **71,542.04** | **73,271.35** |
| II. | **ASSETS** | | | |
| | **Non-current assets** | | | |
| 1 | (a) Property, Plant and Equipment and Intangible Assets | 7 | | |
| | (i) Tangible assets | | 1,160.60 | 1,688.02 |
| | (i) Intangible assets | | 43.29 | 80.32 |
| | (b) Non-current investments | 8 | 70.00 | 1,056.25 |
| | (c) Long-term loans and advances | 9 | 6888.21 | 7,334.58 |
| | (d) Other non-current Assets | 10 | 1017.53 | 2,251.83 |
| 2 | **Current assets** | | | |
| | (a) Inventories | 11 | 5154.58 | 6,858.64 |
| | (b) Trade receivables | 12 | 12,793.02 | 11,210.14 |
| | (c) Cash and Bank balances | 13 | 41,507.55 | 39,747.21 |
| | (d) Short-term loans and advances | 14 | 2,313.21 | 2,581.76 |
| | (e) Other current assets | 15 | 594.05 | 462.62 |
| | **TOTAL** | | **71,542.04** | **73,271.35** |

See accompanying Notes to The Financial Statements 22-29

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

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

**For and On behalf of Board of Directors**
**Sanghvi Brands Limited.**
**(Formerly Known as Sanghvi Brands Private Limited)**

| | | | | | |
|---|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Amit Mahadik | Dr. Vijay Aggarwal | Laxmi Rathi | Kruti H. Shah | Darpan N Sanghvi | Narendra R Sanghvi |
| Partner | CEO | CFO | Company Secretary | DIN: 02912102 | DIN: 02912085 |
| M.No. 125657 | | Place: Mumbai | | Director | Director |
| Place: Pune | | Date: 27/05/2024 | | Place: Mumbai | Place: Mumbai |
| Date: 27/05/2024 | | | | Date: 27/05/2024 | |

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023 (CONSOLIDATED)

Rs in Thousand

| | Particulars | Refer Note No | For the year ended March 31, 2024 | For the year ended Mar 31, 2023 |
|---|---|---|---|---|
| 1 | Revenue from operations | 16 | 91,270.37 | 83,246.85 |
| 2 | Other income | 17 | 8455.43 | 6,050.68 |
| 3 | **Total Income (1+2)** | | **99,725.80** | **89,297.53** |
| 4 | Expenses: | | | |
| | Cost of materials consumed | 18 | 8351.06 | 3,219.54 |
| | Employee benefits expense | 19 | 52,415.07 | 43,353.77 |
| | Finance costs | 20 | 376.50 | 653.49 |
| | Depreciation and amortization expense | 9 | 564.45 | 782.88 |
| | Other expenses | 21 | 32,003.20 | 37,945.78 |
| 5 | **Total expenses** | | **93,710.28** | **85,955.47** |
| | **Profit / (Loss) before Exceptional & Extra Ordinary Items & Tax** | | **6,015.52** | **3,342.06** |
| | Prior Period Items | | - | - |
| | Extra Ordinary Items | | - | - |
| 6 | **Profit / (Loss) before Tax** | | **6,015.52** | **3,342.06** |
| 7 | **Tax expense:** | | | |
| | (1) Current Tax/MAT | | 982.65 | 1,973.08 |
| | (2) Deferred tax (DTL) | | - | - |
| | (3) MAT Credit Entitlement | | - | - |
| | (4) Taxes for Earlier Year | | - | 3,584.30 |
| 8 | **Profit / (Loss) after tax** | | **5032.87** | **(2,215.32)** |
| | **Less: - Minority Interest** | | - | - |
| 9 | **Profit (Loss) for the period** | | **5032.87** | **(2,215.32)** |
| | **Proportionate Profit (Loss) of Associate Company** | | - | - |
| | **Net Profit (Loss) after Tax** | | **5032.87** | **(2,215.32)** |
| 10 | Earnings per equity share: | | | |
| | (1) Basic | | 0.48 | (0.21) |
| | (2) Diluted | | 0.48 | (0.21) |

