



MUKTA ARVIND AND ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahen Distribution Limited.

Report on the Audit of the Financial Statements

1. Opinion

We have audited the financial statements of M/s Mahen Distribution Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and the Profits and other changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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.

3. Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

4. Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated 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 state of affairs profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company 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.

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In preparing the financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

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.

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 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.
- 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 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.
- 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.

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 another 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 auditors' 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.



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6. Report on Other Legal and Regulatory Requirements

7.

(i) As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company, As per the Board of Directors of the company, in view of the MCA Notification No. G.S.R. 583(E) dated 13 June 2017, the company is exempt from the requirements of clause (i) of section 143(3) and therefore the report on adequacy and operating effectiveness of internal financial controls is not being made.
- g) With respect to the other matters to be included in the Auditors' 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 Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There have been no amounts 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 or entity, 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 or entity, 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



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 performed that have been 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. No dividend has been declared or paid during the year by the Company.

h) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197(16) of the Act are not applicable to the Company

Place: Chandigarh
Dated: 30.05.2022

For Mukta Arvind & Associates,
Chartered Accountants
(Firm Reg. No-018341N)



(Arvind Kumar Singla)

Partner

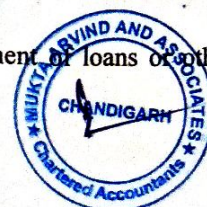
M.Ship No 091661

UDIN: 22091661AJWNJV8434

ANNEXURE REFERRED TO IN PARAGRAPH 6 OF THE AUDITORS' REPORT TO THE MEMBERS OF PASADENA RETAIL PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2022

Based on audit procedures performed and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i)(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i)(c) There is no immovable property (other than property where the Company is the lessee and the lease agreement is duly executed in favour of the lessee) held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (i)(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2022. However, the terms of lease were revised due to spread of pandemic Covid-19, the financial effect of revision has been adjusted in the books of accounts.
- (i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No significant discrepancies were noticed on such physical verification.
- (ii)(b) The Company has not been sanctioned any working capital limits from banks during the year on the basis of security of current assets of the Company, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any company, firm, Limited Liability Partnership or any other party.
- (iv) As the Company has not made investments or given loans or provided guarantees/securities to any party, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company have not accepted any deposits from any party and accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not availed any loan, therefore, the question of default in repayment of loans or other borrowings or in the payment of interest thereon to any lender does not arise.




- (ix)(b to f) As the Company has not availed any loans from banks/financial institutions, the requirement to report on clauses 3(viii)(b to f) of the Order are not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment / private placement of shares during the year.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) The Company is not required to have internal audit system commensurate with the size and nature of its business and hence requirement to report on clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934(2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order are not applicable to the Company.
- (xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and also in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



- (xix) On the basis of the financial ratios disclosed in note -26 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has no new ongoing projects, accordingly, the requirement to report on clause 3(xx)(a & b) of the Order are not applicable to the Company.
- (xxi) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.

Place: Chandigarh
Dated: 30.05.2022

For Mukta Arvind & Associates,
Chartered Accountants
(Firm Regn. No. 018341N)

(Arvind Kumar Singla)
Partner
M. Ship No. FCA-091661
UDIN: 22091661AJWNJV8434

MAHEN DISTRIBUTION LIMITED
(CIN - U93000CH2009PLC031625)
Balance Sheet as at 31 March 2022
(Amount in Rupees unless stated otherwise)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Non-current investments	1	1,89,41,41,900	8,40,03,130
Income tax assets	2	-	1,88,846
Total non-current assets		1,89,41,41,900	8,41,91,976
Current assets			
Inventories	3	-	42,78,128
Financial assets			
-Trade receivables	4	13,58,566	1,10,972
-Cash and cash equivalents	5	3,98,939	15,04,340
Other current assets	6	65,55,778	66,38,262
Total current assets		83,13,283	1,25,31,702
Total assets		1,90,24,55,183	9,67,23,678
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	6,00,57,000	6,00,57,000
Other equity	8	1,44,96,98,291	(64,72,806)
Total equity		1,50,97,55,291	5,35,84,194
LIABILITIES			
Non-current liabilities			
Deferred Tax Liabilities		34,97,55,530	-
Total non-current liabilities		34,97,55,530	-
Current liabilities			
Financial liabilities			
-Borrowings	9	1,50,00,000	1,50,00,000
-Trade payables	10	2,56,98,023	2,69,99,545
-Other financial liabilities	11	17,88,752	9,56,700
Other current liabilities	12	4,57,588	1,83,239
Total current liabilities		4,29,44,363	4,31,39,484
Total liabilities		39,26,99,893	4,31,39,484
Total Equity and Liabilities		1,90,24,55,183	9,67,23,678

