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Limited review report on unaudited quarterly financial results and year-to-date financial 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 have reviewed the accompanying Statement of unaudited financial results of The Mandhana Retail Ventures Limited ('the Company') for the quarter ended 31 December 2019 and the year-to-date results for the period from 1 April 2019 to 31 December 2019 ('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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our 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 4 in the Statement regarding preparation of the financial results on going concern basis. So far the revenue generating operations of the Company have been arising solely from retailing of men's and women's wear under a well-known trademark under a license agreement. The aforesaid license, which will expire by 31 March 2020, has not been renewed and the Licensor has indicated the Company its intention for a pre-closure before 31 March 2020. The Company has lost some of the key employees and is taking steps to sell the inventory. Management has stated that the Company is exploring alternatives including identifying new contracts for retail business and is taking steps to address the situation. However, at present, none of the alternatives have materialised and there are no firm business plans post 31 March 2020. Therefore, there is a material uncertainty regarding the future prospects of the business that cast significant doubt on the Company's ability to continue as a going concern. However, the Company has net current asset position and a positive net-worth as at 31 December 2019. The Management and the Board of Directors have prepared the Statement on a going concern basis since they 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 for carrying on its operations.

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

However, we were unable to obtain sufficient appropriate evidences about the future business plans of the Company post 31 March 2020, sale of inventory 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.

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, as amended, 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



Rishabh Kumar

Partner

Membership No: 402877

ICAI UDIN: 20402877AAAABE2560

Mumbai

12 February 2020



THE MANDHANA RETAIL VENTURES LIMITED

CIN: L52390MH2011PLC213349

Registered office : Plot no. E -132, MIDC Tarapur Industrial Area, Boisar, Dist. Palghar -401506

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

Tel No. :- 022 43539191. Fax :- 022 43539358

Email :- cs@mandhanaretail.com . Website: www.mandhanaretail.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

(Indian rupees in Lakhs)

| Sr. No | Particulars | For the Quarter Ended | | | For the Nine months Ended | | For the Year Ended |
|-----------|--|-----------------------|-----------------|-----------------|------------------------------|------------------|-----------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | | 31.12.2019 | 30.09.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 | 31.03.2019 |
| | Income | | | | | | |
| 1 | Revenue from operations | 5,754.96 | 3,579.24 | 6,975.85 | 13,881.92 | 17,051.76 | 21,987.25 |
| 2 | Other income | 6.04 | 72.72 | 15.63 | 150.21 | 60.92 | 219.23 |
| 3 | Total income (1+2) | 5,761.00 | 3,651.96 | 6,991.48 | 14,032.13 | 17,112.68 | 22,206.48 |
| | Expenses | | | | | | |
| | (a) Purchase of stock-in-trade | 1,471.90 | 1,821.25 | 2,269.86 | 4,513.33 | 6,198.03 | 8,151.18 |
| | (b) Changes in inventories of stock-in-trade | 1,085.95 | (202.36) | 865.50 | 1,536.13 | 1,044.20 | 1,462.00 |
| | (c) Employee benefits expense | 581.56 | 580.91 | 620.13 | 1,739.14 | 1,878.50 | 2,469.77 |
| | (d) Finance costs | 162.40 | 234.30 | 31.33 | 547.06 | 116.16 | 245.70 |
| | (e) Depreciation and amortisation expense | 426.70 | 429.80 | 98.12 | 1,244.64 | 292.71 | 385.70 |
| | (f) Other expenses | 1,968.82 | 1,434.62 | 3,002.79 | 5,011.18 | 7,441.36 | 9,481.68 |
| | Total expenses | 5,697.33 | 4,298.52 | 6,887.73 | 14,591.48 | 16,970.96 | 22,196.03 |
| 5 | Profit/(Loss) before exceptional items & tax (3-4) | 63.67 | (646.56) | 103.75 | (559.35) | 141.72 | 10.45 |
| 6 | Exceptional items | - | - | - | - | - | - |
| 7 | Profit/(Loss) before tax (5-6) | 63.67 | (646.56) | 103.75 | (559.35) | 141.72 | 10.45 |
| 8 | Tax expenses : | | | | | | |
| | Current tax (net) | - | - | - | - | - | - |
| | Deferred tax charge/(credit) (net) | (36.29) | 27.70 | 33.21 | (18.92) | 47.33 | 44.35 |
| | Prior year tax | - | - | 12.82 | - | 12.82 | 25.01 |
| | Total tax expenses | (36.29) | 27.70 | 46.03 | (18.92) | 60.15 | 69.36 |
| 9 | Net profit /(loss) (7-8) | 99.96 | (674.26) | 57.72 | (540.43) | 81.57 | (58.91) |
| 10 | Other comprehensive Income | | | | | | |
| | Items that will not be reclassified subsequently to Profit and Loss | | | | | | |
| | - Remeasurements of the net defined benefits plans | 4.15 | (6.53) | (4.04) | (2.38) | 0.76 | 1.12 |
| | - Income tax relating to items that will not be reclassified subsequently to profit and loss | (1.45) | 2.28 | 1.42 | 0.83 | (0.26) | (0.39) |
| | Total other comprehensive income/(loss) | 2.70 | (4.25) | (2.62) | (1.55) | 0.50 | 0.73 |
| 11 | Total comprehensive income /(loss)(9+10) | 102.66 | (678.51) | 55.10 | (541.98) | 82.07 | (58.18) |
| 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 | - | - | - | - | - | 4,475.60 |
| 14 | Earnings per Share (Rs. 10/- each) (not annualised) | | | | | | |
| | Basic (Rs.) | 0.45 | (3.05) | 0.26 | (2.45) | 0.37 | (0.27) |
| | Diluted (Rs.) | 0.45 | (3.05) | 0.26 | (2.45) | 0.37 | (0.27) |





