MONTE CARLO

CST - 03412094494 Dt.26.08.2011
TIN - 03412094494 Dt.26.08.2011
PAN - AAFCM7888Q
TAN - JLDM04272C
CIN - L51494PB2008PLC032059

MONTE CARLO FASHIONS LIMITED

Regd. Office : B-XXIX-106, G.T. Road, Sherpur, Ludhiana - 141003 (Pb.) India.
Tel.: 91-161-5048610, 5048620, 5048630, 5048640 Fax : 91-161-5048650
Manufacturers & Exporters of High Class Woollen Hosiery Knitwear, Textiles & Exclusive Fully Fashion Knitwears

October 03, 2017

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Symbol : MONTECARLO	Scrip Code : 538836

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, please find enclosed the Annual Report for the Financial Year 2016-17 including Notice convening Ninth (9th) Annual General Meeting of the Company. This is for your information and records.

Kindly acknowledge the receipt of the same.

For MONTE CARLO FASHIONS LIMITED

MONTE CARLO FASHIONS LTD. LUDHIANA. B-XXIX-106, G.T. ROAD, SHERPUR

CO. SECRETARY & COMPLIANCE OFFICER



9th Annual Report 2016-17



MONTE CARLO

it's the way you make me feel



MONTE CARLO FASHIONS LIMITED

REGISTERED OFFICE: B-XXIX-106, G.T. ROAD, SHERPUR, LUDHIANA-141003
investor@montecarlocorporate.com I www.montecarlocorporate.com I CIN: L51494PB2008PLC032059

BOARD OF DIRECTORS	
Sh. Jawahar Lal Oswal	Chairman & Managing Director
Sh. Sandeep Jain	Executive Director
Smt. Ruchika Oswal	Executive Director
Smt. Monica Oswal	Executive Director
Sh. Dinesh Gogna	Director
Sh. Paurush Roy	Director
Sh. Ajit Singh Chatha	Independent Director
Sh. Alok Kumar Misra	Independent Director
Dr. Amrik Singh Sohi	Independent Director
Dr. Manisha Gupta	Independent Director
Dr. Sailen Kumar Chaudhuri	Independent Director
Dr. Suresh Kumar Singla	Independent Director
Dr. Yash Paul Sachdeva	Independent Director

CHIEF FINANCIAL OFFICER
Sh. Raman Kumar

COMPANY SECRETARY
Sh. Sahil Jain

STATUTORY AUDITORS
Walker, Chandiok & Co. LLP
Chartered Accountants
B-406 A, 4th Floor, L & T Elante Office
Industrial Area, Phase I,
Chandigarh-160002

SECRETARIAL AUDITOR
P. S. Dua & Associates

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Private Limited
Registered Office:
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083

BANKER:
State Bank of India

WORKS
B-XXIX-106,G.T.Road,Sherpur-Ludhiana
231, Industrial Area-A-Ludhiana
Plot No-425 & 427, Near Textile Colony-Ludhiana
G.T. Road, Millerganj, -Ludhiana

9th ANNUAL GENERAL MEETING

DAY : FRIDAY
DATE : 29th September, 2017
TIME : 11.00 A.M.
PLACE : B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003.

CONTENTS

	Page No.
Notice	2
Director's Report	10
Corporate Governance Report	36
Management Discussion and Analysis Report	48
Independent Auditor's Report	52
Balance Sheet	56
Statement of Profit & Loss	57
Cash Flow Statement	58
Significant Accounting Policies and Notes	60

MONTE CARLO FASHIONS LIMITED

(CIN: L51494PB2008PLC032059)
Registered Office: B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003
Tel.: 91-161-5048610-40, Fax: 91-161-5048650
Website: www.montecarlocorporate.com, E-mail: investor@montecarlocorporate.com

NOTICE

NOTICE is hereby given that the **Ninth (9th) ANNUAL GENERAL MEETING** of the members of **MONTE CARLO FASHIONS LIMITED** will be held as scheduled below:

DATE : 29th September, 2017

DAY : Friday

TIME : 11:00 A.M

PLACE : B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003

to transact the following Business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended March 31, 2017 along with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company for the Financial Year 2016-17.
3. To appoint a Director in place of Sh. Dinesh Gogna (DIN:00498670), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Paurush Roy (DIN:03038347), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors and to fix their remuneration:

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Tenth AGM of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

6. **To approve Related Party Transactions:**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors to enter into Agreement(s)/ Contract(s)/ Transaction(s) in its ordinary course of business with its Related Parties namely Oswal Woollen Mills Limited, Cotton County Retail Limited, Nahar Spinning Mills Limited, Nahar Industrial Enterprises Limited, Vanaik Spinning Mills Limited and Retailerkart E-Venture Private Limited for purchase and sale of goods, rendering/availing of services and reimbursement of expenses on arm's length basis, on behalf of the Company for the Financial Year 2017-18.

   RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as Board) or a Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary or expedient to give effect to the aforesaid resolution."

7. **To re-appoint Sh. Sandeep Jain (DIN: 00565760) as Executive Director of the Company:**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force) and subject to such other approvals as may be required, Sh. Sandeep Jain (DIN: 00565760) be and is hereby re-appointed as Executive Director of the Company for a term of five years w.e.f. 01.08.2017 on the terms and conditions mentioned herein below:

REMUNERATION:

A. Basic Salary:

₹900,000/- (Rupees Nine Lacs only) per month with such increase as may be decided by the Board (which includes a committee thereof) from time to time, but subject to maximum Basic Salary of ₹1,200,000/- (Rupees Twelve Lacs only) per month during the aforesaid term.

B. Perquisites and Allowances:

In addition to the Basic Salary, the following perquisites and allowances shall be allowed:

a. House Rent Allowance:
Free Residential Accommodation or House Rent Allowance @30% of Basic Salary.

b. Bonus / Ex-Gratia and Encashment of Leave:
As per Rules of the Company.

c. Employer's contribution to Provident fund/superannuation fund:
As per Rules of the Company.

d. Gratuity / Contribution to Gratuity Fund:
Gratuity shall be paid as per Rules of the Company.

e. Medical Reimbursement:
Expenses incurred on self and his family including medical insurance premium, subject to a ceiling of one month's Basic Salary per year or three month's Basic Salary over a period of three years.

f. Leave Travel Concession:
Air Fare for self and family once in a year to any destination within or outside India. Family defined as spouse and two dependent children.

g. Club Fees:
Subscription Fee of club subject to a maximum of two clubs. This will not include admission and life membership fees.

h. Personal Accident Insurance:
The Company shall pay/reimburse Personal Accident Insurance as per rules of the Company.

i. Car/Telephone:

Car with driver and telephone at his residence. Provision of car for use on Company's business and telephone facilities at residence will not be considered as perquisites.

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee of the Board, if any, be and is hereby authorized to alter, amend, vary the terms and conditions of appointment including remuneration as may be agreed between the Board of Directors and Sh. Sandeep Jain, subject to the limits prescribed in the Companies Act, 2013 read with Schedule V or subject to the approval of the Central Government, if any required, and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution.

By Order of the Board
For Monte Carlo Fashions Limited

Place : Ludhiana
Date : 18.08.2017

Sahil Jain
(Company Secretary)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING THE PROXY, DULY SIGNED, STAMPED AND COMPLETED IN ALL RESPECT, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE ANNUAL GENERAL MEETING (AGM) IS ENCLOSED.**

   A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Corporate members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.

3. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to Item No. 6 and 7 of the Notice set out above is annexed hereto.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 23, 2017 to September 29, 2017** (both days inclusive) for ascertaining the names of the Members to whom the dividend, if declared at the AGM, is payable.
6. The dividend, as recommended by the Board of Directors, if declared at the meeting, will be paid, within 30 days from the date of declaration, to the members holding shares as on the record date i.e. September 22, 2017 on 2,17,32,064 equity shares of the Company. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the respective depositories for this purpose.
7. Members wishing to claim dividend, which had remained unpaid are requested to contact Link Intime India Private Limited, Registrar and Share Transfer Agent (RTA). Members are requested to note that the amount of dividend which remains unclaimed for a period of 7 years from the date of such transfer to Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund, as per section 205 A of the Companies Act, 1956 (Section 124 and 125 of the Companies Act, 2013).
8. Members holding shares in electronic form may note that bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/RTA.
9. Members/ proxies/ authorized representatives are requested to:
   (i) Bring their copies of Annual Report, Notice and Attendance Slip (enclosed herewith) duly completed and signed at the meeting. The duly filled in Attendance Slip must be surrendered at the counter before attending the meeting.
   (ii) Quote their Folio/Client ID & DP ID Nos. in all correspondence.

   The Annual Report of the Financial Year 2016-17 is being sent through electronic mode only to those members whose email addresses are registered with the Company/Depository Participant(s), if the members have not registered their email addresses, physical copies of the same are being sent by permitted mode.
10. Members desirous of seeking any information with regard to the Annual Audited Accounts at the time of the meeting are requested to write to the Company at least 10 days before the date of the AGM so as to enable the management to keep the relevant information ready.
11. The details of Directors seeking Appointment/ Re-appointment at the AGM as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard-2 is annexed herewith as **Annexure-A**.
12. All the documents referred to in the Notice of the meeting shall remain open for inspection at the Registered Office of the Company during office hours on all the working days and will also be available for inspection by the members at the Annual General Meeting.
13. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and the Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, shall remain open during office hours on all the working days and also remain open and accessible during the continuance of the meeting to any person having right to attend the meeting.
14. Members may also note that the Annual Report of the Company for the year ended 31st March, 2017 including notice of the 9th Annual General Meeting will be uploaded on the Company's website www.montecarlocorporate.com and the same may also be accessed by the members from the website of CDSL i.e. www.evotingindia.com.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company/ Link Intime India Pvt. Ltd.
16. Members holding shares in physical form are requested to notify change in their address, if any, to the Company/ Register and Transfer Agent. However, members holding equity shares in dematerialized form may notify the change in their address, if any, to their respective Depository Participants, as the case may be.
17. In compliance with Regulation 44 of Listing Regulations and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (which means e-voting from a place other than venue of the General Meeting) to exercise their right to vote on the resolutions proposed to be considered at the AGM. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the members to cast their votes electronically.
18. The facility for voting through ballot paper shall also be made available at the venue of the Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the General Meeting but shall not be entitled to cast their vote again at the General Meeting.

19. The Company has appointed Sh. Pritpal Singh Dua (CP No. 3934) of M/s. P.S. Dua & Associates, Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

20. The scrutinizer, after scrutinising the votes cast at the AGM and through remote e-voting, shall make a consolidated scrutinizers report and submit the same to the Chairman of the meeting. The Results of the voting declared shall be placed along with the Scrutinizer's Report on the website of the Company i.e. www.montecarlocorporate.com and on CDSL's website i.e. www.evotingindia.com and simultaneously be communicated to the Stock Exchanges.

21. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 29, 2017.

22. Voting through Electronic means:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 26th September, 2017 (at 09:00 A.M.) and ends on 28th September, 2017 (at 05:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September, 2017 (the Cut-Off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number mentioned on Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "**SUBMIT**" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves.
- 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 by custodian 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. In case of Non-Individual Shareholders, admin user also would be able to link the accounts(S).
- 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

(xxi) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the evoting:

Sh. Sahil Jain, Company Secretary and Compliance Officer
B-XXIX-106, G.T. Road, Sherpur, Ludhiana – 141003,
Ph. 0161-5066628, E-mail Id: investor@montecarlocorporate.com.

(xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22nd September, 2017 may follow the same instructions as mentioned above for e-Voting.

23. Other Instructions:

(i) As per the provisions of Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail address with Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd and Depository Participant in case of Demat Shares, to enable the Company to send the notices, documents including Annual Reports by e-mail.

(ii) The persons who have acquired shares and become members after the despatch of the notice may send a request to the Company Secretary for a copy of the Annual Report and can also attend the AGM or appoint a proxy. The Annual Report is also available on the website of the Company.

(iii) A person, who is not a Member as on the cut-off date i.e. 22nd September, 2017 should treat this Notice for information purposes only.

24. A route map and prominent land mark for easy location to the venue of AGM is given after the proxy form in the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In accordance with Section 102 of the Companies Act, 2013, the Explanatory Statement setting out all the material facts concerning each item of Special Business is produced hereunder:

ITEM NO.6

All the related party transaction(s) specified under Section 188(1), the value/consideration of which is in excess of their respective limits prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rule, 2014, has to be approved by the members in the General Meeting. Whereas the third proviso to section 188(1) also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

Further in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also prescribed seeking of shareholders' approval for material related party transactions.

The Company in its ordinary course of business enters into various transactions with its Group Companies i.e. Oswal Woollen Mills Ltd., Cotton County Retail Ltd., Nahar Spinning Mills Ltd., Nahar Industrial Enterprises Ltd., Vanaik Spinning Mills Ltd. and Retailerkart E-venture Private Ltd., for purchase and sale of goods, rendering/availing of services and reimbursement of expenses incurred by and on behalf of the Company, on arm's length basis. All the aforesaid transactions are entered pursuant to prior approval of Audit Committee.

Taking into account the statutory provisions, the Board of Directors intends to seek prior approval of members for the transactions to be entered by the Company with its Group Companies for the financial year 2017-18.

Sh. Jawahar Lal Oswal, Chairman & Managing Director, Sh. Sandeep Jain, Smt. Ruchika Oswal, Smt. Monica Oswal, Executive Directors, Sh. Dinesh Gogna, Director of the Company are deemed to be concerned or interested in the resolution proposed for approval of Related Party Transactions. None of the other Directors, Key Managerial Personnel and their relatives, is in any way concerned or interested, financially or otherwise, in the proposed resolution as set out at item No. 6 of the notice.

The Ordinary Resolution as set out in Item no. 6 of this Notice is accordingly recommended for your approval.

ITEM NO. 7

The Shareholders of the Company in their 4th Annual General Meeting held on 27th day of September, 2012 had appointed Sh. Sandeep Jain as Executive Director of the Company for a period of five years w.e.f. 01.08.2012. Therefore, on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 30.05.2017 has, subject to the approval of shareholders, re-appointed Sh. Sandeep Jain as Executive Director of the Company for a further period of five years w.e.f. 01.08.2017.

Sh. Sandeep Jain joined the Board of our Company with effect from July 7, 2008 as one of the First Directors of the Company. He holds a bachelor's degree in pharmacy from Dr. H.L. Thimmegowda College of Pharmacy, Bangalore University and a diploma in export management from the Foreign Trade Promotion Centre, Ludhiana. He has also completed a certificate course in wool from the AWTA Limited, the Australian Wool Testing Authority. He has more than 19 years of experience in the field of administration. Prior to this he has also worked with Oswal Woollen Mills Ltd and Cipla Ltd.

Keeping in view the contribution made by Sh. Sandeep Jain through his knowledge and rich experience, more particularly in the field of Manufacturing and Administration, it would be in the best interest of the Company to continue to avail his considerable expertise and to retain him in his present role as Executive Director of the Company.

Except Sh. Sandeep Jain, the appointee, Sh. Jawahar Lal Oswal, Smt. Ruchika Oswal and Smt. Monica Oswal are related to Sh. Sandeep Jain and therefore deemed to be interested in the resolution proposed in regards to his re-appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out at Item No. 7 of the notice with regard to his re-appointment.

The Special Resolution as set out in Item No. 7 of this Notice is accordingly recommended for your approval.

By Order of the Board
For Monte Carlo Fashions Limited

Place : Ludhiana
Date : 18.08.2017

Sahil Jain
(Company Secretary)

Annexure-A

BRIEF PROFILE OF DIRECTORS BEING APPOINTED/RE-APPOINTED AS SET OUT IN THIS NOTICE

Names	**Sh. Dinesh Gogna**	**Sh. Paurush Roy**
Designation	Non Executive Director	Non Executive Director
Date of birth/ age	07.07.1953 / 64 years	17.08.1974 / 43 Years
Date of appointment	01.07.2008	03.02.2015
Qualification	• Bachelor's Degree in Law from University Studies in Law, Jaipur, University of Rajasthan. • He has also completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance	• Bachelor's Degree in Engineering from University of Roorkee (presently Indian Institute of Technology, Roorkee) • Post Graduate Diploma in Management from Indian Institute of Management, Lucknow
Experience	More than 38 years of experience in the field of Corporate Finance and Taxation	More than 17 years of experience in the field of Financial Services
Terms of appointment	Liable to retire by rotation	Liable to retire by rotation

Remuneration for the Financial Year 2016-17:	₹40,000 (Sitting Fees)			NIL		
Disclosure of relationship:	Sh. Dinesh Gogna is not related to any of the Directors and Key Managerial Personnel of the Company.			Sh. Paurush Roy is not related to any of the Directors and Key Managerial Personnel of the Company.		
Shareholding:	1000 Equity Shares			NIL		
No. of Board Meetings attended during the year:	4			4		
Other Directorships:	1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Limited 3. Nahar Poly Films Limited 4. Nahar Capital & Financial Services Limited 5. Oswal Woollen Mills Limited 6. Crown Star Limited (UK) 7. Cotton County Retail Limited 8. Girnar Investment Limited 9. Oswal Leasing Limited			1. Thriveni Earthmovers Private Limited 2. Samara India Advisors Private Limited 3. Human Value Developers Private Limited 4. Cogencis Information Services Limited 5. Sagista Realty Advisors Private Limited 6. Mieux Realtor & Buildcon Private Limited 7. Oaknet Healthcare Private Limited 8. Oaknet Life Sciences Private Limited 9. Sanjay Maintenance Services Private Limited		
Other Committee Membership/ Chairmanship:	Name of the Company	Name of the Committee	Designation	Name of the Company	Name of the Committee	Designation
	Nahar Industrial Enterprises Limited	Audit	Member	NIL		
		Stakeholders Relationship	Chairman			
		Corporate Social Responsibility	Member			
	Nahar Spinning Mills Limited	Audit	Member			
		Share Transfer	Member			
		Corporate Social Responsibility	Member			
	Nahar Poly Films Limited	Audit	Member			
		Share Transfer	Member			
		Corporate Social Responsibility	Member			
	Nahar Capital & Financial Services Limited	Share Transfer	Member			
		Corporate Social Responsibility	Member			
	Oswal Woollen Mills Limited	Audit	Member			
		Shareholders	Member			

Name	**Sh. Sandeep Jain**
Designation	Executive Director
Date of birth/ age	24.12.1971/ 45 Years
Date of appointment	01.08.2017
Qualification	• Bachelor's degree in Pharmacy • Diploma in Export Management • Certificate Course in wool from the AWTA Limited
Experience	More than 19 years of experience in the field of Administration.
Terms of appointment	Five Years
Remuneration (For the Financial Year 2016-2017):	₹15,686,224/-

Disclosure of Relationship:	Sh. Sandeep Jain is Spouse of Smt. Ruchika Oswal, Executive Director, Son In Law of Sh. Jawahar Lal Oswal, Chairman and Managing Director of the Company. He is not related to any of the other Director and Key Managerial Personnel of the Company.	
Shareholding:	NIL	
No. of Board Meetings attended during the year:	4	
Other Directorships:	1. Oswal Woollen Mills Limited 2. Vanaik Spinning Mills Limited	
Other Committee Membership/ Chairmanship:		
Name of the Company	**Name of the Committee**	**Designation**
Oswal Woollen Mills Limited	Corporate Social Responsibility	Member
	Shareholders	Member
	Nomination & Remuneration	Member

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Ninth (9th) Annual Report of the Company along with the Audited Financial Results for the year ended March 31, 2017.

