

B S R & Co. LLP

Chartered Accountants

14th Floor, Central Wing,
Tower 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited review report on unaudited quarterly financial results and year-to-date results of The Mandhana Retail Ventures Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of The Mandhana Retail Ventures Limited

1. We were engaged to review the accompanying statement of unaudited financial results of The Mandhana Retail Ventures Limited (“the Company”) for the quarter ended 30 September 2020 and year-to-date results for the period from 1 April 2020 to 30 September 2020 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
3. Our responsibility is to conduct a review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to Note 3 in the Statement regarding preparation of the financial results on going concern basis. Till the year ended 31 March 2020, the revenue generating operations of the Company solely consisted retailing of men's and women's wear under a well-known trademark under a license agreement. The aforesaid license has been foreclosed by the trademark owner in March 2020 (with retrospective effect from 31 January 2020). Management has stated that the Company is exploring new alternatives including identifying new contracts for retailing in India and is taking steps to address the situation. However, at present, none of the alternatives has materialised and there are no firm contracts/ arrangements. Therefore, there is a material uncertainty regarding the future prospects of the business that casts significant doubt on the Company's ability to continue as a going concern. However, the Company has cash surplus and positive net worth as of 30 September 2020. The Management and the Board of Directors have prepared the Statement on a going concern basis since they do not intend to liquidate the Company and have a reasonable expectation that the Company will be able to meet all its contractual obligations and liabilities as they fall due in near future and that the Company will be able to procure new contracts in near future for carrying on its operations under a new business model. However, we were unable to obtain sufficient appropriate evidences about the future business plans and operations of the Company and materialisation of alternatives that are being considered by the Management. Accordingly, we are unable to conclude whether the Company will be able to continue as a going concern and the consequential implications arising therefrom on the Statement of the Company.

Limited review report on unaudited quarterly financial results and year-to-date results of The Mandhana Retail Ventures Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

The Mandhana Retail Ventures Limited

5. In view of the significance of the matter described in paragraph 4 above, we have not been able to obtain sufficient appropriate evidence regarding whether the use of going concern assumption is appropriate or not. Therefore, we are unable to conclude as to whether the accompanying Statement is prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Rishabh Kumar

Partner

Membership No: 402877

ICAI UDIN: 20402877AAAAEX2762

Mumbai

12 November 2020



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MANDHANA RETAIL VENTURES LTD.

CIN: L52390MH2011PLC213349

Registered Office : Plot No. E -132, M.I.D.C., Tarapur Industrial Area, Boisar, Dist : Palghar - 401506

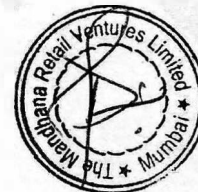
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(Indian rupees in Lakhs)