See accompanying Notes to The Financial Statements 22-29

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

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

**For and On behalf of Board of Directors**
**Sanghvi Brands Limited.**
**(Formerly Known as Sanghvi Brands Private Limited)**

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|---|
| Amit Mahadik | Dr. Vijay Aggarwal | Laxmi Rathi | Kruti H. Shah | Darpan N Sanghvi | Narendra R Sanghvi |
| Partner | CEO | CFO | Company Secretary | DIN: 02912102 | DIN: 02912085 |
| | | | | Director | Director |
| M.No. 125657 | | Place: Mumbai | | | |
| Place: Pune | | Date: 27/05/2024 | | Place: Mumbai | |
| Date: 27/05/2024 | | | | Date: 27/05/2024 | |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024 (CONSOLIDATED)

Rs in Thousand

| | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| A. | **Cash flow from Operating Activities** | | |
| | **Profit/Loss before Tax** | **6,015.52** | **3,342.06** |
| | **Adjustments for:** | | |
| | Depreciation & Amortisation Expenses | 564.45 | 782.88 |
| | Unrealized Foreign exchange Gain | 47.68 | (1,374.52) |
| | Sundry Credit Balances Appropriated | (6,712.26) | (755.79) |
| | Interest income | (1503.11) | (1,244.48) |
| | Other income | (146.30) | (166.18) |
| | Sundry Debit Balance W/off | 2037.01 | - |
| | **Operating profit before working capital changes** | **302.99** | **583.97** |
| | **Changes in:** | | |
| | Trade and Other Receivables | (2,481.54) | 5,385.00 |
| | Inventories | 1704.05 | (921.98) |
| | Loans and Advances- short term | 627.84 | 26,538.95 |
| | Long term loans and advances | (27.00) | (300.00) |
| | Other Current Assets | 1,102.86 | 1,811.42 |
| | Trade and Other Payables | 48.70 | 1,140.34 |
| | **Cash generated from operations** | **1,277.90** | **34,237.71** |
| | Less: Taxes paid net of refund | (1,170.68) | (3,016.27) |
| | **Net Cash from Operating Activities (A)** | **107.22** | **31,221.44** |
| B. | **Cash flow from Investing Activities** | | |
| | Purchase of Fixed Assets/Capital Expenditure | - | - |
| | Decrease in Investment | 150.00 | 2,541.53 |
| | Interest Received | 1,503.11 | 1,244.48 |
| | Decrease in Fixed Deposits/ (Increase in Fixed Deposits) | 1,268.30 | (3,284.99) |
| | **Net Cash used in Investing Activities (B)** | **2,921.41** | **501.03** |
| C. | **Cash flow from Financing Activities** | | |
| | Change in Borrowings | - | (26,041.27) |
| | Interest Paid | - | - |
| | Share issue expenses | - | - |
| | Share issued | - | - |
| | Premium on shares issued | - | - |
| | **Net Cash used in Financing Activities (C)** | - | **(26,041.27)** |
| D | **Net increase/decrease in cash and cash equivalents (A+B+C)** | **3,028.63** | **5,681.20** |
| E | **Opening Balance of Cash and Cash Equivalents** | 18,450.65 | 12,769.45 |
| F | **Closing Balance of Cash and Cash Equivalents (D+E)** | **21,479.28** | **18,450.65** |
| | **Components of cash and cash equivalents** | | |
| | cash in hand | 41.74 | 23.38 |
| | With Banks: | - | - |
| | on Current Accounts | 21,437.54 | 18,427.27 |
| | on Deposit Accounts | - | - |

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

| | | | | | |
|---|---|---|---|---|---|
| For B K Khare and Co.<br>Chartered Accountants<br>Firm Registration Number - 105102W | | | | For and On behalf of Board of Directors<br>Sanghvi Brands Limited.<br>(Formerly Known as Sanghvi Brands Private Limited) | |
| Sd/-<br>Amit Mahadik<br>Partner<br>M.No. 125657<br>Place: Pune<br>Date: 27/05/2024 | Sd/-<br>Dr. Vijay Aggarwal<br>CEO<br>Place: Mumbai<br>Date: 27/05/2024 | Sd/-<br>Laxmi Rathi<br>CFO<br>Place: Mumbai<br>Date: 27/05/2024 | Sd/-<br>Kruti H. Shah<br>Company Secretary<br>Place: Mumbai<br>Date: 27/05/2024 | Sd/-<br>Darpan N Sanghvi<br>DIN: 02912102<br>Director<br>Place: Mumbai<br>Date: 27/05/2024 | Sd/-<br>Narendra R Sanghvi<br>DIN: 02912085<br>Director<br>Place: Mumbai<br>Date: 27/05/2024 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED)