FINANCIAL SUMMARY

Financial Results for the year under review are summarized below:

(₹ in Lacs)

PARTICULARS	**Current Year 2016-2017**	Previous Year 2015-2016
Revenue from operations	**58,410.54**	62,153.05
Other Income	**2,210.01**	1,390.97
Total Revenue	**60,620.55**	63,544.02
Profit before Tax, Financial Charges, Depreciation and Amortization Expenses & Corporate Social Responsibility Expenditure	**9,971.33**	13,723.04
Financial Charges	**1,195.94**	**1,624.06**
Profit before Tax, Depreciation and Amortization Expenses & Corporate Social Responsibility Expenditure	**8,775.39**	12,098.98
Depreciation & Amortization	**2,473.52**	2,927.10
Profit Before Corporate Social Responsibility Expenses and Tax	**6,301.87**	9,171.88
Corporate Social Responsibility Expenditure	**30.28**	161.64
Profit before Tax	**6,271.60**	9,010.24
Tax Expenses/ Adjustment		
1. Current Tax	**2,211.29**	3,432.78
2. Deferred Tax	**(171.97)**	(261.65)
3. Adjustment for the earlier year	**-**	(54.73)
Net Profit	**4,232.28**	5,893.84
Earnings Per Share (₹)		
Basic	**19.47**	27.12
Diluted	**19.47**	27.12

OPERATIONAL REVIEW

This Financial Year, the Company has a negative growth of 6.02% resulting thereof the revenue from operations stands reduced to ₹58,410.54 Lacs as against ₹62,153.05 Lacs. The fall in revenue has resulted in fall of EBIDA margin and as well as profit before tax and profit after tax level also. These untoward situations emerged during the year because of two challenges faced by the Company in its tempo of growth. Firstly, as you all are aware that December, 2015 was a year of very low winter and resulting thereof the stocks remain unsold with the franchisees and as well as Multi Brand Outlets (MBO). In the normal trend of our business this effects our sales for the immediately succeeding year. Besides, another blow to the growth rate of the Company was felt on demonetisation in the third quarter of financial year 2016-17, which accounts for our maximum sales i.e. approximately 60%. Needless to say that demonetization had the adverse effect across all the business and in particular affected grievously the consumer as well as retail business.

The above two factors resulted a blow like a heavy headwinds and thereby affecting the Company's top-line and bottom-line. However in the current year we expect to sail smoothly on the path of growth.

SHARE CAPITAL

There was no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital. As at 31st March, 2017, the Issued, Subscribed and Paid-up Equity Share Capital of the Company stood at ₹ 2,173.21 Lacs divided into 21,732,064 Equity Shares of ₹ 10/- each.

There was neither any issue of Equity shares with differential rights as to dividend, voting or otherwise nor grant of any stock options or sweat equity under any scheme during the year under review.

DIVIDEND

Based on the Company's performance, wherein, it has earned a Net Profit of ₹ 4,232.28 Lacs, your Directors are pleased to recommend a 100% dividend amounting to ₹ 10/- per Equity Share (Previous Year ₹ 10/-) of ₹ 10/- each for the approval of the members at the ensuing Annual General Meeting.

The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 2,615.62 Lacs (including dividend tax of ₹ 442.41 Lacs).

TRANSFER TO RESERVES

The Company has earned a total Profit after Tax of ₹ 4,232.28 Lacs, out of which a sum of ₹ 1,269.68 lacs (30% of the profit after tax) has been transferred to Special Reserve maintained for the purpose of future expansions and acquisitions.

Your Company has transferred a sum of ₹ 180.31 Lacs to the General Reserve out of the profits of the Company.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. 31st March, 2017 and the date of this report.

PUBLIC DEPOSIT

During the year under review, your Company has not accepted any deposits as envisaged under Section 73 of the Companies Act, 2013 and rules made there under.

SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company does not have any Subsidiary, Joint Ventures or Associate Company.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNELS

The Board of Directors consists of 13 (Thirteen) Directors including a Chairman & Managing Director, 3 (Three) Executive Directors, 2 (Two) Non Executive Non Independent Directors and 7 (Seven) Independent Directors.

In terms of the provision of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), your Company have 3 (Three) Women Directors on the Board namely Smt. Ruchika Oswal (DIN:00565979), Smt. Monica Oswal (DIN:00566052) and Dr. Manisha Gupta (DIN:06910242).

The Board of Directors consists of a balanced profile having specialization in different fields that enable them to address various business needs of the Company, while placing very strong emphasis on corporate governance.

During the year under review, none of the Directors of the Company resigned from their respective Directorships in the Company.

Directors

During the year under review the members at their Eighth (8th) Annual General Meeting (AGM) held on 29th September, 2016, had approved the appointment of Sh. Amrik Singh Sohi and Sh. Alok Kumar Misra as Independent Directors. Further, Sh. Jawahar Lal Oswal was appointed as Chairman & Managing Director and Smt. Ruchika Oswal and Smt. Monica Oswal were appointed as Executive Directors of the Company w.e.f. 10.08.2016.

Re-appointment of Executive Director

The members at their 4th AGM had approved the appointment of Sh. Sandeep Jain as Executive Director, for a period of five years w.e.f 01.08.2012. Considering his valuable contribution to the growth of the Company during the tenure, the Board in its meeting held on 30.05.2017, on the recommendation of the Nomination and Remuneration Committee, have re-appointed him for another term of 5 years commencing from 01.08.2017, subject to the approval of the Members in the ensuing Annual General Meeting (AGM).

Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Sh. Dinesh Gogna (DIN:00498670) and Sh. Paurush Roy (DIN: 03038347), Directors of the Company, being longest in the office since their last appointments, shall retire at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment, on the same terms and conditions on which they were appointed.

In compliance with Reg 36(3) of Listing Regulations and Secretarial Standards brief resumes of all the Directors proposed to be appointed / re-appointed are attached along with the Notice calling the ensuing Annual General Meeting.

Statement of declaration from Independent Directors

All the Independent Directors of the Company have given their respective declarations that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

Key Managerial Personnel (KMP's)

The following persons are the Key Managerial Personnel (KMP's) of the Company as on March 31, 2017 in terms of provisions of Section 203 of the Companies Act, 2013 and rules made there under:

Names of KMP's	Designation
Sh. Jawahar Lal Oswal	Chairman & Managing Director
Sh. Sandeep Jain	Executive Director
Smt. Ruchika Oswal	Executive Director
Smt. Monica Oswal	Executive Director
Sh. Raman Kumar	Chief Financial Officer
Sh. Sahil Jain	Company Secretary

NUMBER OF BOARD MEETINGS HELD

The Board meets at regular intervals to discuss and decide on policy and strategy apart from other business discussions. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which is confirmed in the subsequent Board Meeting.

During the Financial Year 2016-2017, the Board met on 4 (Four) occasions viz. May 30, 2016, August 09, 2016, November 11, 2016 and February 10, 2017. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Company has constituted the following committees in compliance with the Companies Act, 2013 and the Listing Regulations (erstwhile Listing Agreement):

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee and
4. Corporate Social Responsibility Committee.

Apart from the aforesaid Committees of the Board, the Company has also constituted Share Transfer Committee. All these Committees have been established as a part of the best corporate governance practices. There have been no instances, where the Board has not accepted any recommendation of the aforesaid Committees. The details in respect to the Compositions, Powers, Roles, and Terms of Reference etc. are provided in the Corporate Governance Report forming part of this Report.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, that of its committees and individual directors. Further, the Independent Directors of the Company met once during the year on February 10, 2017 to review the performance of the Non-executive Directors, Chairman of the Company and performance of the Board as a whole. Composition of Board / Committees, Quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process.

DIRECTOR'S RESPONSIBILITY STATEMENT

In compliance of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that:

a) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

d) The directors have prepared the annual accounts on a going concern basis;

e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and External Consultants, including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by the management and the Audit Committee, the Board is of the opinion that Internal Financial Controls of the Company were adequate and effective during the year under review.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company lays down a framework in relation to appointment/ reappointment of Directors, Key Managerial Personnel and Senior Management of the Company alongwith their remuneration. It also lays down criteria for determining qualifications, positive attributes, independence of director(s) and other matters provided under sub section (3) of section 178 of the Companies Act, 2013. The said Policy is annexed herewith as **Annexure-A** forming part of this report and the same can also be accessed from the Company's website i.e. www.montecarlocorporate.com.

BUSINESS RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013, your management at regular intervals evaluates various risks faced by the Company which could affect its business operations or threaten its existence. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism/ Whistle blower Policy to encourage employees to report matters about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct without the risk of subsequent victimisation and discrimination. The details of the same are explained in the Corporate Governance Report and the said policy is also posted on the website of the Company i.e. www.montecarlocorporate.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a CSR Committee constituted under Section 135 of the Companies Act, 2013. The Company has a Corporate Social Responsibility (CSR) Policy as approved by its Board on the recommendation of CSR Committee and is committed to certain CSR initiatives in the fields of Medical Relief and Research, Environmental Sustainability, Education and Social Upliftment etc., in collaboration with its Group Companies through the Implementing Agency i.e Oswal Foundation. The said policy is available at http://www.montecarlocorporate.com/pdf/Corporate-Social-Responsibility-Policy.pdf.

During the year under review, Company has incurred ₹30.28 Lacs as contribution towards its CSR activities, out of its overall liability of ₹177.00 Lacs calculated in terms of section 135 of the Companies Act, 2013, setting apart the unspent amount of ₹146.72 Lacs as a committed CSR activity reserve for the purpose of a new project which is being considered by Oswal Foundation in the field of Eye Care and Heath Care. Further, the said amount of retained earnings will be contributed immediately to Oswal Foundation as and when the aforesaid proposal will be materialized.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 including a brief outline of the Company's CSR Policy is set out as **Annexure-B** forming part of this Report.

RELATED PARTY TRANSACTIONS

All the transactions entered into by the Company with its related parties, during the year under review were in the "ordinary course of the business" and on "an arm's length basis", none of which was "material" in accordance with the Company's Related Party Transactions Policy. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is enclosed as **Annexure-C**. Further there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

Prior approval of the Audit Committee was also obtained for all the transactions entered into during the year 2016-17 by the Company with its Group Companies. The details of all the related party transactions are placed before the Audit Committee and Board for its consideration and ratification on quarterly basis. Moreover, the Company has already accorded the approval of Members at its Annual General Meeting held on 29th September, 2016 for all the transactions entered into by the Company during the Financial Year 2016-17 with its related parties in its ordinary course of business.

The details of the transactions entered with Related Parties during the year are provided in the Company's Financial Statements at Note No. 34 of the Notes to Accounts in accordance with the relevant Accounting Standard.

Your Company has framed a Policy on Related Party Transactions for purpose of identification and monitoring of such transactions in line with the requirements of the Companies Act, 2013 and Listing Regulations and the said policy is available at http://www.montecarlocorporate.com/pdf/RELATED-PARTY-TRANSACTION-POLICY.pdf.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The Company has not given any loan, guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013. However, the detail of investments made by the Company is given in the notes to the Financial Statement.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

EXTRACTS OF ANNUAL RETURN

As required under the provisions of Section 92(3) and Section 134(3)(a) and read with Rule 12 of Companies (Management and Administration) Rules, 2014 the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure-D** to this report.

INTERNAL CONTROL SYSTEM & ITS ADEQUACY

Your Company has developed a well defined Internal Control System commensurate with the size, scale and complexity of its operations and which is constantly assessed and strengthened with new/ revised standard operating procedures. The internal audit function is entrusted to M/s Gupta Vigg & Co., Chartered Accountants, who were appointed as Internal Auditors by the Board in terms of Section 138 of the Companies Act, 2013 and rules made there under. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations are presented to the

Audit Committee and the Committee thereafter reviews the adequacy and effectiveness of the internal control systems and suggests various measures to improve and strengthen the same.

CORPORATE GOVERNANCE

The Company is committed to follow best Corporate Governance practices, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same, from time to time. The Company has duly complied with the Corporate Governance requirements. Further a separate section on Corporate Governance and a Certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of the Annual Report.

AUDITORS

Statutory Auditor & Auditor's Report

M/s Walker Chandiok & Co. LLP (Firm Registration No: 001067N / N500013), Chartered Accountants, were appointed as Statutory Auditors of the Company in the 7th Annual General Meeting to hold office up to the conclusion of the 12th Annual General Meeting, subject to ratification by shareholders each year. Accordingly, the Board of Directors based on the recommendation of the Audit Committee has proposed the ratification of appointment of M/s Walker Chandiok & Co. LLP, as the Statutory Auditors by the shareholders of the Company to hold the office from the conclusion of the forthcoming Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company.

The Company has obtained from Auditors a written consent and a certificate as required under the Section 139 of the Companies Act, 2013 to the effect that their reappointment, if made, would be within the limits and in accordance with the criteria specified under Section 141 of the Companies Act, 2013.

The Auditor's Report on the Annual Accounts of the Company for the year under review is self explanatory and requires no comments. Further, there are no adverse remarks or qualification in the report that calls for Board's explanation. During the year under review, there were no frauds reported by Auditors under Section 143(12) of Companies Act, 2013.

Secretarial Auditor

M/s P.S. Dua & Associates, Practicing Company Secretaries, are appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2017-18, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review and therefore, does not call for any further comments. The Secretarial Audit Report is annexed as **Annexure-E** to this report.

Cost Auditor

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit.

LISTING OF EQUITY SHARES

The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai and the listing fees for the Financial Year 2017-2018 have been duly paid to both the Stock Exchanges.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the Financial Year 2016-17 the Company has not received any complaints on the same and hence, no complaint was pending as at 31st March, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations, is presented separately and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

Disclosures relating to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure-F** and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure-G**.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with the workers and employees at all levels of the organisation. A detailed section on Human Resources/Industrial Relations is provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

ACKNOWLEDGEMENT & APPRECIATION

Your Directors take this opportunity to express their deep sense of gratitude to all the Company's Shareholders, Customers, Vendors, Bankers, Financial Institutions and Business Associates for their continued support during the year. They also express their sincere appreciation of the employees at all levels for having risen to meet the several challenges encountered and look forward to their valuable support and commitment in the times ahead.

For and on behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

ANNEXURE-A TO THE DIRECTOR'S REPORT

NOMINATION & REMUNERATION POLICY

INTRODUCTION:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

OBJECTIVE:

The Key Objectives and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration;
- To evaluate the performance of the members of the Board as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity; and
- To develop a succession plan for the Board and to regularly review the plan.

DEFINITIONS:

- **Independent Director** means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.
- **Key Managerial Personnel** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.
- **Nomination and Remuneration Committee,** by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.
- **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- **Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed there under or in the Clause 49 shall have the meanings assigned to them therein.

APPLICABILITY:

This policy is applicable to:

a) Directors (Executive and Non Executive)
b) Key Managerial Personnel
c) Senior Management Personnel

COMPOSITION OF THE COMMITTEE:

The composition of the Nomination & Remuneration Committee is / shall be in compliance with the Act, Rules made there under and the Clause 49, as amended from time to time.

ROLE OF THE COMMITTEE:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To formulate the criteria for evaluation of Independent Director and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To devise a policy on Board diversity, composition, size.
- To develop a succession plan for the Board and to regularly review the plan
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.

CRITERIA FOR DETERMINING:

(A) QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- Their financial or business literacy/skills;
- Other appropriate qualification/experience to meet the objectives of the Company;
- As per the applicable provisions of Companies Act, 2013, Rules made there under and Clause 49 of Listing Agreement. The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

(B) POSITIVE ATTRIBUTES OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time and shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013

(C) APPOINTMENT OF KMP/SENIOR MANAGEMENT

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To adhere strictly to code of conduct.

REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel. Further, the Chairman & Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Executive Director) and Senior Management based on prevailing HR policies of the Company.

The remuneration / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders.

REVIEW AND AMENDMENT:

The Nomination & remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amend or substitute the same as and when required, where there is any statutory changes necessitating the change in the policy.

For and on behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

ANNEXURE-B TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17:

1. Brief Outline of CSR Policy:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Directors of the Company for its approval. The Board of Directors in their meeting held on 06.08.2015 has adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, the Company through Oswal Foundation, a Registered Society along with other Group Companies, will broadly focus on medical relief and research, Environment Protection / Sustainability, Promoting Education, Social Upliftment and / or any other activity as envisaged in the Companies Act, 2013. The CSR policy is also available on the Company's website i.e www.montecarlocorporate.com.

2. Composition of the CSR Committee:

The CSR Committee comprises of:

a) Sh. Jawahar Lal Oswal Chairman
b) Sh. Dinesh Gogna Member
c) Sh. Yash Paul Sachdeva Member

3. Average net profit of the Company for last three financial years : ₹ 8,850.05 Lacs

4. Prescribed CSR Expenditure : ₹ 177.00 Lacs

5. Details of CSR spend for the financial year:

a) Total amount spent for the Financial Year : ₹ 30.28 Lacs
b) Amount unspent, if any : ₹ 146.72 Lacs
c) Manner in which the amount spent during the Financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1. Local area or other 2.Specify the State and District where project or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Subheads: 1.Direct expenditure on projects or programs 2. Overheads:**	**Cumulative expenditure up to the reporting period**	**Amount spent District or through implementing agency.**
1.	Distribution of Readymade Garments among needy people	Eradicating Poverty	Ludhiana City, District Ludhiana, Punjab	-	₹3,027,759.49	₹3,027,759.49	Through Implementing Agency i.e. Oswal Foundation

6. Reasons for not spending the two percent of the average net profits of the last three financial years:

The Company for its CSR obligation has joined hands with other Group Companies and agreed to do CSR obligation through a SPV, a recognized Charitable Organization M/s. Oswal Foundation. They are in the process of finalizing Eye Care and Health Care Centre and for which the said organization is finalizing the project. The Company would contribute immediately the money of their CSR obligation out of the retained earnings for that purpose to the said foundation as and when they are ready to go with the project. During the year out of its profit the Company has set apart committed CSR activity reserve amounting to ₹146.72 Crores equivalent to its CSR obligation.