Sr. No	Particulars	For the Quarter Ended			For the Half Year Ended		For the Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Income						
1	Revenue from operations	0.87	0.98	3,579.24	1.85	8,126.96	15,189.54
2	Other income	223.79	170.67	72.72	394.46	144.17	883.63
3	Total income (1+2)	224.66	171.65	3,651.96	396.31	8,271.13	16,073.17
4	Expenses						
	(a) Purchase of stock-in-trade	-	-	1,821.25	-	3,041.43	4,503.76
	(b) Changes in inventory of stock-in-trade	0.16	0.18	(202.36)	0.34	450.18	2,717.81
	(c) Employee benefits expense	107.79	102.48	580.91	210.27	1,157.58	2,065.66
	(d) Finance costs	0.24	9.79	234.30	10.03	384.66	715.41
	(e) Depreciation and amortisation expenses	1.56	1.51	429.80	3.07	817.94	1,401.20
	(f) Other expenses	91.19	125.73	1,434.62	216.92	3,042.36	6,863.24
	Total expenses	200.94	239.69	4,298.52	440.63	8,894.15	18,267.08
5	Profit/(loss) before exceptional items & tax (3-4)	23.72	(68.04)	(646.56)	(44.32)	(623.02)	(2,193.91)
6	Exceptional items	-	-	-	-	-	-
7	Profit/(loss) before tax (5-6)	23.72	(68.04)	(646.56)	(44.32)	(623.02)	(2,193.91)
8	Tax expenses						
	Current tax	-	-	-	-	-	-
	Earlier year tax	-	-	-	-	-	-
	Deferred tax charge / (credit) (net)	-	-	27.70	-	17.37	911.11
	Total tax expenses	-	-	27.70	-	17.37	911.11
9	Net profit /(loss) for the period (7-8)	23.72	(68.04)	(674.26)	(44.32)	(640.39)	(3,105.02)
10	Other comprehensive income / (loss)						
	(a) Items that will not be reclassified subsequently to profit Remeasurement (loss)/gain of the net defined benefits plans	2.45	(10.47)	(6.53)	(8.02)	(2.38)	22.52
	(b) Income tax relating to items that will not be reclassified subsequently to profit	-	-	2.28	-	0.83	-
	Total other comprehensive income /(loss) for the period	2.45	(10.47)	(4.25)	(8.02)	(1.55)	22.52
11	Total comprehensive income /(loss) for the period (9+10)	26.17	(78.51)	(678.51)	(52.34)	(641.94)	(3,082.50)
12	Paid up equity share capital (Face value of Rs. 10/- each)	2,208.26	2,208.26	2,208.26	2,208.26	2,208.26	2,208.26
13	Other equity	-	-	-	-	-	1,393.10
14	Earning Per Share of Rs. 10/- each: Basic (Rs.)	0.11	(0.31)	(3.05)	(0.20)	(2.90)	(14.06)
15	Earning Per Share of Rs. 10/- each: Diluted (Rs.)	0.11	(0.31)	(3.05)	(0.20)	(2.90)	(14.06)

See accompanying notes to the financial results

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THE MANDHANA RETAIL VENTURES LIMITED
FORMERLY KNOWN AS MANDHANA RETAIL VENTURES LIMITED.

Corporate Office: 006-008, Peninsula Centre, Dr. S.S Rao Road, Parel, Mumbai 400012.

Tel: 91-22-43539126 Fax: 91-22-43539216/17/18 Email: info@mandhanaretail.com Website: www.mandhanaretail.com



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CIN: L52390MH2011PLC213349

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SEGMENT-WISE REVENUE, RESULT AND CAPITAL EMPLOYED

(Indian rupees in Lakhs)

Sr No.	Particulars	For the Quarter Ended			For the Half year Ended		For the Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
1	Segment Revenue						
	[a] Domestic	224.66	171.65	3,448.51	396.31	7,225.45	14,225.34
	[b] Export	-	-	203.45	-	1,045.68	1,847.83
	[c] Unallocated	-	-	-	-	-	-
	Total	224.66	171.65	3,651.96	396.31	8,271.13	16,073.17
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Total Revenue	224.66	171.65	3,651.96	396.31	8,271.13	16,073.17
2	Segment Profit/ (Loss) Before Tax & Interest						
	[a] Domestic	23.96	(58.25)	(357.32)	(34.29)	(254.88)	(1,367.99)
	[b] Export	-	-	(54.94)	-	16.52	(110.51)
	[c] Unallocated	-	-	-	-	-	-
	Total	23.96	(58.25)	(412.26)	(34.29)	(238.36)	(1,478.50)
	Less: Interest	0.24	9.79	234.30	10.03	384.66	715.41
		23.72	(68.04)	(646.56)	(44.32)	(623.02)	(2,193.91)
	Add: Unallocable Income/ (Loss)	-	-	-	-	-	-
	Profit/(Loss) Before Tax	23.72	(68.04)	(646.56)	(44.32)	(623.02)	(2,193.91)
3	Capital Employed						
	Segment assets						
	[a] Domestic	3,945.91	4,452.31	12,293.31	3,945.91	12,293.31	1,429.22
	[b] Export	39.83	39.65	126.44	39.83	126.44	86.65
	[c] Unallocated	-	-	2,786.54	-	2,786.54	4,232.30
	Total	3,985.74	4,491.96	15,206.29	3,985.74	15,206.29	5,748.17
	Segment liabilities						
	[a] Domestic	436.73	969.11	5,176.78	436.73	5,176.78	369.04
	[b] Export	-	-	-	-	-	-
	[c] Unallocated	-	-	3,987.59	-	3,987.59	1,777.77
	Total	436.73	969.11	9,164.37	436.73	9,164.37	2,146.81
	Capital Employed (Segment assets - Segment liabilities)						
	[a] Domestic	3,509.18	3,483.20	7,116.53	3,509.18	7,116.53	1,060.18
	[b] Export	39.83	39.65	126.44	39.83	126.44	86.65
	[c] Unallocated	-	-	(1,201.05)	-	(1,201.05)	2,454.53
	Total	3,549.02	3,522.85	6,041.92	3,549.02	6,041.92	3,601.36