**Note: 1 Share capital**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **a) Authorised** | | | | |
| 1,30,00,000 Equity shares of 10 each | 13,000,000 | 1,30,000.00 | 13,000,000 | 1,30,000.00 |
| **Total** | **13,000,000** | **1,30,000.00** | **13,000,000** | **1,30,000.00** |
| **b) Issued, Subscribed & Fully Paid up** | | | | |
| 5,00,000 (5,00,000) Equity shares of 10 each | 500,000 | 5,000.00 | 500,000 | 5,000.00 |
| 151,553 (151,553) Equity shares of 10 each issued at Rs 461.89 each | 151,553 | 1,515.53 | 151,553 | 1,515.53 |
| 45,527 Equity shares of 10 each issued at Rs 615.02 each | 45,527 | 455.27 | 45,527 | 455.27 |
| 6970800 Equity shares of Rs.10 each Bonus shares issued | 6,970,800 | 69,708.00 | 6,970,800 | 69,708.00 |
| 2748000 Equity shares of Rs.10 each IPO for equity shares | 2,748,000 | 27,480.00 | 2,748,000 | 27,480.00 |
| Minority Share capital of 250 shares of Rs 10each | 250 | 2.50 | 250 | 2.50 |
| **Total** | **10,416,130** | **1,04,161.30** | **10,416,130** | **1,04,161.30** |
| **c) Reconciliation of the number of shares outstanding** | | | | |
| Equity Shares | - | - | - | - |
| - at the beginning of the year | 10,415,880 | 1,04,158.80 | 10,415,880 | 1,04,158.80 |
| - allotted During the year | - | - | - | - |
| **- at the end of the year** | **10,415,880** | **1,04,158.80** | **10,415,880** | **1,04,158.80** |

**d) Rights attached to shares**

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

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

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

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

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

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

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

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| Darpan Sanghvi | 5,499,945 | 52.80% | 5,499,945 | 52.80% |
| Tano India Private Equity Fund II | 2,167,880 | 20.81% | 2,167,880 | 20.81% |

| Shares held by promoters at the end of the year As at March 31, 2023 | | | | % Change during the Year |
|---|---|---|---|---|
| Sr. No. | Name of the Promoter | No. of Shares** | % of total shares** | |
| 1 | Darpan Sanghvi | 54,99,945 | 52.8000 | NO CHANGE |
| 2 | Disha Sanghvi | 34,011 | 0.3265 | |
| 3 | Kamini Sanghvi | 11 | 0.0001 | |
| 4 | Jaya Sanghvi | 11 | 0.0001 | |
| | | | | |

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

**Note: 2 Reserves and surplus**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| **Securities Premium Account** | | |
| Balance at the beginning of the year | 1,60,987.46 | 1,60,987.46 |
| Premium on shares issued/converted during the year | - | - |
| Less: Issue of bonus shares during the period | - | - |
| Less: IPO Expenditure | - | - |
| **Balance at the end of the year** | **1,60,987.46** | **1,60,987.46** |
| **Profit & Loss account** | | |
| Opening balance | (2,30,363.13) | (2,28,147.82) |
| Add: Transferred from deficit in Statement of Profit and Loss* | 5032.87 | (2,215.32) |
| **Closing balance of Profit & Loss account** | **(2,25,330.26)** | **(2,30,363.13)** |
| **Foreign Currency Translation Reserve** | 5,309.58 | 5,261.90 |
| **Total** | **(59,033.22)** | **(64,113.77)** |

**Note: 3 Long Term Provisions**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|

| | Amount | Amount |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Funded) | 1,588.17 | 1,413.79 |
| Leave Encashment | 774.83 | 537.67 |
| **Total** | **2,363.00** | **1,951.46** |