THE MANDHANA RETAIL VENTURES LIMITED
(Formerly Known as 'Mandhana Retail Ventures Limited')

CIN: L52390MH2011PLC213349

Registered office : Plot no. E -132, MIDC Tarapur Industrial Area, Boisar, Dist. Palghar -401506

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

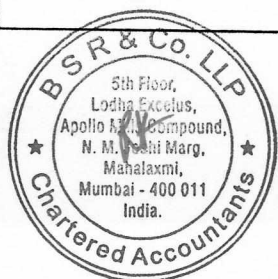
Tel No. :- 022 43539191. Fax :- 022 43539358

Email :- cs@mandhanaretail.com . Website: www.mandhanaretail.com

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Indian Rupees in Lakhs)

| Sr No. | Particulars | For the Quarter Ended | | | For the Nine months ended | | For the year ended |
|--------|--|-----------------------|------------------|------------------|---------------------------|------------------|--------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | | 31.12.2019 | 30.09.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 | 31.03.2019 |
| 1 | Segment Revenue | | | | | | |
| | [a] Domestic | 4,979.07 | 3,448.51 | 6,503.10 | 12,204.52 | 15,814.15 | 19,792.64 |
| | [b] Export | 781.93 | 203.45 | 488.38 | 1,827.61 | 1,298.53 | 2,413.84 |
| | [c] Unallocated | | | - | | | |
| | Total | 5,761.00 | 3,651.96 | 6,991.48 | 14,032.13 | 17,112.68 | 22,206.48 |
| | Less: Inter-segment Revenue | - | - | - | - | - | - |
| | Total Revenue | 5,761.00 | 3,651.96 | 6,991.48 | 14,032.13 | 17,112.68 | 22,206.48 |
| 2 | Segment Profit/ (Loss) Before Tax & Interest | | | | | | |
| | [a] Domestic | 168.68 | (357.32) | 83.01 | (86.20) | 104.87 | (23.03) |
| | [b] Export | 57.39 | (54.94) | 52.07 | 73.91 | 153.01 | 279.18 |
| | [c] Unallocated | | | | | | |
| | Total | 226.07 | (412.26) | 135.08 | (12.29) | 257.88 | 256.15 |
| | Less: Interest | 162.40 | 234.30 | 31.33 | 547.06 | 116.16 | 245.70 |
| | | 63.67 | (646.56) | 103.75 | (559.35) | 141.72 | 10.45 |
| | Add: Unallocable Income/ (Loss) | | | | | | |
| | Profit Before Tax | 63.67 | (646.56) | 103.75 | (559.35) | 141.72 | 10.45 |
| 3 | Capital Employed | | | | | | |
| | Segment assets | | | | | | |
| | [a] Domestic | 11,715.20 | 12,293.31 | 10,358.24 | 11,715.20 | 10,358.24 | 8,482.00 |
| | [b] Export | 297.20 | 126.44 | 442.11 | 297.20 | 442.11 | 827.94 |
| | [c] Unallocated | 2,720.07 | 2,786.54 | 2,468.86 | 2,720.07 | 2,468.86 | 2,741.96 |
| | Total | 14,732.47 | 15,206.29 | 13,269.21 | 14,732.47 | 13,269.21 | 12,051.90 |
| | Segment liabilities | | | | | | |
| | [a] Domestic | 4,995.23 | 5,176.78 | 888.85 | 4,995.23 | 888.85 | 496.67 |
| | [b] Export | - | - | - | - | - | - |
| | [c] Unallocated | 3,592.15 | 3,987.59 | 5,556.26 | 3,592.15 | 5,556.26 | 4,871.37 |
| | Total | 8,587.38 | 9,164.37 | 6,445.11 | 8,587.38 | 6,445.11 | 5,368.04 |
| | Capital Employed (Segment assets - Segment liabilities) | | | | | | |
| | [a] Domestic | 6,719.97 | 7,116.53 | 9,469.39 | 6,719.97 | 9,469.39 | 7,985.33 |
| | [b] Export | 297.20 | 126.44 | 442.11 | 297.20 | 442.11 | 827.94 |
| | [c] Unallocated | (872.08) | (1,201.05) | (3,087.40) | (872.08) | (3,087.40) | (2,129.41) |
| | Total | 6,145.09 | 6,041.92 | 6,824.10 | 6,145.09 | 6,824.10 | 6,683.86 |