7. The Chairman of the Corporate Social Responsibility (CSR) Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Jawahar Lal Oswal
Chairman of the CSR Committee/
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

ANNEXURE-C TO THE DIRECTOR'S REPORT

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]

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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

During the Financial Year 2016-17, the Company had not entered into any contract/ arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length.

(a) Name(s) of the related party and nature of relationship: Not Applicable
(b) Nature of contracts/arrangements/transactions: Not Applicable
(c) Duration of the contracts/arrangements/transactions: Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
(e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
(f) Date of approval by the Board: Not Applicable
(g) Amount paid as advances, if any: Not Applicable
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

All the transactions entered into by the Company with its related parties, during the year under review were in the "ordinary course of the business" and on "an arm's length basis", none of which was "material" in accordance with the Company's Related Party Transactions Policy.

(a) Name(s) of the related party and nature of relationship: Not Applicable
(b) Nature of contracts/arrangements/transactions: Not Applicable
(c) Duration of the contracts/arrangements/transactions: Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
(e) Date(s) of approval by the Board, if any: Not Applicable
(f) Amount paid as advances, if any: Not Applicable

For and on Behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

ANNEXURE-D TO THE DIRECTOR'S REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

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

I. REGISTRATION & OTHER DETAILS

1.	**CIN**	L51494PB2008PLC032059
2.	**Registration Date**	01.07.2008
3.	**Name of the Company**	Monte Carlo Fashions Limited
4.	**Category/Sub-category of the Company**	Company Limited by shares/ Indian Non-government Company
5.	**Address of the Registered office & contact details**	B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003 Tel-0161-5048610-20-30-40 Fax-0161-5048650 E-mail: investor@montecarlocorporate.com
6.	**Whether listed company**	Yes
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	Link Intime India Private Limited DELHI OFFICE: 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028 Email: delhi@linkintime.co.in Tel: 011-41410592 Fax: 011-41410591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacturing of all types of Textile garments & clothing accessories	14101	82.29 % (₹485.32 Crores)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NOT APPLICABLE

Sr. No.	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	-	-	-	-	-
2.					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as at 1st April, 2016)				No. of Shares held at the end of the year (as at 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	328622	0	328622	1.51	328622	0	328622	1.51	0
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0

Category of Shareholders	No. of Shares held at the beginning of the year (as at 1st April, 2016)				No. of Shares held at the end of the year (as at 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corp.	13054391	0	13054391	60.07	13142883	0	13142883	60.48	0.41
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
f) Any other (Relative of Promoters)	580083	0	580083	2.67	580083	0	580083	2.67	0
Sub-total(A)(1)	**13963096**	**0**	**13963096**	**64.25**	**14051588**	**0**	**14051588**	**64.66**	**0.41**
(2) **Foreign**									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**13963096**	**0**	**13963096**	**64.25**	**14051588**	**0**	**14051588**	**64.66**	**0.41**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	914028	0	914028	4.21	807896	0	807896	3.72	(0.49)
b) Banks / FI	5574	0	5574	0.03	6961	0	6961	0.03	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	445623	0	445623	2.05	0	0	0	0	(2.05)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**1365225**	**0**	**1365225**	**6.28**	**814857**	**0**	**814857**	**3.75**	**(2.53)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1164080	5250	1169330	5.38	1162757	5250	1168007	5.37	(0.01)
ii) Overseas	2376570	0	2376570	10.94	2376570	0	2376570	10.94	0
b) Individual									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	1756025	16016	1772041	8.15	1847232	12991	1860223	8.56	0.41

Category of Shareholders	No. of Shares held at the beginning of the year (as at 1st April, 2016)				No. of Shares held at the end of the year (as at 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	91500	16562	108062	0.50	148076	16562	164638	0.76	0.26
c) Others (specify)									
Hindu Undivided Family	120260	0	120260	0.55	114509	0	114509	0.53	(0.02)
Non Resident Indians	53511	0	53511	0.25	69019	0	69019	0.32	0.07
Qualified Foreign Investor (Foreign Portfolio Investor-Corporate)	562253	0	562253	2.59	852597	0	852597	3.92	1.33
Clearing Members	40167	0	40167	0.18	58507	0	58507	0.27	0.09
Trusts	201549	0	201549	0.93	201549	0	201549	0.93	0
Sub-total (B)(2):-	**6365915**	**37828**	**6403743**	**29.47**	**6830816**	**34803**	**6865619**	**31.59**	**2.12**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**7731140**	**37828**	**7768968**	**35.75**	**7645673**	**34803**	**7680476**	**35.34**	**(0.41)**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**21694236**	**37828**	**21732064**	**100**	**21697261**	**34803**	**21732064**	**100**	**0**

ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 1st April, 2016)			Shareholding at the end of the year (as at 31st March, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Sidhant and Mannat Company Limited	5229714	24.06	0	5229714	24.06	0	0.00
2.	Simran And Shanaya Company Limited	4404000	20.26	0	4404000	20.26	0	0.00
3.	Nahar Capital & Financial Services Limited	1651215	7.60	0	1651215	7.60	0	0.00
4.	Nagdevi Trading & Investment Company Limited	1185150	5.45	0	1185150	5.45	0	0.00
5.	Vanaik Investors Limited	409273	1.88	0	409273	1.88	0	0.00
6.	Tanvi Oswal	175000	0.81	0	175000	0.81	0	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 1st April, 2016)			Shareholding at the end of the year (as at 31st March, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
7.	Kamal Oswal	109112	0.50	0	109112	0.50	0	0.00
8.	Jawahar Lal Oswal	108787	0.50	0	108787	0.50	0	0.00
9.	Dinesh Oswal	108623	0.50	0	108623	0.50	0	0.00
10.	Abhilash Oswal	107583	0.50	0	107583	0.50	0	0.00
11.	Sambhav Oswal	87500	0.40	0	87500	0.40	0	0.00
12.	Abhinav Oswal	70000	0.32	0	70000	0.32	0	0.00
13.	Rishabh Oswal	70000	0.32	0	70000	0.32	0	0.00
14.	Atam Vallabh Financiers Limited	67106	0.31	0	67106	0.31	0	0.00
15.	Oswal Woollen Mills Limited	58173	0.27	0	58173	0.27	0	0.00
16.	Manisha Oswal	52500	0.24	0	52500	0.24	0	0.00
17.	Vardhman Investments Limited	49718	0.23	0	49718	0.23	0	0.00
18.	Ritu Oswal	17500	0.08	0	17500	0.08	0	0.00
19.	Monica Oswal	1050	0.00	0	1050	0.00	0	0.00
20.	Ruchika Oswal	1050	0.00	0	1050	0.00	0	0.00
21.	Neha Credit & Investment Private Limited	42	0.00	0	42	0.00	0	0.00
22.	Vanaik Spinning Mills Limited	0	0	0	88492	0.41	0	0.41
	Total	**13963096**	**64.25**	**0**	**14051588**	**64.66**	**0**	**0.41**

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

Sr. No.	Particulars			Shareholding		Cumulative Shareholding	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Vanaik Spinning Mills Limited**						
	At the beginning of the year			0	0		
	Date wise Increase/Decrease in promoters shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	19.12.2016	Increase	Purchase	**17455**	**0.08**	17455	0.08
	21.12.2016	Increase	Purchase	**6962**	**0.03**	24417	0.11
	22.12.2016	Increase	Purchase	**10835**	**0.05**	35252	0.16
	23.12.2016	Increase	Purchase	**5141**	**0.02**	40393	0.19
	26.12.2016	Increase	Purchase	**6804**	**0.03**	47197	0.22
	27.12.2016	Increase	Purchase	**9119**	**0.04**	56316	0.26
	28.12.2016	Increase	Purchase	**14325**	**0.07**	70641	0.33
	29.12.2016	Increase	Purchase	**6090**	**0.03**	76731	0.35

Sr. No.	Particulars			Shareholding		Cumulative Shareholding	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	30.12.2016	Increase	Purchase	**2027**	**0.01**	78758	0.36
	02.01.2017	Increase	Purchase	**2505**	**0.01**	81263	0.37
	03.01.2017	Increase	Purchase	**3732**	**0.02**	84995	0.39
	04.01.2017	Increase	Purchase	**1569**	**0.01**	86564	0.40
	05.01.2017	Increase	Purchase	**1928**	**0.01**	88492	0.41
	At the end of the year					88492	0.41

** Apart from the information provided, there was no change in the promoter shareholding of the Company.*

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

S. No.	For Each of the Top 10 Shareholders			Shareholding		Cumulative Shareholding	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Kanchi Investments Limited**						
	At the beginning of the year			2376570	10.94	2376570	10.94
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					2376570	10.94
2.	**Goldman Sachs India Limited**						
	At the beginning of the year			509456	2.34	509456	2.34
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	30.09.2016	Increase	Purchase	282003	1.30	791459	3.64
	At the end of the year					791459	3.64
3.	**ICICI Prudential Life Insurance Company Limited**						
	At the beginning of the year			421875	1.94	421875	1.94
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	08.04.2016	Decrease	Sale	(2795)	(0.01)	419080	1.93
	15.04.2016	Decrease	Sale	(327112)	(1.51)	91968	0.42
	22.04.2016	Increase	Purchase	327112	1.51	419080	1.93
	10.06.2016	Increase	Purchase	69400	0.32	488480	2.25
	24.06.2016	Increase	Purchase	4500	0.02	492980	2.27
	30.06.2016	Increase	Purchase	3015	0.01	495995	2.28
	15.07.2016	Increase	Purchase	680	0.00	496675	2.29
	22.07.2016	Decrease	Sale	(10900)	(0.05)	485775	2.24
	29.07.2016	Decrease	Sale	(40618)	(0.19)	445157	2.05
	05.08.2016	Decrease	Sale	(25731)	(0.12)	419426	1.93
	12.08.2016	Decrease	Sale	(5050)	(0.02)	414376	1.91
	19.08.2016	Decrease	Sale	(2330)	(0.01)	412046	1.90
	26.08.2016	Decrease	Sale	(330)	(0.00)	411716	1.89
	16.09.2016	Decrease	Sale	(640)	(0.00)	411076	1.89
	23.09.2016	Increase	Purchase	640	0.00	411716	1.89
	28.10.2016	Decrease	Sale	(7669)	(0.04)	404047	1.86
	At the end of the year					404047	1.86

4.	**Aditya Birla Private Equity Trust, A/c - Aditya Birla Pvt Equity Fund-I**						
	At the beginning of the year			341159	1.57	341159	1.57
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					341159	1.57
5.	**Birla Sun Life Trustee Company Private Limited, A/C Birla Sun Life Midcap Fund**						
	At the beginning of the year			329105	1.51	329105	1.51
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	03.06.2016	Decrease	Sale	(37969)	(0.17)	291136	1.34
	At the end of the year					291136	1.34
6.	**Aditya Birla Private Equity Trust Aditya Birla Pvt. Equity Sunrise Fund**						
	At the beginning of the year			201549	0.93	201549	0.93
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					201549	0.93
7.	**Birla Sun Life Trustee Company Private Limited, A/C India Excel (Offshore) Fund**						
	At the beginning of the year			151234	0.70	151234	0.70
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					151234	0.70
8.	**Birla Sun Life Trustee Company Private Limited, A/C India Advantage (Offshore) Fund**						
	At the beginning of the year			127818	0.59	127818	0.59
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					127818	0.59
9.	**Birla Sun Life Trustee Company Private Limited, A/C Birla Sun Life Small And Midcap Fund**						
	At the beginning of the year			62031	0.29	62031	0.29
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	03.06.2016	Increase	Purchase	37969	0.17	100000	0.46
	At the end of the year					100000	0.46
10.	**Birla Sun Life Trustee Company Private Limited, A/C Birla Sun Life Pure Value Fund**						
	At the beginning of the year			83000	0.38	83000	0.38
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	27.01.2017	Decrease	Sale	(200)	0.00	82800	0.38
	At the end of the year					82800	0.38
11.	**DB International (ASIA) Ltd.**						
	At the beginning of the year			282003	1.30	282003	1.30
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	30.09.2016	Decrease	Sale	(282003)	(1.30)		
	At the end of the year			0	0	0	0

* The above information is based on the weekly beneficiary position received from the depositories.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel			Shareholding		Cumulative Shareholding	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Sh. Jawahar Lal Oswal**						
	At the beginning of the year			108787	0.50	108787	0.50
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					108787	0.50
2.	**Smt. Ruchika Oswal**						
	At the beginning of the year			1050	0.00	1050	0.00
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					1050	0.00
3.	**Smt. Monica Oswal**						
	At the beginning of the year			1050	0.00	1050	0.00
	Date wise Increase/Decrease in shareholding during the year			No change during the year			
	At the end of the year					1050	0.00
4.	**Sh. Dinesh Gogna**						
	At the beginning of the year			0	0.00	0	0.00
	Date wise Increase/Decrease in shareholding during the year						
	Date	**Increase/ Decrease**	**Reason**				
	13.02. 2017	increase	Purchase	300	0.00	300	0.00
	14.02.2017	increase	Purchase	200	0.00	500	0.00
	20.02.2017	increase	Purchase	500	0.00	1000	0.00
	At the end of the year					1000	0.00

* Rest of Directors and Key Managerial Personnel do not hold any share of the company.

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	984,873,395	-	-	984,873,395
ii) Interest due but not paid	13,388,048	-	-	13,388,048
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	998,261,443	-	-	998,261,443
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	330,575,643	-	-	330,575,643
Net Change				
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	654,297,752	-	-	654,297,752
ii) Interest due but not paid	1,130,057	-	-	1,130,057
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	655,427,809	-	-	655,427,809

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹)
		Chairman & Managing Director	Whole Time Directors			
		Sh. Jawahar Lal Oswal*	Sh. Sandeep Jain	Smt. Ruchika Oswal	Smt. Monica Oswal	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	15,665,598	8,405,842	8,443,815	32,515,255
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	20,626		-	20,626
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	**-**	**15,686,224**	**8,405,842**	**8,443,815**	**32,535,881**
	Ceiling as per the Act	10% of the Net Profits of the Company i.e. ₹ 622.37 Lacs				

** During the year, no remuneration was paid to Sh. Jawahar Lal Oswal.*

B) Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount (₹)
1	**Independent Directors**	**Sh. Suresh Kumar Singla**	**Sh. Sailen Kumar Chaudhuri**	**Sh. Yash Paul Sachdeva**	**Sh. Ajit Singh Chatha**	**Dr. Amrik Singh Sohi**	**Smt. Manisha Gupta**	**Sh. Alok Kumar Misra**	
	Fee for attending board committee meetings	40,000	20,000	30,000	30,000	20,000	30,000	30,000	2,00,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**40,000**	**20,000**	**30,000**	**30,000**	**20,000**	**30,000**	**30,000**	**2,00,000**
2	**Other Non-Executive Directors**	**Sh. Dinesh Gogna**	**Sh. Paurush Roy***	-		-	-	-	-
	Fee for attending board committee meetings	40,000	-	-	-	-	-		40,000
	Commission	-	-	-	-	-	-		-
	Others, please specify	-	-	-	-	-	-		-
	Total (2)	**40,000**	**-**	**-**	**-**	**-**	**-**		**40,000**
	Total (B)=(1+2)	**80,000**	**20,000**	**30,000**	**30,000**	**20,000**	**30,000**	**30,000**	**240,000**
	Total Managerial Remuneration (excluding sitting fee)								**32,775,881**
	Overall Ceiling as per the Act	11% of the Net Profits of the Company i.e. ₹ 684.61 Lacs							

**During the year no sitting fees was paid to Sh. Paurush Roy.*

C) *Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD:*

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	**Chief Financial Officer**	**Total (₹)**
1	Gross salary	**Sh. Sahil Jain**	**Sh. Raman Kumar**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	734,217	1,796,147	2,530,364
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**734,217**	**1,796,147**	**2,530,364**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other officers in default					
Penalty					
Punishment					
Compounding					

For and on Behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

ANNEXURE-E TO THE DIRECTOR'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To
The Members
Monte Carlo Fashions Limited
B-XXIX-106, G.T. Road, Sherpur
Ludhiana-141003
(CIN: L51494PB2008PLC032059)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Monte Carlo Fashions Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 (Audit Period) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not attracted during the audit period as there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as informed to us.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable as the Company has not issued any securities during the audit period;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable as the Company has not granted any options to its employees during the audit period;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the audit period;

  (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 - Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its equity shares during the audit period; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company has not bought back any of its securities during the audit period.