**Note: 4 Trade Payable**

| **Trade payables due for payment** | | | | | **As at March 31, 2024** |
|---|---|---|---|---|---|
| **Particulars** | **Outstanding for following periods from due date of payment#** | | | | **Total** |
| | **Less Than 1 Year** | **1-2 Years** | **2 - 3 Years** | **More than 3 Years** | |
| (i) MSME | 127.41 | - | - | - | 127.41 |
| (ii) Others | 4,689.79` | 550.52 | 852.27 | 3,830.56 | 9,923.14 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

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

Unbilled dues shall be disclosed separately;

| **Trade payables due for payment** | | | | | **As at March 31, 2023** |
|---|---|---|---|---|---|
| **Particulars** | **Outstanding for following periods from due date of payment#** | | | | |
| | **Less Than 1 Year** | **1-2 Years** | **2 - 3 Years** | **More than 3 Years** | **Total** |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 12,664.67 | 557.50 | 2655.28 | 1640.11 | 17,517.56 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Unbilled dues shall be disclosed separately;

**Note: 5 Other Current Liabilities**

| **Particulars** | **For the year ended March 31, 2024 Amount** | **For the year ended March 31, 2023 Amount** |
|---|---|---|
| Statutory remittances | 3,020.60 | 3,422.24 |
| Advance from Others | 183.51 | 210.43 |
| Advance from Customer | 8.34 | 155.31 |
| Interest payable on loan from holding company | - | 25.67 |
| Income received in advance | 3,952.01 | 3,388.67 |
| Employee Payables | 4,411.96 | 4,247.37 |
| Current liabilities | 983.82 | 979.76 |
| **Total** | **12,560.24** | **12,429.45** |

**Note: 6 Short Term Provisions**

| **Particulars** | **For the year ended March 31, 2024 Amount** | **For the year ended March 31, 2024 Amount** |
|---|---|---|

| | | |
|---|---|---|
| **(a) Provision for employee benefits** | | |
| Gratuity (Funded) | 1,222.12 | 1,173.60 |
| Leave Encashment (funded) | 220.55 | 154.25 |
| **Total** | **1,442.67** | **1,327.85** |

**Note: 8 Non-Current Investments**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| **Investments** | | |
| National Savings certificate | 70.00 | 70.00 |
| Investment in Anayan Software Consultancy Pvt Ltd | - | 836.25 |
| Group Fixed Interest Fund Plan-Allocation for Gratuity | - | 150,000 |
| **Total** | **70.00** | **1,056.25** |

**Note: 9 Long Term Loans and Advances**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| **a. Security Deposits** | | |
| Unsecured, considered good | 2,173.12 | 2,146.12 |
| | **2,173.12** | **2,146.12** |
| **b. Other loans and advances** | | |
| Tax Deducted at Source (net of provisions) | 4,519.93 | 4,699.00 |
| GST Credit | 130.16 | 489.46 |
| Advance /self Ass. Tax FY 2022-23 | 65.00 | - |
| | **4,715.09** | **5,188.46** |
| **Total** | **6,888.21** | **7,334.58** |

**Note: 10 Other Non-current Assets**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| Fixed Deposit with original maturity of more than 12 months | 1,017.53 | 2,251.83 |
| **Total** | **1,017.53** | **2,251.83** |

**Note: 11 Inventories**

| Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| Materials/Consumables | 5,154.58 | 6,858.64 |
| **Total** | **5,154.58** | **6,858.64** |

**Note: 15 Trade Receivables**

**Trade Receivables ageing schedule** — For the year ended March 31, 2024

| Particulars | Amount | | | | | Total |
|---|---|---|---|---|---|---|
| | Less Than 6 Months | 6 Months - 1 Year | 1-2 Years | 2 - 3 Years | More than 3 Years | |
| (i) Undisputed Trade receivables – considered good | **8,329.33** | **225.26** | **389.75** | 95.88 | 10,124.80 | 19,165.02 |

| | | | | | | |
|---|---|---|---|---|---|---|
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | -3,186.00 | (3,186.00) |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | -3,186.00 | (3,186.00) |
| **TOTAL** | **8,329.33** | **225.26** | **389.75** | **95.88** | **3,752.80** | **12,793.02** |