The notes referred to above form an integral part of the Ind AS financial statements.

As per our report attached for the balance sheet

For **Mukta Arvind and Associates**

Chartered Accountants

Firm Registration No: 018341N

CHANDIGARH

GA Arvind Kumar

Partner

Membership No. 091661

For and on behalf of the Board of directors
Mahen Distribution Limited

P.K. Goyal V S Mathur
 Director Director
 DIN:00224718 DIN:07910605

Place: Chandigarh

Dated: 30-05-2022

UDIN-22091661AJW NJV 8434

MAHEN DISTRIBUTION LIMITED
(CIN - U93000CH2009PLC031625)

Statement of Profit and Loss for the period ended 31 March 2022
(Amount in Rupees unless stated otherwise)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars			
CONTINUING OPERATIONS			
Revenue from operations	13	64,11,470	55,31,617
Other income	14	-	-
Total Income		64,11,470	55,31,617
EXPENSE			
Purchase of stock-in-trade	15	-	-
Changes in inventories of finished goods and stock-in-trade	16	42,78,128	60,41,843
Employee benefit expense	17	53,847	-
Finance costs	18	19,89,291	19,92,722
Other expenses	19	41,13,502	2,49,308
Total expenses		1,04,34,768	82,83,873
Profit (loss) before tax from continuing operations		(40,23,298)	(27,52,256)
Tax expense:			
Current tax charge		-	-
MAT Credit Entitlement		1,88,846	-
Deferred tax charge (credit)		-	-
Total Tax Expenses		1,88,846	-
Profit/(loss) for the Year		(42,12,144)	(27,52,256)
Other Comprehensive Income/(expense)			
Gain on FVTOCI equity securities		1,81,01,38,770	-
Income tax effect		(34,97,55,530)	-
Total Comprehensive Income/(Loss) for the year		1,45,61,71,097	(27,52,256)
Earnings per equity share [Nominal value of Rs.10 (previous year Rs.10)]			
Basic (Rs.)		(0.70)	(0.46)
Diluted (Rs.)		(0.70)	(0.46)

Significant accounting policies

The notes referred to above form an integral part of the Ind AS financial statements.

As per our report attached to the balance sheet

For Mukta Arvind and Associates
Chartered Accountants
Firm Registration No: 018341N