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that we have relied on the representation made and other documents provided by the Company, its officers and on the examination of the same on test check basis the Company has complied with the following applicable laws:

1. The Factories Act, 1948;
2. The Payment of Wages Act, 1936;
3. The Payment of Bonus Act,1965;
4. The Payment of Gratuity Act, 1972;
5. Industrial Employment (Standing Orders) Act, 1946;
6. The Industrial Disputes Act, 1947;
7. The Employees' State Insurance Act, 1948;
8. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
9. The Environment (Protection) Act, 1986;
10. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
11. The Water (Prevention & Control of Pollution) Act, 1974;
12. The Air (Prevention & Control of Pollution) Act, 1981;
13. The Boilers Act, 1923 and the Indian Boilers (Amendment) Act, 2007.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board of Directors were approved unanimously or by majority and same were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ludhiana
Date: 30.05.2017

Signature:-
Name of Company Secretary in Practice: -

Sd/-
P. S. Dua
FCS No. 4552
C P No. 3934

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 Secretarial Audit Report

To
The Members
Monte Carlo Fashions Limited
B-XXIX-106, G.T. Road, Sherpur
Ludhiana-141003
(CIN: L51494PB2008PLC032059)

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 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. 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 and where ever required, we have obtained and relied on the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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 P. S. Dua & Associates

Sd/-
Company Secretary
(CP No. 3934)

Date : 30.05.2017
Place : Ludhiana

ANNEXURE-F TO THE DIRECTOR'S REPORT

Disclosure in the Boards' Report under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

S. No.	Name & Designation of Director / KMP	Remuneration for F.Y. 2016-17 (₹ in Lacs)	% Age increase in the remuneration in the F.Y. 2016-17	Ratio of Remuneration of each director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal Chairman & Mg. Director	Nil*	N.A	N.A
2.	Sh. Sandeep Jain Executive Director	156.86	4.02	126.39
3.	Smt. Ruchika Oswal Executive Director	84.06	10.74	67.73
4.	Smt. Monica Oswal Executive Director	84.44	11.14	68.03
5.	Sh. Dinesh Gogna Non Executive Director	0.40	$	0.32
6.	Sh. Paurush Roy Non Executive Director	Nil*	N.A	N.A
7.	Dr. Yash Paul Sachdeva Independent Director	0.30	$	0.24
8.	Dr. Sailen Kumar Chaudhuri Independent Director	0.20	$	0.16
9.	Sh. Ajit Singh Chatha Independent Director	0.30	$	0.24
10.	Dr. Suresh Kumar Singla Independent Director	0.40	$	0.32
11.	Dr. Manisha Gupta Independent Director	0.30	$	0.24
12.	Dr. Amrik Singh Sohi Independent Director	0.20	$	0.16
13.	Sh. Alok Kumar Misra Independent Director	0.30	$	0.24
14.	Sh. Raman Kumar Chief Financial Officer	17.96	@	14.47
15.	Sh. Sahil Jain Company Secretary	7.34	19.19	5.92

* Details not given as no remuneration and sitting fees was paid to Sh. Jawahar Lal Oswal and Sh. Paurush Roy respectively.

$ Details not given as the sitting fees has remained constant at ₹ 10,000/- per Board Meeting.

@ Not Applicable as he was not employed during Financial Year 2015-16.

2. The median remuneration of employees of the Company during the financial year was at ₹ 1.24 Lacs.

3. In the financial year, there was an increase of 18.25% in the median remuneration of employees.

4. There were 1,656 permanent employees on the rolls of Company as on March 31, 2017.

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2016-17 was 18.01% whereas increase in the managerial remuneration for the same financial year was 7.73% (Remuneration given to CFO is not considered while calculating the average so as to make it comparable with the previous Financial Year).

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

STATEMENT OF PARTICULARS OF EMPLOYEES UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2017.

DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF THE PERSONS WHO WAS IN RECEIPT OF REMUNERATION NOT LESS THAN ₹102,00,000/- THROUGHOUT THE FINANCIAL YEAR 2016-17.

Name of Employees	Age in years	Designation	Qualification	Nature of Employment	Experience in Years	Date of Commencement of Employment	Remuneration	Last Employment Held
Sh. Sandeep Jain	45	Executive Director	Graduate	Full-time	23	01.08.2012	156,86,224	Oswal Woollen Mills Limited
Smt. Monica Oswal	45	Executive Director	Graduate	Full-time	17	10.08.2011	84,43,815	Oswal Woollen Mills Limited
Smt. Ruchika Oswal	45	Executive Director	Graduate	Full-time	17	10.08.2011	84,05,842	Oswal Woollen Mills Limited
Sh. Swapan Dutta	54	President (Retail)	Graduate	Full-time	27	07.03.2011	33,00,682	Oswal Woollen Mills Limited
Sh. Rajesh Sodhi	49	Sr. V.P. (MBO)	MBA	Full-time	27	01.08.2012	21,26,155	Global Trentz Ltd.
Sh. Arvind Kumar Jain	59	V.P. Merchandising	Graduate	Full-time	37	01.04.2011	21,02,868	Oswal Woollen Mills Limited
Sh. Sumit Agrawal	39	Vice President	Graduate	Full-time	19	20.12.2015	20,43,384	Creative Line International Private Limited
Sh. Manish Chopra	39	V.P. Merchandising	Graduate	Full-time	19	01.04.2011	18,42,432	Oswal Woollen Mills Limited
Sh. Raman Kumar	56	Chief Financial Officer	Chartered Accountant	Full-time	30	15.02.2016	17,96,147	M/S Little Rose Trading Co LLC - Dubai
Sh. Ashish Madan	38	Vice President (LFS)	Graduate	Full-time	19	23.07.2014	17,85,566	Aureole Inspecs Pvt.Ltd

NOTES :

1. Sh. Sandeep Jain is spouse of Smt. Ruchika Oswal and Smt. Ruchika Oswal and Smt. Monica Oswal are daughters of Sh. Jawahar Lal Oswal, Chairman and Managing Director of the Company.
2. Except as stated in Note No. 1, none of the other above mentioned persons are related to any Director and Key Managerial Personnel of the Company.
3. The remuneration includes Salary, House Rent Allowance, Company's contribution to Provident Fund, incentives and other perquisites as per the Company's policy.

For and on behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

ANNEXURE-G TO THE DIRECTORS' REPORT

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy:

-Technical up-gradation and modernization of various machines.

-Modernization/Replacement of old plant and machinery.

-Use of solar energy as alternative source of energy.

b) The steps taken by the company for utilizing alternative source of energy:

During the year, the Company has made operational a Solar Plant having capacity of 352 KWP to reduce the Electricity Cost and to curb pollution. Due to use of Solar energy, the Company has managed to save around ₹ 1,176,522/- (163,986 Units of Electricity).

c) The capital investment on energy conservation equipment:

₹ 19,741,419.07 has been invested for 352 KWP Bosch Rooftop Solar Plant Installed at the Registered office of the Company.

B. TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption:

The Company is already a pioneer in its line of trade and is always in the lookout for the latest technology around or abroad, and where suitable, adopts the best technology.

2. The benefits derived as result of the above efforts:

It has helped the Company tremendously in development of new products, and keeping its leading position in the market.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) following information may be furnished:

The company has not imported technology in the sense required under sub column 3 of the form in as much as it has not sought nor received any import license or foreign exchange for the import of technology alone.

4. The expenditure incurred on Research & Development:

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows.

(**Amount in ₹**)

	2016-2017	**2015-2016**
i) Total Foreign Exchange outgo	263,651,868.21	310,896,813.12
ii) Total Foreign Exchange earned	Nil	1,530,735.67

For And On Behalf Of Board Of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

In Monte Carlo Fashions Limited, we firmly believe that Corporate Governance is an integral element in improving efficiency and growth as well as enhancing investor confidence. Beyond mere compliance, we are committed towards taking initiative to enhance investor's wealth in the long run. This is reflected in the well balanced and independent structure of Company's eminent and well represented Board of Directors. As a good corporate citizen, we always strive to adhere the best standards of Corporate Governance practices. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials, performance and operations of the Company.

BOARD OF DIRECTORS

The Company has a diversified Board, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the best practices of Corporate Governance. The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. The Company is managed by the Board of Directors in co-ordination with the Senior Management. The Board periodically evaluates the need for change in its composition and size.

During the year under review, the Board met on 4 (Four) occasions viz. May 30, 2016, August 09, 2016, November 11, 2016 and February 10, 2017. The maximum gap between any two Board meetings was less than one hundred and twenty days.

The names of the directors, their status, their attendance at the Board Meetings and the last Annual General Meeting, number of other directorships and Committee Membership(s)/ Chairmanship(s) of each Director as at 31.03.2017 are as under:

Name of the Director	Category	No. of Board Meetings Attended	Attendance at AGM held on 29.09.2016	No. of Directorship[1]	No. of Committees[2] in which Chairman / Member	
					Chairman	Member[3]
Sh. Jawahar Lal Oswal[4]	Promoter, Chairman & Managing Director	4 of 4	Not Present	8	-	-
Sh. Sandeep Jain[4]	Executive Director	4 of 4	Present	2	-	-
Smt. Ruchika Oswal[4]	Promoter, Executive Director	3 of 4	Present	5	-	-
Smt. Monica Oswal[4]	Promoter, Executive Director	2 of 4	Not Present	6	-	2
Sh. Dinesh Gogna	Non Executive, Non Independent Director	4 of 4	Present	8	1	5
Sh. Paurush Roy	Non Executive, Non Independent Director	4 of 4	Not Present	1	-	-
Sh. Ajit Singh Chatha	Non Executive, Independent Director	3 of 4	Not Present	4	-	2
Dr. Sailen Kumar Chaudhuri	Non Executive Independent Director	2 of 4	Not Present	None	-	-
Dr. Suresh Kumar Singla	Non Executive Independent Director	4 of 4	Present	4	2	5
Dr. Yash Paul Sachdeva	Non Executive Independent Director	3 of 4	Not Present	5	-	2
Dr. Manisha Gupta	Non Executive Independent Director	3 of 4	Not Present	None	-	-
Dr. Amrik Singh Sohi	Non Executive Independent Director	2 of 4	Not Present	4	1	3
Sh. Alok Kumar Misra[5]	Non Executive Independent Director	3 of 4	Not Present	1	-	2

1. The number of directorships excludes directorship of Monte Carlo Fashions Limited, Private Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

2. Chairmanship/ Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than Monte Carlo Fashions Limited.
3. Number of memberships in Committees are inclusive of Chairmanship.
4. Smt. Ruchika Oswal and Smt. Monica Oswal are Daughters of Sh. Jawahar Lal Oswal and Sh. Sandeep Jain is related to Sh. Jawahar Lal Oswal being husband of Smt. Ruchika Oswal.
5. Sh. Alok Kumar Misra was appointed as Additional Director (Independent) in the Board Meeting held on 09.08.2016 and Shareholders in their Annual General Meeting held on 29.09.2016 approved his appointment as Independent Director of the Company

The number of Directorships and Committee positions held by the Directors are in conformity with the limits laid down in the Companies Act, 2013 and Listing Regulations, as on 31st March, 2017.

Every Director of the Company has personally attended atleast one Board Meeting/Committee meeting in the Financial Year 2016-17.

SHAREHOLDING DETAILS OF DIRECTORS AS ON 31.03.2017:

The detail of the Directors shareholding in the Company is given as follows:

Name of Director	No. of Shares
Sh. Jawahar Lal Oswal	108,787
Smt. Ruchika Oswal	1,050
Smt. Monica Oswal	1,050
Sh. Dinesh Gogna	1,000

*None of the other Executive / Non Executive/ Independent Directors holds any share of the Company.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company on appointment of an Independent Director, issues a formal Letter of Appointment setting out the terms of appointment, duties and responsibilities. The Company in terms of Regulation 25(7) of Listing Regulations, has also put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company and the ongoing events relating to the Company. It aims to provide the Independent Directors an insight into the Company's functioning and to help them to understand its business in depth, so as to enable them to contribute significantly during the deliberations at the Board and Committee meetings. The details of Familiarization Programme imparted to Independent Directors can also be accessed from http://www.montecarlocorporate.com/pdf/FAMILIARISATION-PROGRAMME-OF-INDEPENDENT-DIRECTORS.pdf.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code has been communicated to the Directors and the members of Senior Management. The said Code of Conduct has also been posted on the website of the Company. All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. A declaration to this effect signed by Chairman & Managing Director of the Company is annexed to this report.

COMMITTEES OF THE BOARD:

The Board of Directors has constituted various Committees of Board in accordance with the provisions of Companies Act, 2013 and the Listing Regulations to take informed decision in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. These Committees play an important role in overall management of day to day affairs and governance of the Company. Details on the role and composition of these committees, including the no. of meetings held during the financial year and attendance at meetings are provided below:

(A) Audit Committee:

The Audit Committee comprises of 6 (Six) members with the Chairman of the Committee is an Independent Director. During the year under review, the Audit Committee met on 4 (four) occasions viz. May 30, 2016, August 09, 2016, November 11, 2016 and February 10, 2017 to deliberate on various matters. Not more than 120 days lapsed between any two consecutive meetings of the Audit Committee during the year. The necessary quorum was present at all the Meetings. The Chairman of the Audit committee was present at the last Annual General Meeting of the Company for addressing shareholders queries.

The composition of the Audit Committee and particulars of meetings attended by the members are given below:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Dr. Suresh Kumar Singla	Chairman	Non-Executive Independent	4
2.	Sh. Paurush Roy	Member	Non-Executive	4
3.	Dr. Yash Paul Sachdeva	Member	Non-Executive Independent	3
4.	Sh. Dinesh Gogna	Member	Non-Executive	4
5.	Dr. Manisha Gupta	Member	Non-Executive Independent	3
6.	Dr. Sailen Kumar Chaudhuri	Member	Non-Executive Independent	2

The members of the Audit Committee are financially literate and bring in expertise in field of finance, taxation etc. The Company Secretary acts as the Secretary of the Committee. The Chief Financial Officer, Internal Auditors and the Statutory Auditors are permanent invitees in the meetings of the Committee. The terms of reference of the Audit Committee are in line with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and rules made thereunder. The brief description of the terms of reference of the Committee is described below:

Power of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower Policy / Vigil Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 4 (Four) members (all are Non Executive Directors) and the Chairman of the Committee is an Independent Director. During the year under review, the Committee met twice on May 30, 2016 and August 09, 2016. The necessary quorum was present at the meeting. The Company Secretary acts as the Secretary of the Committee. Dr. Suresh Kumar Singla, Chairman of the Audit Committee represented Dr. Yash Paul Sachdeva, Chairman of the Nomination and Remuneration Committee at the last Annual General Meeting of the Company for addressing shareholders queries.

The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the members are given below:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Dr. Yash Paul Sachdeva	Chairman	Non-Executive Independent	2
2.	Dr. Suresh Kumar Singla	Member	Non-Executive Independent	2
3.	Sh. Dinesh Gogna	Member	Non-Executive	2
4.	Sh. Paurush Roy	Member	Non-Executive	2

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013 and rules made thereunder. The brief description of the terms of reference of the Committee is described below

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the non- executive directors and executive directors. The evaluation of the Independent Directors was carried out by the Board excluding the director being evaluated and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The performance was reviewed on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The Directors express their satisfaction over the entire evaluation process.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The meeting of Independent Directors was held on February 10, 2017 inter alia:

- To review the performance of Non-Independent directors and the Board as a whole;
- To review the performance of the Chairperson of the Company, and;
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

REMUNERATION TO DIRECTORS:

The remuneration paid to Executive Directors is determined by the Nomination and Remuneration Committee subject to the approval of Board upto the limits laid down under Section 197 and Schedule V of the Companies Act, 2013 and in accordance with the terms of Appointment approved by the shareholders of the Company.

The Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board Meetings. The details of remuneration paid to Directors during the Financial Year ended March 31, 2017 are as follows:

(Amount in ₹)

Name of the Director	Salaries, Perquisites and Allowances	Commission	Sitting fees (Inclusive of Service Tax)	Total
Sh. Jawahar Lal Oswal*	-	-	-	NIL
Sh. Sandeep Jain	156,86,224	-	-	156,86,224
Smt. Ruchika Oswal	84,05,842	-	-	84,05,842
Smt. Monica Oswal	84,43,815	-	-	84,43,815
Sh. Dinesh Gogna	-	-	40,000	40,000
Sh. Paurush Roy*	-	-	-	NIL
Sh. Ajit Singh Chatha	-	-	30,000	30,000
Dr. Sailen Kumar Chaudhuri	-	-	20,000	20,000
Dr. Suresh Kumar Singla	-	-	40,000	40,000
Dr. Yash Paul Sachdeva	-	-	30,000	30,000
Dr. Manisha Gupta	-	-	30,000	30,000
Dr. Amrik Singh Sohi	-	-	20,000	20,000
Sh. Alok Kumar Misra**	-	-	30,000	30,000

* No remuneration/sitting fee was paid to Sh. Jawahar Lal Oswal and Sh. Paurush Roy.

** Sh. Alok Kumar Misra was appointed as Additional Director (Independent) in the Board Meeting held on 09.08.2016.

DIRECTORS WITH PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTION WITH THE COMPANY:

The Executive Directors receives Salary, Perquisites, Allowances and other benefits in accordance with their terms of appointment, while all the Non-Executive Directors received Sitting Fees for attending the Board Meetings. It is also to be noted that the transactions with other entities where Chairman & Managing Director/ Executive Directors are interested are being carried out in the ordinary course of business on arm's length basis and in compliance with the laws applicable thereto.

CRITERIA FOR MAKING PAYMENTS TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per the Nomination & Remuneration Policy of the Company, the Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration of the Executive Directors and Key Managerial Personnel. Further, the Chairman & Managing Director of the Company is authorized to decide the remuneration of KMP's (other than Managing / Executive Director) and Senior Management based on prevailing HR policies of the Company.

The remuneration / sitting fees, as the case may be paid to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the rules made there under for the time being in force or as may be decided by the Committee / Board / Shareholders.

(C) Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of 4 (Four) members and the Chairman of the Committee is Sh. Dinesh Gogna, Non Executive Director of the Company. During the year under review, Committee met on 4 (Four) occasions viz. May 30, 2016, August 09, 2016, November 11, 2016 and February 10, 2017. The necessary quorum was present at all the meetings. The Company Secretary of the Company acts as the Secretary of the Committee.

The Committee looks into various queries / issues relating to shareholders / investors including non-receipt of dividend, Annual Report etc. Sh. Sahil Jain, Company Secretary is the Compliance Officer of the Company.

The table below highlights the composition and attendance of the Members of the Committee as on March 31, 2017. The necessary quorum was present for the meeting:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Sh. Dinesh Gogna	Chairman	Non-Executive	4
2.	Sh. Sandeep Jain	Member	Executive	4
3.	Sh. Paurush Roy	Member	Non-Executive	4
4.	Dr. Yash Paul Sachdeva	Member	Non-Executive Independent	3

Terms of Reference

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Consideration and redressal of grievances of the security holders of the Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of the Company, etc.;
- Approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

Details of Shareholder's complaints Received, Solved and Pending:

During the year 48 Complaints were received and all were disposed off to the satisfaction of the Shareholders. No complaints remained unattended/ pending for more than thirty days. The Company has no share transfers/transmission pending as on 31st March, 2017.

(D) Corporate Social Responsibility Committee:

The Board has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act 2013, comprising Sh. Jawahar Lal Oswal as Chairman, Sh. Dinesh Gogna and Dr. Yash Paul Sachdeva as members. The Committee met once during the year viz., August 01, 2016 and all the members were present in that meeting.