**Unbilled dues shall be disclosed separately;**

| **Trade Receivables ageing schedule** | | | | | **For the year ended March 31, 2023** | |
|---|---|---|---|---|---|---|
| **Particulars** | **Outstanding for following periods from due date of payment#** | | | | | **Total** |
| | **Less Than 6 Months** | **6 Months - 1 Year** | **1-2 Years** | **2 - 3 Years** | **More than 3 Years** | |
| (i) Undisputed Trade receivables – considered good | 7,339 | 12 | 96 | - | 18,054 | 25,501.69 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | -7,284 | (7,2843.53) |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | -7,008 | (7,008.02) |
| **TOTAL** | **7,339** | **12** | **96** | **-** | **3,763** | **11,210.14** |

**Note: 13 Cash and Cash equivalents**

| **Particulars** | **For the year ended March 31, 2024 Amount** | **For the year ended March 31, 2023 Amount** |
|---|---|---|
| **Cash and cash equivalents** | | |
| (a) Cash on hand | 41.74 | 23.37 |
| (b) Bank Balances | 21,437.54 | 18,427.27 |
| (c Fixed Deposits with Original Maturities lower than 3 months | - | - |
| **Other bank balances** | | |
| Fixed Deposits with Original Maturities lower than 12 months but greater than 3 months | 20,028.27 | 21,296.57 |
| **Total** | **41,507.55** | **39,747.21** |

| Note:14 Short-term loans and advances<br>Particulars | For the year ended March 31, 2024 Amount | For the year ended March 31, 2023 Amount |
|---|---|---|
| **a. Loans and advances to related Parties** | | |
| Unsecured, considered good * | 42.48 | 51.92 |
| Advances others | 205.61 | 39.90 |
| Deposit | 299.06 | 214.34 |
| Advance to Suppliers | 2.10 | - |
| Employee advances and others | 57.45 | 4.25 |
| Balances with Government Authorities | 1,706.51 | 2,271.35 |
| **Total** | **2,313.21** | **2,581.76** |
| *** Consists of advances given to following parties** | | |
| **Particulars** | **For the year ended March 31, 2024 Amount** | **For the year ended March 31, 2023 Amount** |
| Sanghvi Beauty & Technologies Pvt Ltd | 42.48 | 42.48 |
| Sanghvi Brands S L Pvt Ltd | | - |
| Darpan N. Sanghvi | - | 9.44 |
| **Total** | **42.48** | **51.92** |

| Note 15 Other current assets<br>Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Prepaid Expenses | 594.05 | 462.62 |
| **Total** | **594.05** | **462.62** |

| Note 16 Revenue from operations<br>Particulars | For the year ended March 31,2024 Amount | For the year ended March 31,2023 Amount |
|---|---|---|
| Services | 78,958.86 | 73,074.23 |
| Technical Fees | 6,900.00 | 8,570.00 |
| Reimbursement from Expenses & Salaries | 3,721.88 | 738.88 |
| Management Fees | 1500.00 | 437.50 |
| Sale of services (A) | **91,080.74** | **82,820.60** |
| Sale of products (B) | 189.63 | 426.24 |
| **Total (A +B)** | **91,270.37** | **83,246.85** |

| Note 17 Other Income<br>Particulars | For the year ended March 31,2024 Amount | For the year ended March 31,2023 Amount |
|---|---|---|
| Interest on Income tax refund | 87.23 | 89.97 |
| Interest income on Fixed Deposits | 1,391.60 | 1,244.48 |
| Sundry Credit Balances Appropriated | 6,712.26 | 4,548.57 |
| Foreign Exchange gain / (loss), (net) | 6.53 | 1.48 |
| Profit on Sale of Assets | 111.51 | - |
| Other Income | 146.30 | 166.18 |
| **Total** | **8,455.43** | **6,050.68** |