Notes :

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12 February, 2020.
- 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 limited review as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 has been completed by the auditors of the Company.
- 4 The Company's license arrangement with Being Human - The Salman Khan Foundation ('the Foundation') is the core asset of the Company and is currently valid upto 31 March 2020. As per the terms of agreement, which is not automatically renewable, the license was due for renewal by 30 September 2018. The stipulated notice period for renewal of the license has lapsed and the Foundation has indicated the Company its intention for a pre-closure of the license agreement before 31 March 2020. The Company has undertaken steps to address the uncertainty by exploring alternatives. Thus, the future business operations of the Company, cash flows and projected growth plans are critically dependent upon the materialisation of all the various alternatives.

The above indicates a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern. However, the Company is reasonably confident that the alternatives including identifying new contracts for retail business being evaluated are likely to materialise in near future. Apart from the above, the Company has undertaken various initiatives in relation to cost saving. With continued efforts, the Company expects to address the material uncertainty in near future. Accordingly, the financial results continue to be prepared on a 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 new arrangements.

- 5 The Company has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - "Leases" to its leases effective from annual reporting period beginning 1 April, 2019. Accordingly the company has not restated comparative information.

Reconciliation of the impact of accounting under IND AS 116 on Statement Of Profit and Loss is as under :

(Indian Rupees in Lakhs)

| Adjustment to increase/(decrease) in net profit/(loss) | Quarter ended 31.12.2019 on comparable basis | Changes due to IND AS 116 Increase/(decrease) | Quarter ended 31.12.2019 as reported | Nine months ended 31.12.2019 on Comparable basis | Changes due to IND AS 116 Increase/(decrease) | Nine months ended 31.12.2019 as reported |
|--|--|---|--------------------------------------|--|---|--|
| Other Expenses (Rent) | 2,335.39 | (366.57) | 1,968.82 | 6,068.87 | (1,057.69) | 5,011.18 |
| Finance Cost | 17.67 | 144.73 | 162.40 | 110.71 | 436.35 | 547.06 |
| Depreciation & Amortization Expense | 92.05 | 334.65 | 426.70 | 275.51 | 969.13 | 1,244.64 |
| Profit/(Loss) before tax | 176.48 | 112.81 | 63.67 | (211.56) | 347.79 | (559.35) |

- 6 The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 inserted a new Section 115BAB in the Income Tax Act, 1961 which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company would continue with the existing tax rate applicable to it and will not opt for the reduced tax rate.
- 7 Previous period's figures have been regrouped/reclassified, wherever necessary, to confirm to current period's presentation.

For The Mandhana Retail Ventures Limited

Sangeeta M. Mandhana
Sangeeta M. Mandhana
Managing Director



Mumbai, 12 February, 2020