Terms of Reference:

The Board has clearly defined terms of reference for the Corporate Social Responsibility (CSR) Committee, which are as follows:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per Schedule VII of Companies Act, 2013(as amended);
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem subject to the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

(G) SHARE TRANSFER COMMITTEE:

Share Transfer Committee has been constituted to expedite and streamline the process of transfer /transmission/ dematerialization / re-materialization etc. of the Equity Shares of the Company. The Committee comprises of Sh. Jawahar Lal Oswal as Chairman, Sh. Sandeep Jain and Sh. Dinesh Gogna as members. During the year under review, committee met on 4 (four) occasions viz. May 19, 2016, August 29, 2016, December 14, 2016 and March 20, 2017.

Terms of Reference

- To approve/register transfer or transmission of shares;
- Dematerialization / Rematerialization of shares;
- Issue of duplicate/split/consolidated share certificates;
- Review of cases for refusal of transfer/transmission of shares;
- To affix or authorize affixation of Common Seal of the Company to the share certificates of the Company;
- To issue share certificates in place of those which are damaged or in which the pages are completely exhausted provided the original certificates are surrendered to the company;
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.

The table below highlights the composition and attendance of the Members of the Committee as on March 31, 2017:

Sr. No.	Name	Position	Category	No. of Meeting Attended
1.	Sh. Jawahar Lal Oswal	Chairman	Chairman & Managing Director	4
2.	Sh. Sandeep Jain	Member	Executive	4
3.	Sh. Dinesh Gogna	Member	Non-Executive	4

GENERAL BODY MEETINGS:

1. The details of the last three Annual General Meeting(s) of the Company are given as follows:

Year	Day and Date	Time	Venue	No. of Special Resolutions
2015-2016	Thursday, 29th September, 2016	11.00 A.M.	Registered Office of the Company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	3

2014-2015	Tuesday, 29th September, 2015	11.00 A.M.	Registered Office of the Company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	0
2013-2014	Tuesday, 30th September, 2014	04.30 P.M.	Registered Office of the Company situated at G. T. Road, Sherpur, Ludhiana-141003.	3

2. POSTAL BALLOT

During the year, the Company has not conducted any Postal Ballot Exercise.

MEANS OF COMMUNICATION:

a) The Quarterly/ Half Yearly / Annual Financial Results of the Company are published generally through Business Standard (English-All Editions), Desh Sewak/ Punjabi Jagran (Punjabi-Regional) and are also posted on the Company's website i.e www.montecarlocorporate.com.

b) Investor Presentations, Official Press Releases and other general information are sent to the Stock Exchange(s) and are also displayed on the Company's website.

c) The Company's website also contains an exclusive section on 'Investor Relations' which enables them to access information such as Quarterly / Half Yearly / Annual Financial Statements, Corporate Governance Reports, Shareholding Patterns and Press Releases in downloadable format as a measure of added convenience.

d) SCORES is a web based complaint redress system. Action Taken Reports (ATRs) on the investor complaint(s) are uploaded on the SCORES for online viewing by investors of actions taken on the complaint by the Company and its current status.

e) The Company has designated an exclusive email-id for investor services i.e investor@montecarlocorporate.com.

GENERAL SHAREHOLDER INFORMATION

- Date of Annual General Meeting : 29th September, 2017
- Day : Friday
- Financial Year : 2016-17
- Time : 11:00 A.M.
- Venue : B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003
- Date of Book Closure : 23rd September, 2017 to 29th September, 2017 (both days inclusive)
- Dividend Payment Date : within 30 days from the date of declaration
- Listing on Stock Exchanges : The Equity Shares of the Company are listed on the following Stock Exchanges:
  BSE Limited (BSE)
  Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
  National Stock Exchange of India Limited (NSE)
  Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051.
- ISIN : INE950M01013
- Stock Code / Symbol : BSE - 538836
  NSE-MONTECARLO

Listing Fee / Annual Custodian Fee:

The Annual Listing Fee has been paid to BSE and NSE for the financial year 2017-2018. The Company has also made the payment of Annual Custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2017-18.

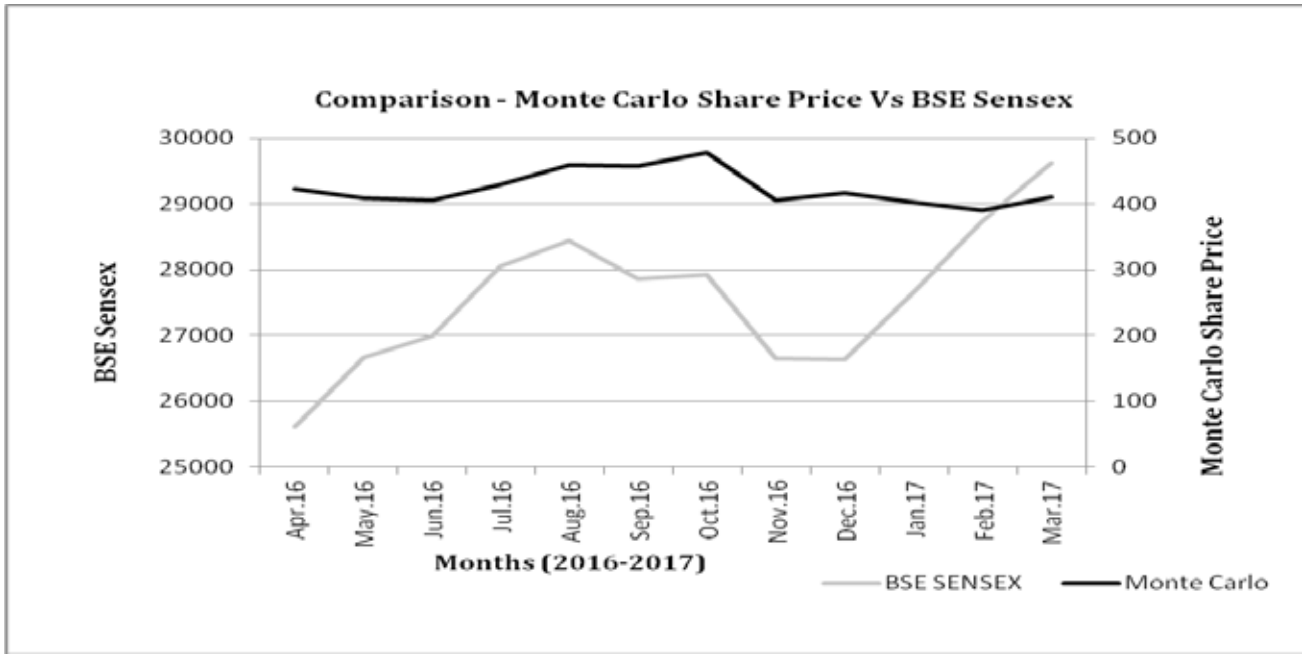
Market Price Data:

Market Price Data of Company's Equity Shares traded on BSE Limited, during the period April, 2016 to March, 2017:

BSE							
	Share Price BSE			BSE SENSEX			Volume
Month	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)	No. of Shares
April 2016	437.00	349.10	423.40	26100.54	24523.20	25606.62	361,442
May 2016	452.00	406.20	409.75	26837.20	25057.93	26667.96	91,932
June 2016	430.30	387.00	405.55	27105.41	25911.33	26999.72	70,934
July 2016	458.40	404.45	429.80	28240.20	27034.14	28051.86	78,694
Aug 2016	474.00	427.50	459.10	28532.25	27627.97	28452.17	68,603
Sep 2016	492.00	440.55	457.55	29077.28	27716.78	27865.96	58,734
Oct 2016	510.00	435.00	479.15	28477.65	27488.30	27930.21	70,060

Nov 2016	503.10	370.00	406.60	28029.80	25717.93	26652.81	55,698
Dec 2016	438.70	370.30	417.60	26803.76	25753.74	26626.46	89,733
Jan 2017	428.70	395.00	402.80	27980.39	26447.06	27655.96	22,769
Feb 2017	413.00	370.00	389.70	29065.31	27590.10	28743.32	51,367
Mar 2017	426.75	374.00	411.05	29824.62	28716.21	29620.50	72,752

Graphical Representation of the Company's share price in comparison to the broad-based Indices i.e. BSE- Sensex is given below:

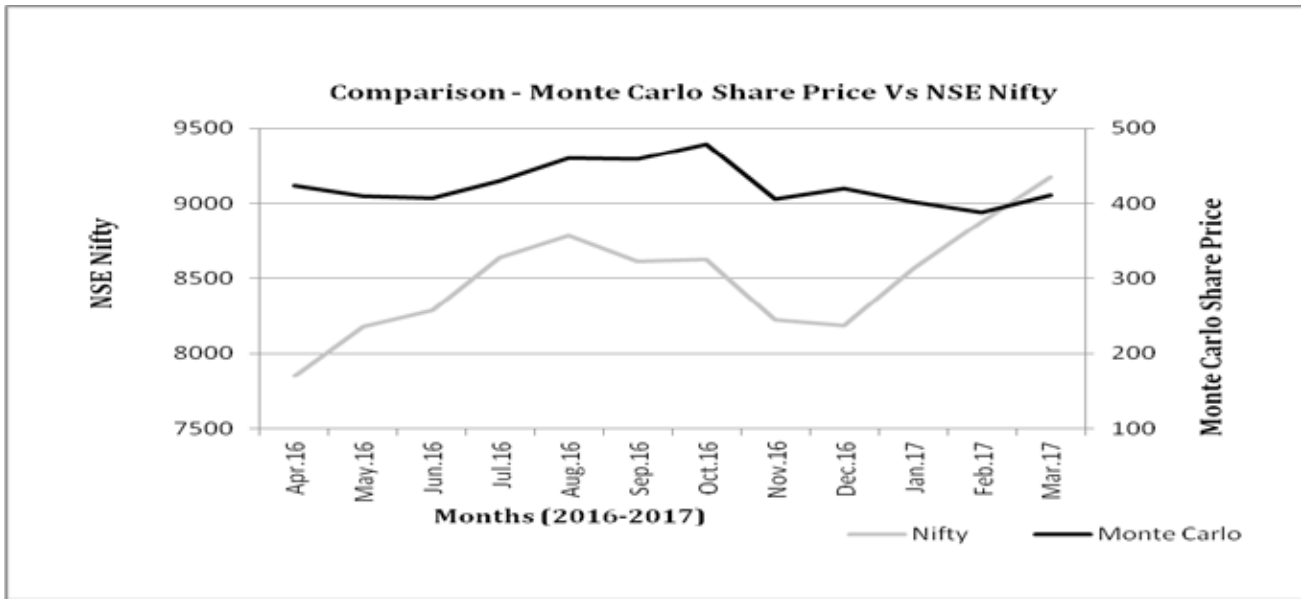


Market Price Data of Company's Equity Shares traded on National Stock Exchange of India Limited, during the period April, 2016 to March, 2017:

NSE							
	Share Price NSE			NSE NIFTY			Volume
Month	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)	No. of Shares
April 2016	437.40	349.05	423.95	7992.00	7516.85	7849.80	1,243,714
May 2016	451.95	399.40	410.25	8213.60	7678.35	8160.10	500,603
June 2016	429.50	388.00	406.80	8308.15	7927.05	8287.75	373,527
July 2016	459.00	403.05	429.95	8674.70	8287.55	8638.50	426,616
Aug 2016	474.95	428.05	460.35	8819.20	8518.15	8786.20	383,895
Sep 2016	490.60	440.00	458.65	8968.70	8555.20	8611.15	538,674
Oct 2016	510.00	450.00	478.50	8806.95	8506.15	8625.70	355,116
Nov 2016	503.00	375.55	406.45	8669.60	7916.40	8224.50	315,298
Dec 2016	438.00	366.00	419.50	8274.95	7893.80	8185.80	507,777
Jan 2017	430.00	395.00	401.75	8672.70	8133.80	8561.30	114,097
Feb 2017	416.50	361.90	387.95	8982.15	8537.50	8879.60	168,053
Mar 2017	427.00	378.00	411.40	9218.40	8860.10	9173.75	402,647

(Market Price Data Source: www.nseindia.com)

Graphical Representation of the Company's share price in comparison to the broad-based Indices i.e. NSE- Nifty is given below:



Registrar & Share Transfer Agent:
LINK INTIME INDIA PRIVATE LIMITED (DELHI OFFICE)
44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina,
New Delhi-110028, PH: 011-41410592 Fax: 011-41410591, Email: delhi@linkintime.co.in

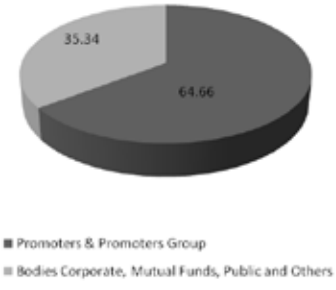
Share Transfer System:
Share Transfer Committee has been constituted to approve all the transfers, transmission, Demat/ remat of shares etc. and all the share transfer/ transmission/ transposition/ dematerialization/ re-materialization are handled by our Registrar and Transfer Agent i.e. Link Intime India Private Limited. During the year under review, all the requests received for transfer/ transmission/ dematerialization/ re-materialization of shares etc. are processed and completed within the stipulated time.

The Company obtains a Certificate of Compliance with the share transfer formalities from a Practicing Company Secretary as required under Regulation 40(9) of Listing Regulations (erstwhile Clause 47 (c) of the Listing Agreement) and submits a copy of the said certificate with the Stock Exchanges on half yearly basis.

Distribution of Shareholding as on March 31, 2017:

S. No.	Distribution of No. of Shares	No. of Shareholders	%age to Total No. of Shareholders	No. of Shares held	Percentage
1.	1-500	43127	98.76	1497066	6.89
2.	501-1000	269	0.62	204065	0.94
3.	1001-2000	122	0.28	175588	0.81
4.	2001-3000	35	0.08	86803	0.40
5.	3001-4000	25	0.06	87702	0.40
6.	4001-5000	15	0.03	67336	0.31
7.	5001-10000	27	0.06	188977	0.87
8.	10001 & Above	49	0.11	19424527	89.38
	Total	43669	100.00	21732064	100.00

Shareholding pattern as on 31.03.2017:		
Category	**No. of Shares**	**%age**
Promoters & Promoters Group	14051588	64.66
Bodies Corporate, Mutual Funds, Public and Others	7680476	35.34



Dematerialization of Equity Shares and Liquidity:
As on March 31, 2017, 99.84% of the total equity share capital of the Company (21,697,261 Equity Shares) were held in dematerialised form. The Company has entered into agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares through Link Intime India Private Limited, Registrar & Transfer Agent (RTA) of the Company. The Company's shares are liquid and actively traded on both the Stock Exchanges.

Reconciliation of Share Capital Audit:
As stipulated by SEBI under Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, a Company Secretary in whole time practice carries out Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's Shares are listed. The audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Outstanding GDR/ADR/Warrants or any convertible instruments, conversion instruments, conversion date and impact on equity: NIL

Plant Locations:
The manufacturing plants of the company located at:

1. B-XXIX-106,G.T.Road,Sherpur-Ludhiana
2. 231,Industrial Area-A-Ludhiana
3. Plot No-425 & 427, Near Textile Colony-Ludhiana
4. G.T.Road, Millerganj-Ludhiana

Address for Correspondence:

Company	Link Intime India Private Limited (RTA)
The Company Secretary Monte Carlo Fashions Limited B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003 **Tel**-0161-5066628 **Fax**-0161-2542509 Email- investor@montecarlocorporate.com Website: www.montecarlocorporate.com	**DELHI OFFICE:** 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028 Email: delhi@linkintime.co.in Tel: 011-41410592 Fax: 011-41410591

The Company has maintained an exclusive email id: investor@montecarlocorporate.com which is designated for investor correspondence for the purpose of registering any complaints / queries and the same have been displayed on the Company's website: www.montecarlocorporate.com.

For any assistance regarding Share Transfer(s), Transmission(s), Change of Address, issue of Duplicates/ Lost share certificate(s)/Dematerialisation/ Rematerialisation of Share(s) and other relevant matters please write to the Registrar and Transfer Agent of the Company.

OTHER DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:**
  All the transactions entered during the financial year with the related parties as defined under Companies Act, 2013 and Listing Regulations, are disclosed in detail in Note No. 34 in "Notes forming part of the Accounts" annexed to the Financial Statements for the year ended 31st March 2017. All the related party transactions were in the ordinary course of business at Arm's length basis and are not in conflict with the interest of the Company.
- **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**
  There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market during the last three years.
- **Vigil Mechanism / Whisle Blower Policy**
  Pursuant to Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy / Vigil Mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. Further the Audit Committee reviews and ensures the adequacy of the system laid down by the Company for the said purpose and no concern was reported during the Financial Year ended 31.03.2017. The said policy is also posted on the website of the Company viz: www.montecarlocorporate.com.

- **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**
  During the year, the Company has fully complied with the mandatory requirements as stipulated under Listing Regulations. The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the Listing Regulations is being reviewed by the Board and adopted to the extent and in manner as stated below:
- **Modified opinion(s) in audit report-**
  It is always the Company's endeavour to present Audited Financial Statements with unmodified opinion. There is no audit modification in the Company's Financial Statements for the year ended on March 31, 2017.
- **Reporting of Internal Auditor –**
  The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting his audit findings to the Audit Committee.
- **Weblink where policy for determining 'material' subsidiaries is disclosed:**
  As on March 31, 2017, your Company does not have any Subsidiary.
- **Web link where policy on dealing with related party transactions:**
  Your Company has also framed a Policy on Related Party Transactions for purpose of identification and monitoring of such transactions in line with the requirements of the Companies Act, 2013 and Listing Regulations, which can also be accessed from the Company's website at http://www.montecarlocorporate.com/pdf/related-party-transaction-policy.pdf.
- **Disclosure of Commodity price risk and commodity hedging activities:** Not Applicable
- **Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015:**
  Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:
  - Board of Directors
  - Audit Committee
  - Nomination and Remuneration Committee
  - Stakeholders' Relationship Committee
  - Risk Management Committee – Not Applicable
  - Vigil Mechanism
  - Related Party Transactions
  - Corporate governance requirements with respect to subsidiary of Company - Not Applicable
  - Obligations with respect to Independent Directors
  - Obligations with respect to Directors and senior management
  - Other Corporate governance requirements as stipulated under the Regulations
  - Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

For and on Behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I hereby declare that all the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March 2017.