Place : Chandigarh
Dated: 30-05-2022

For and on behalf of the Board of directors
Mahen Distribution Limited

P.K. Goyal *V.S. Mathur*

P K Goyal
Director
DIN:00224718

V S Mathur
Director
DIN:07910605

MAHEN DISTRIBUTION LIMITED
(CIN - U93000CH2009PLC031625)
Cash flow statement for the year ended 31 March 2022
(Amount in Rupees unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31st March 2021
A. Cash flow from operating activities:		
Net profit before tax from continuing operations	(40,23,298)	(27,52,256)
Adjustments for:		
Interest expense	19,87,501	19,88,514
Operating profit before working capital changes		
Adjustments for:		
(Increase) / decrease in trade and other receivables	(12,47,595)	3,67,539
(Increase) / decrease in loans and advances	82,484	8,38,302
(Increase) / decrease in inventories	42,78,128	60,41,843
Increase / (decrease) in trade payables	(13,01,522)	(60,15,559)
Increase / (decrease) in other current liabilities	11,06,401	89,169
Short term provisions	-	-
Cash flow from operating activities before taxes	8,82,100	5,57,552
Direct taxes paid / (refunds) (net)		
Net cash flow from operating activities	8,82,100	5,57,552
B. Cash flow from investing activities:		
(Increase) / decrease in Investments	-	-
Net cash used in investing activities	-	-
C. Cash flow from financing activities:		
Proceeds from issue of capital	-	-
Proceeds of long term borrowings (net of repayment)	-	-
Interest paid	(19,87,501)	(19,88,514)
Net cash used in financing activities	(19,87,501)	(19,88,514)
Net increase/(decrease) in cash and cash equivalents	(11,05,401)	(14,30,962)
Opening cash and cash equivalents	15,04,340	29,35,302
Closing cash and cash equivalents	3,98,939	15,04,340

Notes:

1 Cash and cash equivalents include:
Balance with banks

2 The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard-7 on "Statement on Cash Flows"

3 Refer note no.1 for significant accounting policies.

For Mukta Arvind and Associates
Chartered Accountants
Firm Registration No: 018341N

CA Arvind Kumar
Partner
Membership No. 091661

Place : Chandigarh
Dated: 30-05-2022

For and on behalf of the Board of directors

P. K. Goyal V S Mathur
Director Director

DIN:00224718

DIN:07910605

MAHEN DISTRIBUTION LIMITED
(CIN - U93000GH2009PLC031625)
Notes forming part of the accounts as on 31 March 2022
(Amount in Rupees unless stated otherwise)

MAHEN DISTRIBUTION LIMITED
(CIN - U93000GH2009PLC031625)

As at 31 March 2022

As at
31 March 2021

Notes forming part of the accounts as on 31 March 2022
(Amount in Rupees unless stated otherwise)

1. Long term Investment (Fair Value through OCI)		
1,700,000 (previous year 1,700,000 of Rs. 10 each) Equity shares of Ethos Limited of Rs. 10 each fully paid up - at cost revalued at Rs. 826 each	1,40,42,00,000	1,70,00,000
531,993 (previous year 531,993 of Rs. 10 each) Equity shares of Ethos Limited of Rs. 10 each fully paid up - at cost revalued at Rs. 826 each	43,94,26,218	5,31,99,300
5157 (previous year 5157 of Rs. 10 each at premium of 180) Equity shares of Ethos Limited of Rs. 10 each fully paid up at premium of Rs 180 each - at cost revalued at Rs. 826 each	42,59,682	9,79,830
56,000 (previous year 56,000 of Rs. 10 each at premium of 219) Equity shares of Ethos Limited of Rs. 10 each fully paid up at premium of Rs 219 each - at cost revalued at Rs. 826 each	4,62,56,000	1,28,24,000
	1,89,41,41,900	8,40,03,130
2. Income Tax Assets		
MAT credit entitlement AY 2014-15	-	86,664
MAT credit entitlement AY 2015-16	-	1,02,182
	-	1,88,846
3. Inventories		
Finished goods for trading	13,53,891	42,78,128
Less: Provision for inventory	(13,53,891)	-
	-	42,78,128
4. Trade receivables		
(Unsecured and considered good, unless otherwise stated)		
-Debts outstanding for a period exceeding six months, considered good	-	-
-from others	-	-
-Other debts, considered good	13,58,567	1,10,972
	13,58,567	1,10,972

As at 31 March 2022	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Undisputed Trade Receivable - considered good	24,300	13,34,267			13,58,567
Undisputed Trade Receivable- which have significant increase in credit risk					
Disputed Trade Receivable- which have significant increase in credit risk					
Total	24,300	13,34,267			13,58,567