**Note 18 Cost of materials consumed**

| Particulars | For the year ended March 31,2024 Amount | For the year ended March 31,2023 Amount |
|---|---|---|
| **Opening Inventory** | 6,858.63 | 5,936.66 |
| **Add - Purchases** | | |
| Purchases of other materials | 2,488.02 | 8.40 |
| Consumables | 4,158.99 | 4,133.12 |
| | **6,647.01** | **4,141.52** |
| **Less - Closing Inventory** | 5,154.58 | 6,858.64 |
| **Total** | **8,351.06** | **3,219.54** |

**Note 19 Employee Costs**

| Particulars | For the year ended March 31,2024 Amount | For the year ended March 31,2023 Amount |
|---|---|---|
| Salaries and incentives | 46,358.86 | 39,515.06 |
| Directors remuneration | | |
| **Contributions to -** | | |
| (i) Provident fund | 808.39 | 395.40 |
| (ii) Gratuity fund contributions | 544.69 | 515.48 |
| (iii) Leave Encashment | 307.11 | 264.62 |
| (iv) Staff welfare expenses | 4,396.02 | 2,663.21 |
| **Total** | **52,415.07** | **43,353.77** |

**Note 20 Finance Costs**

| Particulars | For the year ended March 31,2024 Amount | For the year ended March 31,2023 Amount |
|---|---|---|
| Interest Expense | 10.63 | 21.66 |
| Bank Charges | 365.87 | 631.83 |
| **Total** | **376.50** | **653.49** |

**Note 24 Other Expenses**

| SR No | Particulars | For the year ended March 31,2024 Amount | For the year ended March 31,2023 Amount |
|---|---|---|---|
| 1 | Electricity charges | 1,009.48 | 1,145.81 |
| 2 | - Plant & Machinery | 45.23 | 20.01 |
| 3 | - Others | 263.72 | 221.25 |
| 4 | Insurance (Including Keyman Insurance ) | 153.51 | 158.65 |
| 5 | Rent expenses | 480.00 | 1,292.67 |
| 6 | Rates & Taxes | 204.40 | 368.27 |
| 7 | Audit fees (Ref note 25) | 675.00 | 557.50 |
| 8 | Business Development & Sales Promotion | 611.86 | 923.72 |
| 9 | License Fees | 15,430.13 | 16,072.51 |
| 10 | Royalty | 5,193.07 | 4,994.02 |
| 11 | Legal & professinal Fees | 2,741.34 | 2,784.60 |
| 12 | Housekeeping expenses | 330.79 | 482.22 |
| 13 | Telephone Expenses | 92.11 | 92.93 |
| 14 | Travelling and conveyance | 1,309.15 | 1,065.69 |

| | | | |
|---|---|---|---|
| 15 | Sundry Debit Balances W/off | 2,037.01 | 2.00 |
| 16 | Miscellaneous Expenses | 941.67 | 1,396.42 |
| 17 | Information Technology Cost | 454.65 | 277.51 |
| 18 | Diminution in the value of invest ( Investment Expenses ) | - | 2,541.53 |
| 19 | Provision for Expenses of bad and Doubtful | - | 3,540.00 |
| 20 | Exchange Fluctuation Gain/(Loss) | 30.08 | 8.47 |
| 21 | Provision for Doubtful Advances (Expenses) | - | - |
| **Total** | | **32,003.20** | **37,945.78** |