For Monte Carlo Fashions Limited

Place: Ludhiana
Date: 30.05.2017

Jawahar Lal Oswal
Chairman & Managing Director

CEO / CFO CERTIFICATION

We the undersigned hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such 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 hereby confirm that there were no:
   1) significant changes in internal control over financial reporting during the year;
   2) significant changes in accounting policies during the year that requires any disclosure in the notes to the financial statements; and
   3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Monte Carlo Fashions Limited **For Monte Carlo Fashions Limited**

Place: Ludhiana
Date: 30.05.2017

Jawahar Lal Oswal
Chairman & Managing Director

Raman Kumar
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
Monte Carlo Fashions Limited
Ludhiana

We have examined the compliance of conditions of Corporate Governance by Monte Carlo Fashions Limited (CIN: L51494PB2008PLC032059) ('the Company'), for the year ended on 31 March 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: - Ludhiana
Date: - 18.08.2017

For P. S. Dua & Associates

(Company Secretaries)
(M No. 4552)
(C. P No.3934)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMY & INDUSTRY SECTION

INDIA ECONOMIC OVERVIEW:

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments – the emboldened move to demonetise the two highest denomination notes of ₹1,000 and ₹500 in order to eliminate black money and the growing menace of fake Indian currency notes and the passage of the transformational Goods and Services Tax (GST). Demonetisation has impacted consumption and demand and it is not likely to persist for more time as the supply of new currency notes have been normalized. Demonetisation has had short term costs, but holds the potential for long term benefits.

The GST is aimed at creating a common Indian market, improve tax compliance and governance and boost investment and growth. It is also a bold new experiment in the governance of India's cooperative federalism. Follow-up actions to minimise the costs and maximise the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing land and real estate into GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in FY2017-18, following a temporary decline in growth in FY2016-17.

The Finance Minister in the Union Budget 2017-18 has made various announcements of providing relief to the middle class, providing affordable housing, curbing black money, digitalization of the economy, enhancing transparency in political funding and simplifying the tax administration in the country, thereby creating opportunities for improvement in economic growth as well as nation's long term growth. Number of foreign companies is setting up their facilities in India on account of various government initiatives like 'Make in India' and 'Digital India'. The Government aims to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors.

Moreover the growth is expected to return in FY2018, as the impact of demonetisation is fully through. India's economy is expected to grow by 7.5% during FY2018 (IMF estimates), with inflation seen at 4.5%.

INDUSTRY OVERVIEW: APPAREL INDUSTRY

Apparel is the largest segment of the Indian Textile and Clothing Industry (IT&C); accounts for 60-65% of the total Industry. In developing countries like India, it is important to explore ways to boost the standard of living and reduce poverty. Government of India is increasingly focusing on policy to create jobs that are good for development. Further, Government of India recently announced ₹6,000 crore package for textile and apparel sector which includes additional incentives for duty drawback scheme for apparels, flexibility in labour laws and tax and production incentives to garment manufacturing units. This would also fuel the growth in the Indian garment sector. These attempts are also in line with government's vision to maximize the employment generation and value creation within the country under 'MAKE IN INDIA' campaign. However, India needs to adopt more favourable policies to increase market access, ease import barriers, improve export logistics, labour reforms and facilitate foreign investment.

With a good future of Indian textile industry as a whole, the retail sector has experienced a consistent growth with rise in disposable income. The organized apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period. *(Source: India Brand Equity Foundation)*

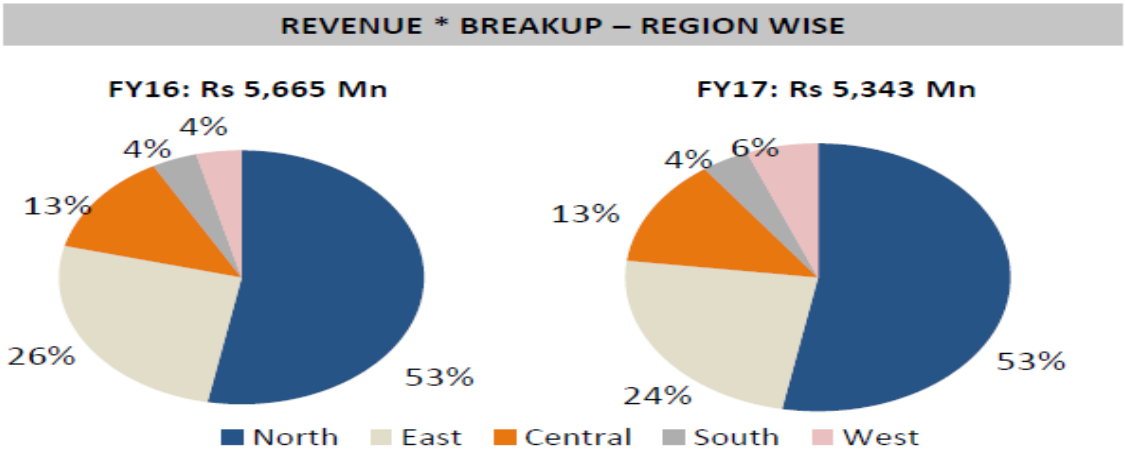
The growth in India's organised retail market has led to an increase in the sale of Branded apparels which is growing rapidly due to increased consumer spending, high brand consciousness, rising income and purchasing power, increasing number of dual income nuclear families, changing lifestyle and consumer behaviour. Organised retail is the most dynamic industry in India, representing a huge opportunity for the domestic market.

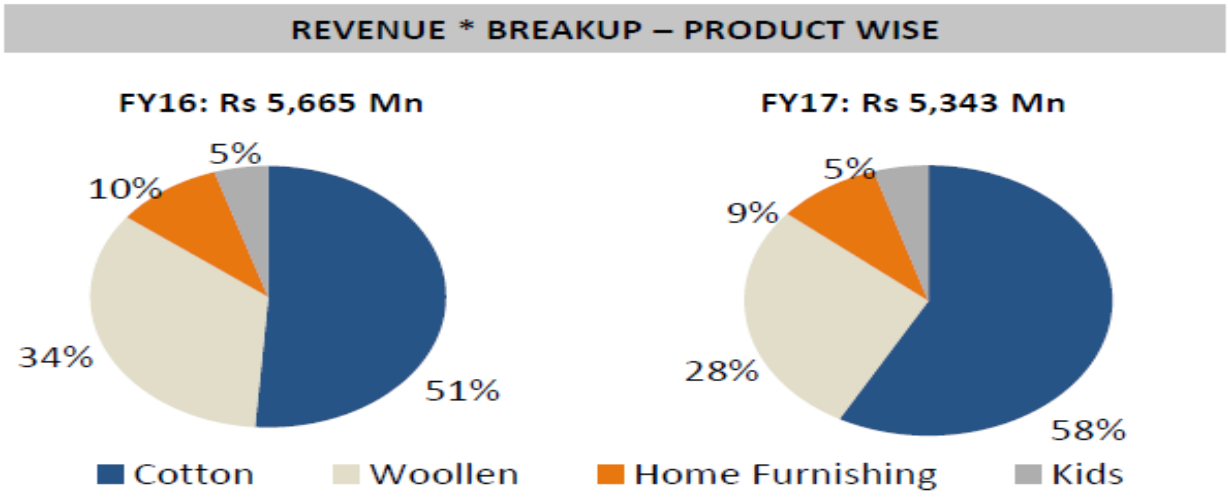
In the next few years, growth in the online purchase for the fashion category will be driven by a spurt of new shoppers as well as a maturing shopper base that spends a larger share of their fashion wallet online.

The key purchase triggers to this considerable change for online purchase are availability of larger varieties, deals and discounts and promotional material such as e-mails. However the new online shoppers will look beyond discounts. Consumers are increasingly spending more time on digital media for discovering latest trends, doing research, price comparisons etc.

REGION & PRODUCT WISE REVENUE BREAKUP

MCFL was initially launched as an exclusive woollen brand. The Company has a well diversified presence across various categories such as Cottons, Woollens, Home Furnishings and Kids etc. Currently, cotton wears contributes around ~58% of the Company's total revenues. Historically, the Company's presence has been strong in the Northern and Eastern regions of India. However, your Company remained focused on improving its presence in Southern and Western regions too by increasing the share of "all season" cotton product categories.





Winter products are typically higher in value in terms of production cost as well as sales revenue. And hence, these generate higher revenue in comparison with our non-winter products. Our endeavour is to increase our share of all-season products with pan-India appeal in order to increase revenues in southern and western regions of India. This would enable generation of a faster pace of growth and reduce the seasonal impact. Our comprehensive portfolio of products and brands across varied price points enables us to cater to and target a wider and diversified customer base.

STRONG RETAIL & DISTRIBUTION NETWORK

As on March 31, 2017 Monte Carlo has presence across 26 states and 1 Union Territory through its network of 231 Exclusive Brand Outlets (EBOs), 2,300+ Multiple Brand Outlets (MBOs) and 198 National Chain Stores (NCS).

THE WAY FORWARD – FUTURE OUTLOOK

The Company's future growth strategy is to focus on Cotton & Cotton-blended apparels and expansion of its retail distribution network. While we already have a pan-India presence, we seek to penetrate further in the western and southern regions of India with a comprehensive range of cotton and cotton-blended products catering to all seasons. Our aim is to focus on cotton and cotton-blended shirts, trousers, T-shirts and denims to expand our all-season product range and strengthen the pan-India operations.

We continue with our endeavour to build a leading branded apparel company. Over the years, we have successfully expanded our horizon and diversified our business operations. We have created a comprehensive range of woolens, cottons, cotton blended, knitted and woven apparels for Men, Women and Kids and under the umbrella brand Monte Carlo. We always believe that we have successfully positioned ourselves as a lifestyle brand with a well-diversified product offering. Now, we are planning to further expand our portfolio by diversifying into 'Fitness and Fashion Wears' with a name of 'ROCK IT', which we are launching shortly through online sales channels. We expect this new segment should bring meaningfull contribution to our overall revenue in the coming years.

The Company has also established an e-commerce presence through its own portal "montecarlo.in" and by way of tie-ups with digital platforms such as Flipkart and Snapdeal, among others. With the online retail segment witnessing a rapid pace of growth, the Company endeavours to capitalise on this exciting new channel and gain by way of instant pan-India reach.

OPPORTUNITIES AND THREATS:

Opportunities:

Increase in Chinese apparel prices could provide higher demand for Indian Garments

During recent years, China has seen a sustained rise in its wage costs, which may lead to potential increase in its apparel prices. As a result, China is shifting its production base to higher value-added industries like electronics and curtailing low value-added production like textile and apparel. With expected reduction in China's cost competitiveness and reduced focus on textiles, India has the chance of increasing its share in global apparel exports as well as increase in consumption of domestic products.

Increasing emphasis on cotton and cotton-blended apparel to tap Pan-India market

The Company is focussed on promoting and expanding sales of cotton apparels aggressively. This will enable the Company in tapping the entire Indian market, increasing the share of revenues significantly from southern and western regions in the long-term.

Increasing opportunity in domestic market

The growth in the organized retail market in India has led to increase in the sale of Branded apparel in the domestic market. The organized retail apparel market is growing rapidly due to increased consumer spending, high brand consciousness, rising income and purchasing power, increasing number of dual income nuclear families, changing lifestyle and consumer behavior. Organized retail in India is the most dynamic industry and represents a huge opportunity for domestic markets. Besides, the growing brand awareness and fashion consciousness, demand for superior quality and design is rising at a robust pace, that will held the organised players in increasing their market share in the years to come

Moreover, the growth in the organized retail industry is expected to pick up in next two years with increasing GDP per capita and the Indian apparel demand is at the cusp of significant growth.

Diversification across various Product Categories

We have diversified from being only woollen apparel company to different product categories such as Cottons, Cotton-Blended and Home Furnishing. It has a comprehensive product and brand portfolio catering to varied segments such as kids, youth, middle and senior. This is prevalent in both woollen and cotton & cotton blended apparels spread across varied price points, enabling them to service the economy and mid-premium to premium segments. The ability to tap varied segments of the market provides the Company with tremendous opportunities to grow at a brisk pace.

Consumption demand recovery

Post demonetization, normalcy is returning gradually in consumer-facing businesses, though sales are still down. Business houses are of the view that once the cash crunch improves, demand from the customers will return.

Embarking on journey to a cashless economy

Customers seem to be willing to alter their transaction habits and have started preferring cashless transactions. The willingness of customers to move to cashless transactions came as a positive surprise.

Awareness of Goods and Service Tax (GST)

GST awareness seems to be high among organized sector in comparison to the unorganized one. The Industry is of the view that GST could significantly impact the unorganized sectors, unless they will adapt the changes quickly. However, organized players very well expect to share the opportunities flowing from the unorganised to the organised sector.

Threats/ Concerns:

Rising competition among organised players

The size of the Indian apparel market and its inherent long-term growth potential makes it extremely attractive to branded players across the world. This has led to great deal of competition among the organised players to grab the largest share of the pie. With an increase in the number of international brands entering India and many looking to enter soon due to relaxed FDI rules in Indian Textile Sector, the competition is expected to intensify further.

Intense competition between established brands and private label brands

Industry is highly fragmented with the organised sector commanding much lesser market share as compared to the unorganised sector. Also low cost substitute products from sourced from the countries like Pakistan, Nepal and Bangladesh leads to reduction in demand of the existing products in the domestic market.

Key barriers for Online Channel

Low familiarity with website/ app and return policies are big concerns for first time shoppers, who thus prefer spending low amounts online. Hence, ensuring flexible payment options and smooth handling of returns /complaints is necessary to gain

the trust of a new shopper. Further, the lack of touch & feel and better offline prices (availability of cheaper options offline) are the key barriers for online purchase among the majority of small town shoppers.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is having an adequate internal financial control systems and procedures commensurate with the size of the Company. The internal Auditors regularly monitors and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and also ensures that the internal control systems are properly followed by all concerned departments of the company. Significant audit observations and corrective actions taken thereon are presented to the Audit committee of the Board.

HUMAN RESOURCE / INDUSTRIAL RELATION

The Company is of firm belief that human resource is the driving force that propels a Company towards growth and success. The Company is committed to the development of its people. The total permanent employee's strength of the Company was 1,656 as on 31st March 2017. The Industrial relations were cordial and satisfactory.

OPERATIONAL PERFORMANCE & FINANCIAL REVIEW

The Company operates in a one reportable business segment i.e. manufacturing and trading of textile garments. The revenue from operations of the Company for the financial year ended 2016-17 stood at ₹58,410.54 Lacs as against ₹62,153.05 Lacs. As a result, the Company's Earnings before Financial Charges, Tax and Depreciation & Amortization have decreased from ₹13,723.04 Lacs to ₹9,971.33 Lacs for the year under review. The detailed operational performance has already been discussed in the Director's Report under the Section 'Operational Review'.

During FY2017, Revenues were impacted due to demonetisation as the Company derives most of its revenues in the third quarter. To recover from lower sales in the third quarter, the Company started early discounts in the fourth quarter. This helped in reduction in working capital by ₹2,245.07 Lacs during the year, which is primarily due to a reduction in Inventory and Debtors.

The Company's overall debt (including Working Capital) reduced by ₹3,305.76 Lacs, leading to a debt equity ratio of 0.13x for FY2017. The Company enjoys a strong balance sheet with a net cash of ₹8405.38 Lacs. The Operating profit to cash flow conversion for the year remains strong with the initiatives on reducing the working capital requirement.

For and on Behalf of Board of Directors

Jawahar Lal Oswal
Chairman & Managing Director
(DIN: 00463866)

Place : Ludhiana
Date : 18.08.2017

Independent Auditor's Report

To the Members of Monte Carlo Fashions Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Monte Carlo Fashions Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:
    a. we have sought and, except for the possible effect(s) of the matter described in paragraph 10(g)(iv) of Report on Other Legal and Regulatory Requirements below, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
    e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
    f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 30 May 2017 as per Annexure 2 expressed unmodified opinion;

g. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 32 to the financial statements, has disclosed the impact of pending litigations on 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. the Company has provided disclosures in note 39 to the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between specified bank notes and other denomination notes of 'permitted receipts', 'non-permitted receipts', 'permitted payments', 'non-permitted payments' and 'amount deposited in banks' as disclosed under such note.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Lalit Kumar**
Partner
Membership No.: 095256

Place : Ludhiana
Date : 30 May 2017

Annexure 1 to the Independent Auditor's Report of even date to the members of Monte Carlo Fashions Limited, on the financial statements for the year ended 31 March 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account 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) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including 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 applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few

cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates*	Forum where dispute is pending
West Bengal Value Added Tax, 2003	Interest on VAT	133,503	-	FY 2008-09	Deputy Commissioner of Commercial Taxes, Kolkata
Central Sales Tax Act, 1956	Interest on CST	22,320	-	FY 2008-09	Deputy Commissioner of Commercial Taxes, Kolkata
West Bengal Value Added Tax, 2003	Penalty on VAT	230,998	230,998	FY 2009-10	West Bengal Taxation Tribunal
Central Sales Tax Act, 1956	Interest on CST	122,124	-	FY 2009-10	West Bengal, Commercial taxes Appellate & Revisional Board
Income Tax Act, 1961	Tax deducted at source and interest thereon	24,473	-	AY 2012-13	Income Tax Officer (TDS), Ludhiana
Income Tax Act, 1961	Tax deducted at source and interest thereon	2,133,704	-	AY 2013-14	Income Tax Officer (TDS), Ludhiana
Income Tax Act, 1961	Tax deducted at source and interest thereon	895,987	-	AY 2014-15	Income Tax Officer (TDS), Ludhiana
Income Tax Act, 1961	Tax deducted at source and interest thereon	272,800	-	AY 2016-17	Income Tax Officer (TDS), Ludhiana

* FY- Financial year and AY- Assessment year

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of term loans for the purpose for which these were raised. The company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Lalit Kumar**
Partner
Membership No.: 095256

Place : Ludhiana
Date : 30 May 2017

Annexure II to the Independent Auditor's Report of even date to the members of Monte Carlo Fashions Limited on the financial statements for the year ended 31 March 2017

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the financial statements of Monte Carlo Fashions Limited (the 'Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 the Company's 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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing ('Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Lalit Kumar**
Partner
Membership No.: 095256
Place : Ludhiana
Date : 30 May 2017

Balance Sheet as at 31 March, 2017

(All amounts *in* ₹ unless stated otherwise)