5. Cash and cash equivalents

Balances with banks in current accounts

3,98,939

15,04,340

3,98,939

15,04,340

6. Other Current Assets

Accrued Sale of Services

50002

Advance Tax

80454

GST Recoverable

64,25,322

Prepaid Expenses

65,55,778

66,26,302

11,960

66,38,262



	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
7. Share capital				
Authorised				
Equity shares of Rs. 10 each	73,50,000	7,35,00,000	73,50,000	7,35,00,000
12 % Cumulative preference shares of Rs. 56 each	2,30,000	1,28,80,000	2,30,000	1,28,80,000
12% Cumulative preference shares of Rs. 65 each	1,00,000	65,00,000	1,00,000	65,00,000
	76,80,000	9,28,80,000	76,80,000	9,28,80,000
Issued, optionally, subscribed and paid up				
Equity shares of Rs.10 each fully paid up	60,05,700	6,00,57,000	60,05,700	6,00,57,000
	60,05,700	6,00,57,000	60,05,700	6,00,57,000
(a) Reconciliation of share capital outstanding as at the beginning and at the end of the year				
a) Equity shares of Rs. 10 each fully paid up				
At the beginning of the year	60,05,700	6,00,57,000	60,05,700	6,00,57,000
Add: converted during the year	-	-	-	-
At the end of the year	60,05,700	6,00,57,000	60,05,700	6,00,57,000

- (b) The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share except for the members whose calls are in arrears. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except for interim dividend) is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up	60,05,700	6,00,57,000	59,28,700	5,92,87,000
KDDL Limited (holding company / ultimate holding company)				

(d) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid up held by	60,05,694	99.99	59,28,694	98.72
KDDL Limited				



Mahen Distribution Limited
(CIN - U93000CH2009PLC031625)
Statement of changes in Equity for the year ended 31 March 2022

8. Other Equity

Particulars	Retained earnings	Securities premium	Equity Instruments through OCI	Total Other Equity
Balance as at April 01, 2020	(1,83,93,951)	1,47,55,200		(36,38,751)
-Loss for the year	(81,799)	-		(81,799)
As at 31 March 2021	(1,84,75,750)	1,47,55,200		(37,20,550)
-Loss for the year	(27,52,256)	-		(27,52,256)
As at 31st March 2021	(2,12,28,006)	1,47,55,200		(64,72,806)
-Loss for the year	(42,12,144)	-		(42,12,144)
-Other Comprehensive Income			1,46,03,83,240	1,46,03,83,240
As at 31st March 2022	(2,54,40,150)	1,47,55,200	1,46,03,83,240	1,44,96,98,291

The notes referred to above form an integral part of the financial statements.

As per our report attached to the balance sheet

For Mukta Arora and Associates
Chartered Accountants
Firm Registration No: 018241N

CA Arvind K. Arora
Partner
Membership No. 091661

For and on behalf of the Board of directors
Mahen Distribution Limited

P. K. Goyal
Director
DIN:00224718

V S Mathur
Director
DIN:07910605

Place : Chandigarh
Dated: 30-05-2022

	Current		Non Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
9. Borrowing				
VBL Innovations Private Limited*	1,50,00,000	-	-	1,50,00,000
	<u>1,50,00,000</u>	<u>-</u>	<u>-</u>	<u>1,50,00,000</u>

* Unsecured Loan from VBL Innovations Private Limited carry an interest rate of 13.25% (30th June 2021 - 13.25%) per annum

	As at 31 March 2022	As at 31 March 2021
10. Trade payable		
Other trade payables		
- Total outstanding dues to micro and small enterprises #	2,48,09,825	2,69,25,545
- To related parties	8,88,198	74,000
- Others	<u>2,56,98,023</u>	<u>2,69,99,545</u>

There are no micro, small and medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
As at 31 March 2022					
Total outstanding dues of micro enterprises and small enterprises					
Total outstanding dues of creditors other than micro enterprises and small	7,96,260	2,49,01,763			2,56,98,023
Disputed dues of creditors other than micro enterprises and small enterprises					
Total	<u>7,96,260</u>	<u>2,49,01,763</u>			<u>2,56,98,023</u>