**Note 7 Consolidated Property, Plant and Equipment & Intangible Assets**

| Fixed Assets | Gross Block | | | Accumulated Depreciation | | | Net Block | |
|---|---|---|---|---|---|---|---|---|
| | Balance As On March 31, 2023 | Additions/ (Disposals) | Balance As On March 31, 2024 | Balance As On March 31, 2023 | Depreciation for the period | Balance As On March 31, 2024 | Balance As On March 31, 2024 | Balance As On March 31, 2023 |
| **Property, Plant and Equipment** | | | | | | | | |
| Computers & Accessories | 2,698.44 | - | 2,698.44 | 2,690.67 | - | 2,690.67 | 7.78 | 7.78 |
| Furniture & Fittings | 5,995.36 | - | 5,995.36 | 4,349.64 | 503.83 | 4,853.46 | 1,645.73 | 1,645.73 |
| Office Equipment's | 2,329.92 | - | 2,329.92 | 2,295.40 | 23.59 | 2,318.99 | 34.52 | 34.52 |
| Vehicle | 2,866.96 | - | 2,866.96 | 2,866.96 | - | 2,866.96 | - | - |
| **Total** | **13,890.68** | **-** | **13,890.68** | **12,202.66** | **527.42** | **12,730.08** | **1,688.02** | **1,688.02** |
| **Intangible Assets** | | | | | | | | |
| Software/Trademarks | 1,596.23 | - | 1,596.23 | 1,515.91 | 37.03 | 1,552.94 | 80.32 | 80.32 |
| Business Rights | - | - | - | - | - | - | - | - |
| **Total** | **1,596.23** | **-** | **1,596.23** | **1,515.91** | **37.03** | **1,552.94** | **80.32** | **80.32** |
| **Total** | **15,486.91** | **-** | **15,486.91** | **13,718.57** | **564.45** | **14,283.02** | **1,768.34** | **1,768.34** |

## 22. SIGNIFICANT ACCOUNTING POLICIES:

### a) Company Overview

Sanghvi Brands Limited (formerly known as Sanghvi Brands Private Limited) is a public company, domiciled in India. It was incorporated on 16th February2010 under the provisions of Companies Act, 1956. The Company is in the business of branding of national and international brands, dealing in goods and services of such brands and providing spa services. The Company has its registered office at Shivajinagar, Pune.

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

### b) Basis of preparation of financial statements

The Consolidated financial statements of Sanghvi Brands Limited (the Parent Company) and its subsidiaries (collectively referred to as 'the Group') have been 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, (as amended).

### c) Use of Estimates

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

### d) Basis of Consolidation

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

| Name | Country of Incorporation | Percentage (%) of Shareholding | |
|---|---|---|---|
| | | 31st March, 2024 | 31st March, 2023 |
| Sanghvi Beauty & Salon Private Limited | India | 99.99% | 99.99% |
| Sanghvi Fitness Private Limited | India | 97.50% | 97.50% |
| Sanghvi Brands SL Private Limited | Srilanka | 100% | 100% |

The shares in Sanghvi Fitness Pvt Ltd (2.5% of the Share Capital) minority are held by a third party Shed Design Ltd (U.K).
Sanghvi Brands S L Private Limited was incorporated on dated 13rd September 2016 and is in the business of branding of national and international lifestyle and wellness brands and dealing in goods and services of such brands.

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

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

**e) Revenue Recognition**

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

Service income is recognized net of duties & taxes.

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

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

**f) Property, Plant and Equipment**

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

**g) Depreciation and Amortization**

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

**h) Employee benefit**

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

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

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

business.

j) **Impairment**

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

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

k) **Income Tax**

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

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

l) **Provisions**

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

m) **Earnings per Share**

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

**23. Earnings per Share**

| Sr. No. | Particulars | 31.03.2024 (Rs. In Thousand) | 31.03.2023 (Rs. In Thousand) |
|---|---|---|---|
| a. | Profit /(Loss) for the year | 5032.87 | (2,215.32) |
| b. | Weighted Average no. of Equity Shares | 1,04,15,880 | 1,04,15,880 |
| **c.** | **Basic EPS (a/b)** | **0.48** | **(0.21)** |
| d. | **Diluted EPS** | **0.48** | **(0.21)** |

24. 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.

**25. RELATED PARTY DISCLOSURE: -**

Names of related party and nature of relationship

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

Transaction with related parties

| Particulars | Nature of Transaction | 31.03.2024 (Rs. In Thousand) | 31.03.2023 (Rs. In Thousand) |
|---|---|---|---|
| 1. Mr. Narendra R Sanghvi | Rent of Pune Office | 180.00 | 360.00 |
| 2. Miss. Disha N Sanghvi | Rent paid | 300.00 | 450.00 |
| 3. Sanghvi Lifestyle Products Pvt Ltd | Sale of Goods | 189.64 | 237.58 |