	Notes	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**217,320,640**	217,320,640
Reserves and surplus	4	**4,667,733,419**	4,243,273,990
		4,885,054,059	4,460,594,630
Non-current liabilities			
Long-term borrowings	5	**153,847,535**	292,917,430
Other long-term liabilities	7	**143,221,141**	127,752,683
		297,068,676	420,670,113
Current liabilities			
Short-term borrowings	8	**343,810,625**	297,525,465
Trade payables	9		
Payable to micro enterprises and small enterprises		**32,388,039**	37,075,495
Other payables		**1,000,878,768**	1,026,917,168
Other current liabilities	10	**367,360,513**	578,122,206
Short-term provisions	11	**35,813,355**	290,159,901
		1,780,251,300	2,229,800,235
TOTAL		**6,962,374,035**	7,111,064,978
ASSETS			
Non-current assets			
Fixed assets	12		
Property, plant and equipment		**1,614,724,915**	1,621,786,804
Intangible assets		**13,716,417**	10,415,176
Capital work-in-progress		**27,263,431**	7,201,351
Non-current investments	13	**215,000,000**	200,000,000
Deferred tax assets (net)	6	**49,347,588**	32,150,202
Long-term loans and advances	14	**69,825,754**	52,690,908
Other non-current assets	15	**165,100,000**	250,100,000
		2,154,978,105	2,174,344,441
Current assets			
Current investments	16	**855,000,000**	299,631,386
Inventories	17	**2,020,105,571**	2,217,605,126
Trade receivables	18	**1,463,083,876**	1,517,154,665
Cash and bank balances	19	**259,735,620**	708,177,614
Short-term loans and advances	20	**182,144,890**	175,983,908
Other current assets	21	**27,325,973**	18,167,838
		4,807,395,930	4,936,720,537
TOTAL		**6,962,374,035**	7,111,064,978

Notes 1 to 41 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2017

For Monte Carlo Fashions Limited

Jawahar Lal Oswal
(Chairman and Managing Director)
(DIN : 00463866)

Raman Kumar
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2017

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)
(Membership No. F9011)

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts *in* ₹ unless stated otherwise)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue			
Revenue from operations	22	**5,841,053,514**	6,215,305,433
Other income	23	**221,001,241**	139,096,819
Total revenue		**6,062,054,755**	6,354,402,252
Expenses			
Cost of materials consumed	24	**1,140,702,220**	1,323,892,161
Purchases of stock in trade	25	**1,998,310,136**	2,096,288,472
Changes in inventories of finished goods, work-in-process and traded goods	26	**142,149,116**	(302,204,823)
Employee benefit expenses	27	**492,332,368**	463,767,183
Finance costs	28	**119,594,039**	162,406,247
Depreciation and amortisation	29	**247,351,513**	292,709,986
Other expenses	30	**1,287,075,020**	1,408,616,593
Prior period items	31	**4,353,937**	(8,261,562)
Total expenses		**5,431,868,349**	5,437,214,257
Profit before corporate social responsibility expenses and tax		**630,186,406**	917,187,995
Corporate social responsibility expenses	41	**3,027,759**	16,163,846
Profit before tax		**627,158,647**	901,024,149
Tax expense			
Current tax		**221,129,360**	343,278,434
Current tax - earlier years		**-**	3,116,951
Deferred tax		**(17,197,386)**	(26,164,996)
Deferred tax - earlier years		**-**	(8,590,239)
Profit for the year		**423,226,673**	589,383,999
Earnings per equity share (nominal value ₹10)	37		
Basic and Diluted		**19.47**	27.12

Notes 1 to 41 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2017

For Monte Carlo Fashions Limited

Jawahar Lal Oswal
(Chairman and Managing Director)
(DIN : 00463866)

Raman Kumar
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2017

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)
(Membership No. F9011)

Cash Flow Statement for the year ended 31 March, 2017

(All amounts *in* ₹ unless stated otherwise)

		For the year ended 31 March 2017		For the year ended 31 March 2016	
A.	**Cash flow from operating activities**				
	Profit before tax		**627,158,647**		901,024,149
	Adjustments for:				
	Depreciation and amortisation	**247,351,513**		292,709,986	
	Finance cost	**119,594,039**		162,406,247	
	Profit on sale of fixed assets (net)	**(15,969,186)**		(276,428)	
	Provisions no longer required, written back	**-**		(2,041,939)	
	Unclaimed balances written back	**(3,662,494)**		(4,023,749)	
	Interest income	**(96,242,279)**		(108,578,639)	
	Profit on sale of investment (net)	**(37,319,460)**		(21,405,297)	
			213,752,133		318,790,181
	Operating profit before working capital changes		**840,910,780**		1,219,814,330
	Adjustments for:				
	Increase in other long-term liabilities	**15,468,458**		21,731,365	
	(Decrease)/increase in trade payables	**(27,063,362)**		250,537,779	
	Increase in other current liabilities	**21,387,794**		23,154,660	
	Increase/(decrease) in short-term provisions	**10,261,787**		(49,010,983)	
	Increase in long-term loans and advances	**(5,845,538)**		(9,939,226)	
	Decrease/(increase) in inventories	**197,499,555**		(377,258,009)	
	Decrease/(increase) in trade receivables	**54,070,789**		(316,328,705)	
	(Increase)/decrease in short-term loans and advances	**(6,160,982)**		5,922,422	
			259,618,501		(451,190,697)
	Cash generated from operations		**1,100,529,281**		768,623,633
	Income taxes paid (including taxes deducted at source)		**(244,127,293)**		(320,375,194)
	Net cash generated from operating activities		**856,401,988**		448,248,439
B.	**Cash flow from investing activities**				
	Purchase of fixed assets (including capital advances and creditors for capital goods)		**(239,278,702)**		(109,357,708)
	Purchase of non-current investments		**(130,000,000)**		(20,000,000)
	Purchase of current investments		**(565,000,000)**		(70,000,000)
	Sale of current investments		**161,950,846**		91,405,297
	Bank balances not considered as cash and cash equivalents				
	-Placed		**(167,378,898)**		(950,000,000)
	-Matured		**700,000,000**		1,170,000,000
	Interest received		**87,084,144**		152,488,966
	Proceeds from sale of fixed assets		**19,389,268**		1,840,651
	Net cash (used in)/generated from investing activities		**(133,233,342)**		266,377,206

Cash Flow Statement contd...

	For the year ended 31 March 2017	For the year ended 31 March 2016
C. Cash flow from financing activities		
Repayment of long-term borrowings	**(376,860,803)**	(208,249,851)
Increase/(decrease) in short-term borrowings	**46,285,160**	(94,254,528)
Dividend paid	**(217,320,640)**	(217,320,640)
Tax on dividend	**(44,241,225)**	(44,241,223)
Finance cost paid	**(131,852,030)**	(150,863,143)
Net cash used in financing activities	**(723,989,538)**	(714,929,385)
Net decrease in cash and cash equivalents	**(820,892)**	(303,740)
Cash and cash equivalents at the beginning of the year	**8,177,614**	8,481,354
Cash and cash equivalents at the end of the year	**7,356,722**	8,177,614
Notes:		
(a) Cash and cash equivalents include:		
Cash in hand	**4,904,811**	4,380,224
Unpaid dividend account	**408,020**	221,710
Balance with banks	**2,043,891**	3,575,680
Cash and cash equivalents	**7,356,722**	8,177,614
Other bank balances		
- Deposits with maturity more than three months but less than twelve months (pledged with banks)	**252,378,898**	700,000,000
Cash and bank balances	**259,735,620**	708,177,614

(b) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

Notes 1 to 41 form an integral part of these financial statements

This is the Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2017

For Monte Carlo Fashions Limited

Jawahar Lal Oswal
(Chairman and Managing Director)
(DIN : 00463866)

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Raman Kumar
(Chief Finance Officer)

Sahil Jain
(Company Secretary)
(Membership No. F9011)

Place : Ludhiana
Date : 30 May 2017

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

1. Background and nature of operations

Monte Carlo Fashions Limited (the Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 1 July 2008. The company is engaged in manufacturing of designer woollen/cotton readymade apparels under its brand "MONTE CARLO" which has also been recognised as a "SUPERBRAND".

2. Significant accounting policies

a) Basis of preparation

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Indian GAAP comprises mandatory accounting standards as specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting pronouncements of The Institute of Chartered Accountants of India.

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 Revised Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

b) Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future years.

c) 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.

Sales

i. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and

ii. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Benefit under duty drawback scheme

Revenue in respect of duty drawback scheme is recognized when the entitlement to receive the benefit is established.

Insurance and other claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

d) Employee benefits

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plan

Provident fund

The company makes specified contribution towards employee provident fund to Employees Provident Fund administered by the Regional Provident Commissioner. The Company's contribution to provident fund, being a defined contribution plan, is recognized in the statement of profit and loss in the financial year to which it relates.

Defined benefit plan

Gratuity

Gratuity is a post-employment defined benefit plan. The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Gratuity fund is administered by trustee of independently

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

constituted trust. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

e) Fixed assets

Property, Plant and Equipment

Fixed assets are stated at historic cost less accumulated depreciation and amortization and impairment losses (if any). Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for their intended use.

Intangible assets

Software which is not an integral part of the related hardware is classified as an intangible asset.

f) Depreciation and amortisation

Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs effective 01 April 2014, the management has reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013. Depreciation on fixed assets for year ended 31 March 2017 is provided on written down value method as per the rates prescribed under Schedule II of the Companies Act, 2013.

Block of asset	Useful life as per Companies Act, 2013 (in years)
Buildings	30
Plant and machinery	15
Furniture and fixture	10
Office equipment	5
Computers	3
Vehicles	8 – 10
Software	As per AS 26

g) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investment is carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes direct expenses and is determined on the basis of weighted average method.
- Stores and spares cost includes direct expenses and is determined on the basis of weighted average method.
- In case of work in process- at raw material cost plus conversion costs depending upon the stage of completion.
- In case of manufactured finished goods- appropriate percentage of gross margin is reduced from the sale value which approximates costs of purchase, costs of conversion and other attributable costs.
- In case of traded finished goods- stated at the lower of cost or market value. Cost is determined using the weighted average cost basis and includes the purchase price and attributable direct costs.

i) Subsidy

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all related conditions will be complied with. Government subsidy in the nature of promoter's contribution is credited to capital reserve.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

j) Borrowing costs

Borrowing cost which are not relatable to the qualifying asset are recognized as an expense in the period in which they are incurred. Borrowing cost on specific loans, used on acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

k) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss over the lease term on a straight line basis.

l) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

m) Foreign currency conversion

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year/period, or reported in previous financial statements, are recognized as income or as expenses in the year/period in which they arise.

n) Accounting for taxes on income

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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 reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year/period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/period. The weighted average number of equity shares outstanding during the year/period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year/period attributable to equity shareholders and the weighted average number of shares outstanding during the year/period are adjusted for the effects of all dilutive potential equity shares.

p) Provision and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where reliable estimate of the obligation cannot be made.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	**Amount**	Number of shares	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	**25,000,000**	**250,000,000**	25,000,000	250,000,000
	25,000,000	**250,000,000**	25,000,000	250,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	**21,732,064**	**217,320,640**	21,732,064	217,320,640
	21,732,064	**217,320,640**	21,732,064	217,320,640

(a) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of 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.

(b) **Reconciliation of share capital**	**Number of shares**	**Amount**	Number of shares	Amount
Balance at the beginning of the year	**21,732,064**	**217,320,640**	21,732,064	217,320,640
Balance at the end of the year	**21,732,064**	**217,320,640**	21,732,064	217,320,640

(c) The Company does not have any holding or subsidiary company.

(d) **Shareholders holding more than 5% of the shares**	**Number of shares**	**% of share-holding**	Number of shares	% of share-holding
Equity shares of ₹ 10 each				
Sidhant & Mannat Company Limited	**5,229,714**	**24.06**	5,229,714	24.06
Simran & Shanaya Company Limited	**4,404,000**	**20.26**	4,404,000	20.26
Kanchi Investments Limited	**2,376,570**	**10.94**	2,376,570	10.94
Nahar Capital and Financial Services Limited	**1,651,215**	**7.60**	1,651,215	7.60
Nagdevi Trading and Investment Company Limited	**1,185,150**	**5.45**	1,185,150	5.45
	14,846,649	**68.32**	14,846,649	68.32

(e) **Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years**

(i) The Company issued 8,715,000 bonus equity shares in the year 2011-2012 in the ratio of 1:1. There has been no buy-back of shares in the current year and preceding five years.

(ii) The Company had issued 8,665,000 equity shares pursuant to demerger scheme approved by Hon'ble High Court of Punjab and Haryana during the year ended 31 March 2012.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

4 Reserves and surplus	As at 31 March 2017	As at 31 March 2016
Capital reserves		
Balance at the beginning of the year	**569**	569
Balance at the end of the year	**569**	569
Securities premium account		
Balance at the beginning of the year	**1,286,975,700**	1,286,975,700
Balance at the end of the year	**1,286,975,700**	1,286,975,700
Corporate social responsibilty (CSR) reserve		
Balance at the beginning of the year		
Add : Transfer from general reserve	**14,672,340**	-
Balance at the end of the year	**14,672,340**	-
Special reserve *		
Balance at the beginning of the year	**2,116,123,361**	1,939,308,161
Add : Transfer from general reserve	**126,968,002**	176,815,200
Balance at the end of the year	**2,243,091,363**	2,116,123,361
* Pursuant to board resolution dated 21 March 2014, the Company has transferred a sum of ₹ 126,968,002 (previous year ₹ 176,815,200) to special reserve for the purpose of future acquisitions of any brand or business in line with the existing business of the Company to facilitate the expansion of its operations.		
General reserves		
Balance at the beginning of the year	**790,509,908**	649,865,268
Add : Transfer from surplus in the statement of profit and loss	**420,000,000**	580,000,000
Less : Transfer to special reserve	**126,968,002**	176,815,200
Less : Proposed dividend for current year *	**-**	217,320,640
Less : Tax on proposed dividend for current year	**(1,232,756)**	45,219,520
Less : Transfer to Corporate social responsibilty (CSR) reserve	**14,672,340**	-
Balance at the end of the year	**1,070,102,322**	790,509,908
Surplus in the statement of profit and loss		
Balance at the beginning of the year	**49,664,452**	40,280,453
Add : Profit for the year	**423,226,673**	589,383,999
Less : Transferred to general reserve	**420,000,000**	580,000,000
Balance at the end of the year	**52,891,125**	49,664,452
	4,667,733,419	4,243,273,990

* Board of Directors have recommended dividend @ 100% (previous year 100%) amounting to ₹ 10 per share (previous year ₹ 10 per share). The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective 1 April 2016) proposed dividend for the current year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

5 Long-term borrowings	As at 31 March 2017	As at 31 March 2016
Term loans from banks (secured)	**310,487,127**	687,347,930
Less: Current maturities of long-term borrowings (refer note 10)	**156,639,592**	394,430,500
	153,847,535	292,917,430

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

Notes:

(a) Security for term loans:

1 Security in respect of term loan facility sanctioned of ₹ 498,500,000 by State Bank of Patiala:

Primary Security:

First pari-passu charge on the Company's entire present and future movable and immovable fixed assets with other term lenders including equitable mortgage of factory land held in the name of the Company.

Collateral security:

Second pari-passu charge on current assets of the Company (present and future) along with other working capital consortium member bank.

2 Security in respect of term loan facility sanctioned of ₹ 809,000,000 by State Bank of Patiala:

Hypothecation charge on first pari-passu basis with other term lenders on all the factories, plant and machinery including the proposed machines and equitable mortgage of factories land and building situated at Ludhiana.

Personal guarantee:

Shri. Jawahar Lal Oswal

Shri. Kamal Oswal

Shri. Dinesh Oswal

3 Security in respect of term loan facility sanctioned of ₹ 1,308,600,000 by Indian Bank:

Primary security:

1) Fixed assets to be acquired out of bank loan including land and building estimated at ₹ 1,338,600,000. For creation of equitable mortgage on the land to be acquired, 3 month time is permitted and pari-passu charge to be created with Term lenders as at point no. 2 below.

2) 1st charge on fixed assets of the Company both present and future on pari-passu basis with the existing term loan lenders.

Collateral security:

2nd pari-passu charge on current assets of the company both present and future. 1st charge being with the banks meeting working capital requirements of the Company.

Personal guarantee:

Shri. Jawahar Lal Oswal

Shri. Kamal Oswal

Shri. Dinesh Oswal

(b) Terms of repayment

Repayment terms of the loans are as follows:

(i) Term loan from State Bank of Patiala amounting to ₹ 179,477,127 (previous year ₹ 232,621,400) [(sanctioned amount ₹ 498,500,000 and disbursed amount ₹ 232,621,400)] repayment of which commenced from 30 June 2016, carrying interest rate of 0.65% above one year marginal cost of lending rate (MCLR), is repayable in 28 quarterly instalments of ₹ 6,409,898 each would be due for repayment on 31 March 2024 (the loan has been rescheduled during the year, previous year the loan was repayable in 32 quarterly instalments of ₹ 15,578,125 each would be due for repayment on 31 December 2019).

(ii) Term loan from Indian Bank amounting to ₹ 131,010,000 (previous year ₹ 449,759,242) repayment of which commenced from 30 September 2013 carrying interest rate of 1.5% over base rate, is repayable in 2 quarterly instalments of ₹ 65,430,000 each, last quarterly instalment of ₹ 150,000.

(iii) Term loan from State Bank of Patiala amounting to ₹ Nil (previous year ₹ 4,967,288) repayment of which commenced from 1 April 2011, carrying interest rate of 1% over base rate, has been repaid during the current year.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
6	**Deferred tax assets (net)**		
	Deferred tax assets		
	Timing difference on depreciation and amortisation of property, plant and equipment and intangible assets	**20,610,586**	**4,862,824**
	Expenditure incurred under section 35D of Income-tax Act, 1961	**135,524**	2,661,908
	Provision for discount	**1,381,221**	1,528,604
	Lease equalisation reserve	**6,526,775**	6,271,708
	Provision for sales returns	**10,403,821**	7,314,284
	Expenditure disallowed under section 43B of Income-tax Act, 1961	**10,289,661**	9,510,874
		49,347,588	32,150,202
	Deferred tax assets (net)	**49,347,588**	32,150,202
	Amount recognised in the statement of profit and loss	**17,197,386**	34,755,235
7	**Other long-term liabilities**		
	Security deposits from customer	**126,470,531**	111,076,222
	Lease equalisation reserve	**16,750,610**	16,676,461
		143,221,141	127,752,683
8	**Short-term borrowings**		
	Working capital borrowings from banks (secured)	**343,810,625**	297,525,465
		343,810,625	297,525,465

Details of rate of interest, terms of repayment and security for working capital borrowings from banks:

Working capital borrowings from State Bank of India is carrying interest rate of 0.35% (Previous year 1.25%) over base rate.