	As at 31 March 2022	As at 31 March 2021
11. Other financial liabilities		
Interest due but not paid	17,88,752	9,16,700
Expenses payable	<u>17,88,752</u>	<u>40,000</u>
		<u>9,56,700</u>

	As at 31 March 2022	As at 31 March 2021
12. Other current liabilities		
TDS Payable	39,333	41,735
GST Payable	1,82,099	1,41,504
EPF Payable	1,84,602	
ESI Payable	31,513	
LWF Payable	4,990	
Salaries Payable	15,051	
Advances from customers	<u>4,57,588</u>	<u>1,83,239</u>



MAHEN DISTRIBUTION LIMITED
(CIN - U93000CH2009PLC031625)

Notes forming part of the accounts as on 31 March 2022

(Amount in Rupees unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
13. Revenue from operations		
Sales(net)	23,38,983	55,31,617
Sale of Services	40,72,487	
	64,11,470	55,31,617
Foot notes:		
(i) Sale of products (net) - Traded goods		
Sales of traded goods (net)		
Watches	23,38,983	55,31,617
Others	40,72,487	-
Total	64,11,470	55,31,617
14. Other income	-	-
Liabilities no longer payable written back	-	-
15. Purchase of stock-in-trade		
Finished goods for trading	-	-
	-	-
Foot notes:		
(i) Purchase of stock-in-trade		
Watches	-	-
Less: Purchase Return		
Total	-	-
16. Changes in inventories of finished goods, work-in-progress and Stock-in-trade		
Opening stock		
Finished goods for trading	42,78,128	1,03,19,971
	42,78,128	1,03,19,971
Closing Stock		
Finished goods for trading	-	42,78,128
	42,78,128	60,41,843
17. Employee benefit expenses		
Salaries, Wages, PF, Gratuity	53,847	-
	53,847	-
18. Financial costs		
Interest Expenses	19,87,501	19,88,514
Bank charges	1,790	4,208
	19,89,291	19,92,722
19. Other expenses		
Rent	60,000	60,000
Audit fees	80,000	1,20,000
Insurance	11,960	20,916
Rates, Taxes & Fees	1,00,349	8,392
Printing & Stationary	5,869	
Professional Charges	22,500	
Business Support Services	-	40,000
Travelling & Conveyance	5,425	
Miscellaneous	23,000	
Contractual Labour expenses	38,04,399	
Total	41,13,502	2,49,308



20 a. Related parties and nature of related party relationship, where control exists:

Description of Relationship	Name of the Party
Holding / Ultimate Holding Company	KDDL Limited

20 b. Other related parties with whom transactions have taken place:

Description of Relationship	Name of the Party
Fellow Subsidiaries	Ethos Limited
Entities over which significant influence is exercised by the Key Management Personnel	VBL Innovations Private Limited
Directors	Mr. Yashovardhan Saboo

20 c. Transactions with related parties

Nature of transactions	As at 31 March 2022	As at 31 March 2021
a) Rent Paid	60,000	9,00,000
- Ethos Limited		8,65,000
- KDDL Limited	60,000	35,000
b) Interest expenses	19,87,501	20,38,832
- VBL Innovations Private Limited	19,87,501	20,38,832
c) Business Support Expense	-	6,55,042
- Ethos Limited	-	6,55,042
d) Manpower Supply Income		
- KDDL Limited	40,72,487	-

20 d. Outstanding balances as at year end

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowing/ Payables	3,98,09,825	4,79,43,102
- Ethos Limited	24739025	3,29,01,802
- VBL Innovations Private Limited	1,50,00,000	1,50,00,000
- KDDL Limited	70,800	41,300
Investments	8,40,03,130	8,40,03,130
- Ethos Limited	8,40,03,130	8,40,03,130
Equity Share Capital	6,00,56,950	6,00,56,950
- KDDL Limited	5,92,86,940	5,92,86,940
- Mr. Yashovardhan Saboo	7,70,010	7,70,010
Recoverable		
- KDDL Limited	12,23,295	-