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

| Particulars | 31.03.2024 (Rs. In Thousand) | 31.03.2023 (Rs. In Thousand) |
|---|---|---|
| 1.Sanghvi Beauty & Technologies Pvt Ltd | 138.36 | 138.36 |
| 2.Sanghvi Lifestyle Products Pvt Ltd | 3,638.21 | 3,638.21 |

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

| | Share in Profit or Loss | | Net Assets | |
|---|---|---|---|---|
| | Amounts (Rs. In Thousand) | As a % of consolidated Profit | Amounts (Rs. In Thousand) | As % of consolidated net assets |
| **Parent** | (173.06) | (3.44%) | 97687.25 | 204.62% |
| **Subsidiaries** | | | | |
| Sanghvi Beauty & Salon Pvt Ltd | 3,642.66 | 72.38% | (41,383.46) | (86.68%) |
| Sanghvi Fitness Pvt Ltd | 1,563.36 | 31.06% | (5,842.57) | (12.24%) |
| Sanghvi Brands US Holding INC | - | - | - | - |
| Sanghvi Brands S L Private limited | (0.065) | (0.002%) | (2,720.89) | (5.70%) |
| Sanghvi Brands Beauty and Spa LLC | - | - | - | - |
| Associate | - | - | - | - |
| Less:- Minority Interest | - | - | - | - |
| Less: - inter-company Elimination | - | - | - | - |
| **Total** | **5,032.87** | **100%** | **47,740.33** | **100%** |

**27.** During the current year the company witnessed a good recovery in the business aided by leisure travel and gradual pickup in the business segment. The Management has secured cash reserve to enable the Group to meet its obligations as they fall due and for its operational need. The Group has assessed future projections and based on estimates, expects to recover the carrying amount of these assets. Even though material uncertainty about going concern exists, considering various mitigating factors, the management does not see any risks in the ability to continue as a going concern and meeting its liabilities as and when payable. Accordingly, financials have been prepared on going concern basis. The Company will closely monitor any material changes to future economic conditions to assess any possible impact on the Company.

**28.** With regard to the Consolidated financial result the share of profit/loss of the Group from one the associates has not taken for consolidation purpose. The Company has written off this investment in associate Rs. 12.50 lakhs as it ceases to have significant influence in an associate and remote possibility of expect cash flows.

29. Utilization of IPO Proceeds

Amount (Rs. in Lakhs)

| Particulars | Amount Funded from the Gross Proceeds | Actual Utilization up to year ended 31st March 2024 | Pending for utilization |
|---|---|---|---|
| Business Expansion | | | |
| a. Expanding outlets/ distribution of current brand portfolio in India and overseas | 771.70 | 207.52 | 183.33 |
| b. Acquisitions and development of new brands | | 380.85 | |
| Marketing and sales promotion of the brands in our portfolio | 500.00 | 500.00 | 0.00 |
| Strategic Investments for business growth | 100.00 | 71.42 | 28.58 |

| | | | |
|---|---|---|---|
| General Corporate Purpose | 284.42 | 284.42 | 0.00 |
| Issue Expenses | 240.00 | 225.55 | 14.45 |
| **Total** | **1896.12** | **1669.76** | **226.36** |

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

As per our attached report on even date

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

**For and on behalf of Board of Directors**

**Sanghvi Brands Limited**

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|---|
| **Amit Mahadik** | **Dr. Vijay Aggarwal** | **Darpan Sanghvi** | **Narendra Sanghvi** | **Kruti H. Shah** | **Laxmi Rathi** |
| **Partner** | **CEO** | **Director** | **Director** | **Company Secretary** | **CFO** |
| **M.No. 125657** | **Place: Mumbai** | **DIN: 02912102** | **DIN: 02912085** | **Place: Mumbai** | **Place: Mumbai** |
| **Place: Pune** | **Date: 27/05/2024** | **Place: Mumbai** | **Place: Mumbai** | **Date: 27/05/2024** | **Date: 27/05/2024** |
| **Date: 27/05/2024** | | **Date: 27/05/2024** | **Date: 27/05/2024** | | |

**Sanghvi Brands Limited**
Registered office: 105/02, Sanghvi House, Shivaji Nagar, Pune: 411005
CIN: L74999PN2010PLC135586
www.sanghvibrands.com