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Notes :

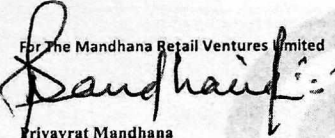
- 1 The above financial results have been reviewed by the Audit Committee on 12 November 2020 and approved by the Board of Directors at their meeting held on that date.
- 2 Financial results for all the periods presented have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with rules there under.
- 3 The Company's license arrangement with Being Human - The Salman Khan Foundation ('the Foundation'), which was the core asset of the Company, has been terminated on 5 March 2020, with effect from 31 January 2020. The Company has revisited its business strategy to address the uncertainty caused to the extant business model and is exploring various alternatives. Its revised business plan is based on its skills in building a profitable brand in 'consumer discretionary segment' from ground up. However, the discontinuation of the license agreement with the Foundation has coincided with the Covid 19 pandemic that has disrupted the economy in general and retail business in particular. The Company has decided to withhold the roll out of its revised business plans till the current disruption reasonably abates. However, the material uncertainty caused by the cancellation of the license with the Foundation and exogenous global disruption due the pandemic have cast significant doubt on the Company's ability to continue as a 'going concern'. The Management, however, is reasonably confident of reviving Company's business given its reworked strategy supported by the core team that is in place and positive net worth and liquidity at hand.

The Company is exploring various alternatives, including initiating the process of determining new partners and tie-ups with a new trademark owner or creating a homegrown brand. The Company has the relevant resources to be able to enter a new venture, however, the Company is currently assessing the impact of the pandemic situation on the retail industry and therefore moving cautiously with its plans. The future business operations of the Company, cash flows and projected growth plans are critically dependent upon the materialisation of viable alternatives. However, the Management of the Company does not have any intention to liquidate the Company and is confident that the alternatives being evaluated by the Company will materialise in near future. Accordingly, the financial results continue to be prepared on going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of business and also continuation of operations of the company under a new business model.

Management's view on 'Going Concern' status: The auditors have expressed serious concern on the going concern status due to the discontinuation of the 'license' vide agreement with the Foundation dated March 5, 2020. The Management, however, has responded with speed to rework its business strategy to meet the uncertainty arising out of this event. The Management believes its business plan is amply supported by the core team that it has nurtured over the years and liquidity, inter alia, arising out of the transaction with the Foundation and its new licensee. The Management has held back the roll out of the plan given the disruption caused in the economy and its target markets by the pandemic. Given the current indication, it would be reasonable to expect helpful conditions for roll out by Q4FY'21. The Management, therefore, is of the opinion that there are reasonable grounds to believe that there is no material impact due to the aforesaid disclaimer on 'going concern' status by the Auditors.

The Board while approving the accounts has given serious weightage to the views of the Auditors. It has also received the views of the Management on its strategy to meet the extenuating developments in its business model and the uncertainty in the economy caused by the pandemic. On balance, the Board is of the view, given the uncertainty and disruption caused by the pandemic, it is advisable to tread with caution and feels reasonably confident that the Management will be able to operationalise the business plan as presented to the Board and the Company' status as a 'going concern' can reasonably be assured thereby.

- 4 The impact of COVID 19 still remains uncertain and could be different from our estimates when we prepared the financial results. The Company will continue to closely monitor any material changes to future economic conditions.
- 5 Previous period's figures have been regrouped/reclassified, wherever necessary, to confirm to current period's presentation.