Mahen Distribution Limited
Notes to the financial statements for the year ended 31 March 2022
21 Financial instruments - fair values and risk management

21 Financial instruments - fair values and risk management									
I.	Financial instruments by category and fair values	Note	Level of hierarchy	As at 31-Mar-22			As at 31 March 2021		
				FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets									
Non-current									
Investments			3	-	-	-	-	-	
Loans			3	-	-	-	-	-	
Other financial assets			3	-	-	-	-	-	
Current									
Trade receivables	(a)	3	-	-	13,58,566	-	-	1,10,972	
Cash and cash equivalents	(a)	3	-	-	3,98,939	-	-	15,04,340	
Total				-	17,57,505	-	-	16,15,311	
Financial liabilities									
Non-current									
Borrowings	(b)	3	-	-	-	-	-	-	
Current									
Borrowings	(a)	3	-	-	1,50,00,000	-	-	1,50,00,000	
Trade payables	(a)	3	-	-	2,56,98,023	-	-	2,69,99,545	
Other financial liabilities	(a)	3	-	-	17,88,752	-	-	9,56,700	
Total				-	4,24,86,775	-	-	4,29,56,245	

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these
- (b) The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.



Mahen Distribution Limited
Notes to the financial statements for the year ended 31 March 2022

II. Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii)),
- Liquidity risk (see (iii)), and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans.

Trade receivables

The Company's retail business is pre-dominantly on cash and carry basis which is largely through credit-card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks.

The Company's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies within India, hence, the Company is not exposed to concentration risks.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs 3,98,939 at 31 March 2022 (31 March 2021: Rs 15,04,340). The cash and cash equivalents are held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents.



Mahen Distribution Limited**Notes to the financial statements for the year ended 31 March 2022****22 Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and

31 March 2022

	Carrying amount	Total	Less than 1 year	Contractual cash flow	
				1-5 years	More than 5 years
Non derivative financial liabilities					
-Borrowings(includi	-	-	-	-	-
-Trade payables	2,56,98,023	2,56,98,023	2,56,98,023	-	-
-Interest due but not	17,88,752	17,88,752	17,88,752	-	-
-Expenses payable	4,57,588	4,57,588	4,57,588	-	-
	<u>2,79,44,363</u>	<u>2,79,44,363</u>	<u>2,79,44,363</u>	-	-

31 March 2021

	Carrying amount	Total	Less than 1 year	Contractual cash flow	
				1-5 years	More than 5 years
Non derivative financial liabilities					
-Borrowings(includi	-	-	-	-	-
-Trade payables	2,69,99,545	2,69,99,545	2,69,99,545	-	-
-Interest due but not	9,56,700	9,56,700	9,56,700	-	-
-Expenses payable	1,83,239	1,83,239	1,83,239	-	-
	<u>2,81,39,484</u>	<u>2,81,39,484</u>	<u>2,81,39,484</u>	-	-

23 Market Risk**Product price risk**

In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. Since the Company operates in luxury category, the demand is reasonably inelastic to changes in price. However, the Company continually monitor and compares prices of its products in other developed markets as its customers tend to compare prices across markets. In the event that prices deviate significantly unfavorably from the markets, the Company negotiates with its principals for change of prices. The Company also manages the risk by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses.



Mahen Distribution Limited

Notes to the financial statements for the year ended 31 March 2022

b) Currency risk

There is no financial liability designated in foreign currency

Capital Management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

	31-Mar-22	31 March 2021
Total liabilities	39,26,99,893	4,31,39,484
Less: cash and cash equivalents	(3,98,939)	(15,04,340)
Adjusted net debt	39,23,00,954	4,16,35,144
Total equity	1,50,97,55,291	5,35,84,194
Adjusted net debt to equity ratio	0.26	0.78

For Mukta Arvind and Associates
Chartered Accountants
Firm Registration No: 018341N



Place : Chandigarh
Dated:

For and on behalf of the Board of directors

P K Goyal
Director

V S Mathur
Director

DIN:00224718

DIN:07910605