For The Mandhana Retail Ventures Limited

Priyavrat Mandhana
Executive Director

Mumbai, 12 November 2020



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BALANCE SHEET

(Indian rupees in Lakhs)

Sr. No	Particulars	As at	
		Unaudited	Audited
		30.09.2020	31.03.2020
	ASSETS		
1	Non-current assets		
	a) Property, plant and equipment	16.55	169.62
	b) Financial assets:		
	i) Other financial assets	8.31	8.31
	c) Income tax assets (net)	0.49	0.41
	Sub total : Non-current assets	25.35	178.34
2	Current assets		
	a) Inventories	15.41	15.75
	b) Financial assets:		
	i) Trade receivables	291.69	630.56
	ii) Cash and cash equivalents	65.88	544.81
	iii) Bank balances other than ii) above	1,090.00	-
	iv) Loans	1,624.44	1,718.66
	v) Other financial assets	303.49	2,269.45
	c) Other current assets	418.58	390.60
	Sub total : Current assets	3,809.50	5,569.83
3	Non-current assets classified as held for sale	150.89	-
	TOTAL : ASSETS	3,985.74	5,748.17
	EQUITY AND LIABILITIES		
1	Equity		
	a) Equity share capital	2,208.26	2,208.26
	b) Other equity	1,340.76	1,393.10
	Sub total : Equity	3,549.02	3,601.36
	Liabilities		
2	Non-current liabilities		
	a) Provisions	27.10	37.66
	Sub total : Non-current liabilities	27.10	37.66
	Current liabilities		
3	a) Financial liabilities		
	i) Current borrowings	-	228.84
	ii) Trade payables		
	- Total outstanding dues of micro enterprises and small enterprises	5.56	341.57
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	212.60	902.98
	iii) Other financial liabilities	156.88	519.86
	b) Other Current Liabilities	18.50	70.84
	c) Provisions	4.63	35.61
	d) Current tax liabilities (net)	9.45	9.45
	Sub total : Current liabilities	407.62	2,109.15
4	Liabilities directly associated with assets classified as held for sale	2.00	-
	TOTAL : EQUITY AND LIABILITIES	3,985.74	5,748.17

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STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020		
(Indian rupees in Lakhs)		
Particulars	30.09.2020	30.09.2019
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss before tax	(44.32)	(623.02)
Adjustments for:		
Depreciation and amortisation expense	3.07	817.94
Sundry balances written back (net)	(3.39)	95.07
Interest income on security deposits initially recognised at fair value	-	(28.59)
Inventory provision	-	11.00
Unrealised gain on foreign currency translation (net)	(1.32)	(0.85)
Interest income on fixed deposits with banks	(2.16)	(0.52)
Finance costs	10.03	384.66
Allowance for expected credit loss	26.59	-
Interest on income-tax	-	0.25
Provision for doubtful security deposits	5.18	-
PPE, CWIP and Intangible assets written off / Loss on sale of PPE and Intangible assets	-	10.27
Operating cash flows before working capital changes	(6.31)	666.21
Working capital adjustments :		
(Decrease)/Increase in other financial liabilities	(360.98)	2.11
Decrease in other liabilities	(52.34)	(40.95)
(Decrease)/Increase in provisions	(49.59)	5.54
Decrease in trade payables	(1,029.15)	(1,029.17)
Decrease in loans	89.04	376.54
Increase in other non-current assets	(27.98)	(396.27)
Decrease in inventories	0.34	439.18
Decrease in trade receivables	313.60	825.30
Decrease in other current financial assets	1,967.11	22.46
Cash generated from operating activities	843.74	870.95
Taxes paid (net of refunds)	(0.09)	(0.30)
Net cash flows from operating activities	843.65	870.65
Cash flows from investing activities		
Purchase for property, plant and equipment including capital work in progress and capital advances	(0.90)	(113.62)
Investment in Fixed Deposit	(1,090.00)	-
Interest received	1.01	0.05
Net cash used in investing activities	(1,089.89)	(113.57)
Cash flows from financing activities		
(Repayment)/proceeds of cash credit facility from bank (net)	(228.84)	80.60
Repayment of loan to corporate bodies	-	(100.00)
Lease Payments	-	(691.12)
Finance charges paid	(3.85)	(40.64)
Net cash used in financing activities	(232.69)	(751.16)
Net (decrease)/ increase in cash and cash equivalents	(478.93)	5.92
Cash and cash equivalents at the beginning of the year	544.81	40.87
Cash and cash equivalents at the end of the period	65.88	46.79
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and Cash equivalents as per Balance Sheet	65.88	46.79
Cash and Cash equivalents as at the period end	65.88	46.79

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