Working capital borrowings from State Bank of Patiala is carrying interest rate of 0.75% (Previous year 0.75%) over base rate.

Working capital borrowings from Allahabad Bank is carrying interest rate of 0.80% (Previous year 0.80%) over base rate.

Terms of repayment:

Working capital borrowings are repayable on demand.

Security in respect of working capital borrowings availed through consortium arrangement of Allahabad Bank, State Bank of Patiala and State Bank of India.

Primary security:

First pari-passu charge on the all current assets of the Company (present and future).

Collateral security:

Second pari-passu charge on the Company's entire present and future block of assets of the Company including equitable mortgage of factory land held in the name of the Company.

(1) Plot No. 231, measuring 4,880 sq. yards at Industrial Area A, Ludhiana. (Sale deed no. 2640 dated 20 September 1956)

(2) Plot No. 232, measuring 4,095 sq. yards at Industrial Area A, Ludhiana (Sale deed no. 2135 dated 07 September 1964)

(3) Land measuring 14,278 sq. yards at Sherpur Kalan, GT Road, Ludhiana (Sale deed no. 14397 dated 13 October 2011)

(4) Part of Plot No. 172 bearing M.C. No. B-XXIII-66/1 in Industrial Area-A, Ludhiana measuring 117.50 sq. yards (Sale deed no. 14721 dated 14 January 1986)

(5) Part of Plot No. 172 bearing M.C. No. B-XXIII-66/1 in Industrial Area-A, Ludhiana measuring 117.50 sq. yards (Sale deed no. 15516 dated 27 January 1986)

(6) Part of Plot No. 172 bearing M.C. No. B-XXIII-66/1 in Industrial Area-A, Ludhiana measuring 125 sq. yards (Sale deed no. 14722 dated 14 January 1986)

(7) Part of Plot No. 172 bearing M.C. No. B-XXIII-66/1 in Industrial Area-A, Ludhiana measuring 125 sq. yards (Sale deed no. 15517 dated 27 January 1986)

Personal guarantee

Shri. Jawahar Lal Oswal

Shri. Kamal Oswal

Shri. Dinesh Oswal

Details of rate of interest, terms of repayment and security for Overdraft borrowings from banks:

Overdraft borrowings from DCB Bank is carrying interest rate of 0.35% over fixed deposit rate and overdraft borrowings from Yes Bank is carrying interest rate of 0.40% over fixed deposit rate.

Primary security:

First pari-passu charge created on fixed deposits with DCB Bank and Yes Bank.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
9	**Trade payables**		
	Dues to micro enterprises and small enterprises [refer note (a) below]	**32,388,039**	37,075,495
	Dues to others	**744,642,233**	686,782,403
	Dues to related parties *	**256,236,535**	340,134,765
		1,033,266,807	1,063,992,663
	* Includes amounts due to entities in which directors of the Company are able to exercise control or have significant influence (refer note 34)	256,236,535	340,134,765

(a) On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Principal amount remaining unpaid	**30,252,504**	36,417,406
Interest due thereon	**1,477,446**	658,089
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
Interest accrued and remaining unpaid as at end of the year	**2,135,535**	658,089
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 MSMED Act, 2006.	**-**	-

10	**Other current liabilities**		
	Current maturities of long term borrowings (refer note 5)	**156,639,592**	394,430,500
	Interest accrued and due on borrowings	**1,130,057**	13,388,048
	Statutory dues	**38,196,688**	49,794,446
	Employee related payables *	**66,432,787**	48,211,207
	Lease equalisation reserve	**2,108,540**	1,445,674
	Due to directors (refer note 34)	**1,793,821**	2,807,858
	Other payables		
	Creditors for capital goods	**7,881,744**	4,982,331
	Advance from customers	**66,519,827**	45,836,178
	Security deposits from customers	**11,227,101**	16,845,000
	Book overdraft	**-**	43,930
	Others **	**15,430,356**	337,034
		367,360,513	578,122,206
	* Includes amounts due to relatives of key management personnel (refer note 34)	70,581	133,910
	** Including advance against sale of building (refer note 12)	15,000,000	-
11	**Short-term provisions**		
	Provision for gratuity [refer note (a) below]	**1,760,413**	-
	Provision for discount [refer note (b) below]	**3,991,045**	4,416,906
	Proposed dividend	**-**	217,320,640
	Tax on proposed dividend	**-**	45,473,981
	Provision for income tax [net of advance tax of ₹ Nil (previous year ₹ 909,035,984)]	**-**	1,813,712
	Provision for sales returns [refer note (c) below]	**30,061,897**	21,134,662
		35,813,355	290,159,901

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

(a) The following table set out the status of the plan for gratuity as required under Accounting Standard (AS) - 15 (R) - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	As at 31 March 2017	As at 31 March 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	**62,907,226**	51,123,736
Current service cost	**6,965,381**	7,323,064
Past adjustment	**174,266**	6,770,342
Past service cost	**-**	-
Interest cost	**5,046,519**	4,631,527
Actuarial loss on obligations	**3,095,032**	465,454
Benefits paid	**(1,243,580)**	(7,406,897)
Projected benefit obligation at the end of the year	**76,944,844**	62,907,226
Changes in the fair value of plan assets		
Opening fair value of plan assets	**67,779,361**	67,831,300
Past adjustment	**246,888**	625,085
Expected return on plan assets	**5,606,167**	5,469,197
Contributions	**659,492**	1,260,676
Benefits paid	**(1,243,580)**	(7,406,897)
Closing fair value of plan assets	**73,048,328**	67,779,361
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	**76,944,844**	62,907,226
Closing fair value of plan assets	**73,048,328**	67,779,361
Net liability/(assets) recognized in balance sheet	**3,896,516**	(4,872,135)
Components of net gratuity costs are		
Current service cost	**6,965,381**	7,323,064
Interest cost	**5,046,519**	4,631,527
Expected return on plan assets	**(5,606,167)**	(5,469,197)
Recognized net actuarial loss	**3,095,032**	465,454
Net gratuity costs	**9,500,765**	6,950,848
Actuarial assumptions		
Discount rate	**8.00%**	8.00%
Rate of increase in compensation levels	**7.00%**	7.00%
Rate of return of plan assets	**8.00%**	8.00%
Demographic assumptions		
Mortality rate	**Indian assured lives mortality (2006-08) Ultimate**	Indian assured lives mortality (2006-08) Ultimate
Retirement age	**58**	58
Withdrawal rates		
-upto 30 years	**3.00%**	3.00%
-upto 44 years	**2.00%**	2.00%
-above 44 years	**1.00%**	1.00%

Notes :

(1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.

(2) The expected return is based on the expectation of the average long term rate of return on investments of the fund during the estimated terms of obligations.

(3) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(4) Plan assets mainly comprise funds managed by the insurer i.e. Life insurance Corporation of India

(5) The Company makes annual contributions to the Life insurance Corporation of India ('LIC') of an amount advised by the LIC.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

The disclosure for current year and previous year is as follows:

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Plan assets	**73,048,328**	67,779,361	67,831,300	48,376,035	27,042,597
Defined benefit obligation	**76,944,844**	62,907,226	51,123,736	45,055,957	34,519,195
Net surplus/(liability)	**(3,896,516)**	4,872,135	16,707,564	3,320,078	(7,476,598)
Experience adjustment arising on the gratuity benefits	3,095,032	465,454	(3,443,926)	4,807,891	3,768,778

		As at 31 March 2017	As at 31 March 2016
(b)	**Reconciliation of provision for discount**		
	Provision at the beginning of the year	**4,416,906**	3,657,745
	Add : Provision recognised during the year	**3,991,045**	4,416,906
	Less : Provision utilised during the year	**4,416,906**	3,657,745
	Provision at the end of the year	**3,991,045**	4,416,906
(c)	**Reconciliation of provision for sales returns**		
	Provision at the beginning of the year	**21,134,662**	18,796,527
	Add : Provision recognised during the year	**30,061,897**	21,134,662
	Less : Provision utilised during the year	**21,134,662**	18,796,527
	Provision at the end of the year	**30,061,897**	21,134,662

12 Property, plant and equipment

As at 31 March 2017

Particulars	Gross block				Accumulated depreciation and amortisation				Net block	
	As at 1 April 2016	Additions during the year	Sales / adjustment during the year	**As at 31 March 2017**	As at 1 April 2016	For the year	Sales / Adjustment during the year	**As at 31 March 2017**	**As at 31 March 2017**	As at 31 March 2016
Property, plant and equipment										
Freehold land	198,289,802	131,235,098	2,213,322	**327,311,578**	-	-	-	**-**	**327,311,578**	198,289,802
Leasehold land	1,779,546	-	-	**1,779,546**	-	-	-	**-**	**1,779,546**	1,779,546
Buildings *	1,043,682,048	53,523,981	339,063	**1,096,866,966**	206,791,763	76,498,447	-	**283,290,210**	**813,576,756**	836,890,285
Plant and equipment	1,600,311,231	27,246,388	4,695,096	**1,622,862,523**	1,068,714,144	148,168,798	4,592,335	**1,212,290,607**	**410,571,916**	531,597,087
Office equipments	40,190,121	7,593,889	694,919	**47,089,091**	29,003,284	6,603,209	546,322	**35,060,171**	**12,028,920**	11,186,837
Furniture and fixture	63,671,669	8,790,381	132,000	**72,330,050**	34,181,571	8,972,344	60,540	**43,093,375**	**29,236,675**	29,490,098
Vehicles	33,091,762	12,440,229	2,060,211	**43,471,780**	20,538,613	4,228,974	1,515,331	**23,252,256**	**20,219,524**	12,553,149
Sub Total	**2,981,016,179**	**240,829,966**	**10,134,611**	**3,211,711,534**	**1,359,229,375**	**244,471,772**	**6,714,528**	**1,596,986,619**	**1,614,724,915**	**1,621,786,804**
Intangible assets										
Computer software	12,491,613	6,180,982	-	**18,672,595**	2,076,437	2,879,741	-	**4,956,178**	**13,716,417**	10,415,176
Sub Total	**12,491,613**	**6,180,982**	**-**	**18,672,595**	**2,076,437**	**2,879,741**	**-**	**4,956,178**	**13,716,417**	**10,415,176**
Total	**2,993,507,792**	**247,010,948**	**10,134,611**	**3,230,384,129**	**1,361,305,812**	**247,351,513**	**6,714,528**	**1,601,942,797**	**1,628,441,332**	**1,632,201,980**

* Building includes asset held for sale having book value ₹ 76,830,272 (previous year ₹ 76,830,272) having accumulated depreciation ₹ 13,994,282 (previous year ₹ 10,777,512) and net block of ₹ 62,835,990 (previous year ₹ 66,052,760) held for sale as at 31 March 2017. Company has received advance amounting to ₹ 15,000,000 during the current year against sale of this building (refer note 10).

As at 31 March 2016

Particulars	Gross block				Accumulated depreciation and amortisation				Net block		
	As at 1 April 2015	Additions during the year	Sales / adjustment during the year	As at 31 March 2016	As at 1 April 2015	For the year	Sales / Adjustment during the year	Adjustment from opening reserve	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Property, plant and equipment											
Freehold land	198,240,552	49,250	-	**198,289,802**	-	-	-	-	**-**	**198,289,802**	198,240,552
Leasehold land	-	1,779,546	-	**1,779,546**	-	-	-	-	**-**	**1,779,546**	-
Buildings	1,026,887,108	17,009,861	214,921	**1,043,682,048**	126,485,622	80,576,786	204,825	(65,820)	**206,791,763**	**836,890,285**	900,401,486
Plant and equipment	1,528,219,660	72,725,041	633,470	**1,600,311,231**	882,908,664	188,447,135	298,311	(2,343,344)	**1,068,714,144**	**531,597,087**	645,310,996
Office equipments	36,657,068	3,686,723	153,670	**40,190,121**	22,989,836	7,727,575	109,866	(1,604,261)	**29,003,284**	**11,186,837**	13,667,232
Furniture and fixture	57,343,909	6,334,006	6,246	**63,671,669**	24,895,298	9,314,014	6,246	(21,495)	**34,181,571**	**29,490,098**	32,448,611
Vehicles	33,123,342	2,837,365	2,868,945	**33,091,762**	17,007,190	5,227,999	1,693,781	(2,795)	**20,538,613**	**12,553,149**	16,116,152
Sub Total	**2,880,471,639**	**104,421,792**	**3,877,252**	**2,981,016,179**	**1,074,286,609**	**291,293,509**	**2,313,029**	**(4,037,715)**	**1,359,229,375**	**1,621,786,804**	**1,806,185,029**
Intangible assets											
Computer software	5,430,520	7,061,093	-	**12,491,613**	659,960	1,416,477	-	-	**2,076,437**	**10,415,176**	4,770,560
Sub Total	**5,430,520**	**7,061,093**	**-**	**12,491,613**	**659,960**	**1,416,477**	**-**	**-**	**2,076,437**	**10,415,176**	**4,770,560**
Total	**2,885,902,159**	**111,482,885**	**3,877,252**	**2,993,507,792**	**1,074,946,569**	**292,709,986**	**2,313,029**	**(4,037,715)**	**1,361,305,812**	**1,632,201,980**	**1,810,955,589**

	As at 31 March 2017	As at 31 March 2016
Capital work-in-progress:		
Building under construction	**24,936,292**	3,896,076
Machinery pending for capitalisation	**2,327,139**	3,305,275
	27,263,431	7,201,351

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
13	**Non-current investments**		
	Investments in mutual funds (at cost, quoted)		
	Birla Sun Life Fixed Term Plan - Series JX (1530 Days), 2,000,000 units (Previous year 2,000,000 units) of ₹ 10 each.	**20,000,000**	20,000,000
	HDFC FMP 478D January 2014(1) Series 29 - Direct - Growth, Nil (Previous year 3,000,000 units) of ₹ 10 each.	**-**	30,000,000
	SBI Debt Fund Series A1 15 Months - Direct - Growth, Nil (Previous year 1,500,000 units) of ₹ 10 each.	**-**	15,000,000
	Kotak FMP Series 171 Direct - Growth, Nil (Previous year 2,000,000 units) of ₹ 10 each.	**-**	20,000,000
	SBI Debt Fund Series A2 15 Months - Direct - Growth, Nil (Previous year 2,000,000 units) of ₹ 10 each.	**-**	20,000,000
	ICICI Prudential FMP Series 76 - 1155 Days Plan k Direct Plan Cumulative, 2,000,000 units (Previous year 2,000,000 units) of ₹ 10 each.	**20,000,000**	20,000,000
	HDFC FMP 370D April 2014(1) Series 31 - Direct - Growth, Nil (Previous year 1,000,000 units) of ₹ 10 each.	**-**	10,000,000
	SBI Debt Fund Series -B-34(1131 Days) - Direct Growth, 2,000,000 units (Previous year 2,000,000 units) of 10 each.	**20,000,000**	20,000,000
	Axis Fixed Term Plan - Series 49 (437) Days Direct Growth, 2,500,000 units (Previous year 2,500,000 units) of ₹ 10 each.	**25,000,000**	25,000,000
	ICICI Prudential FMP Series 80 -1231 Days Plan P Direct Plan, 2,000,000 units (Previous year Nil) of ₹ 10 each.	**20,000,000**	-
	Reliance Fixed Horizon Fund - XXXIII- Series 6- Direct Growth Plan, 3,000,000 units (Previous year Nil) of ₹ 10 each.	**30,000,000**	-
	Reliance Fixed Horizon Fund - XXXIII- Series 9- Direct Growth Plan, 5,000,000 units (Previous year Nil) of ₹ 10 each.	**50,000,000**	-
	Birla Sun Life Fixed Term Plan- Series OK (1135 days) Growth Direct, 3,000,000 units (Previous year Nil) of ₹ 10 each.	**30,000,000**	-
	L&T FMP Series 10 - Plan H - Direct Growth, Nil (Previous year 2,000,000) of ₹ 10 each.	**-**	20,000,000
		215,000,000	200,000,000
	Aggregate amount of quoted investments	**215,000,000**	200,000,000
	(Market value ₹ 235,670,150 (previous year ₹ 232,674,400))		
14	**Long-term loans and advances (unsecured considered good, unless otherwise stated)**		
	Security deposits	**47,419,633**	41,574,095
	Capital advances	**1,221,900**	11,116,813
	Advance tax [net of provision of ₹ 221,129,360 (previous year ₹ Nil)]	**21,184,221**	-
		69,825,754	52,690,908
15	**Other non-current assets**		
	Non-current bank balances (refer note 19)	**165,100,000**	250,100,000
		165,100,000	250,100,000

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
16	**Current investments**		
	Non trade investments (at lower of cost and fair value, quoted)		
	HDFC FMP 370D April 2014(1) Series 31 - Direct - Growth, 1,000,000 units (Previous year Nil) of ₹ 10 each.	**10,000,000**	-
	SBI Debt Fund Series A1 15 Months -Direct - Growth, 1,500,000 units (Previous year Nil) of ₹ 10 each.	**15,000,000**	-
	Kotak FMP Series 171 Direct - Growth, 2,000,000 units (Previous year Nil) of ₹ 10 each.	**20,000,000**	-
	SBI Debt Fund Series A2 15 Months -Direct - Growth, 2,000,000 (Previous year Nil) of ₹ 10 each.	**20,000,000**	-
	HDFC FMP 478D January 2014(1) Series 29 - Direct - Growth, 3,000,000 (Previous year Nil) of ₹ 10 each.	**30,000,000**	-
	IDFC Fixed Term Plan Series 65 Direct Plan - Growth, Nil (Previous year 2,963,139 units) of ₹ 10 each.	**-**	29,631,386
	ICICI Prudential FMP Series 72 370 Days Plan G Direct Plan Cumulative, 2,000,000 units (Previous year 2,000,000 units) of ₹ 10 each.	**20,000,000**	20,000,000
	ICICI Prudential FMP Series 72 366 Days Plan K Direct Plan Cumulative, 2,000,000 units (Previous year 2,000,000 units) of ₹ 10 each.	**20,000,000**	20,000,000
	Birla Sun Life Fixed Term Plan - Series JY (1162 Days), 1,000,000 units (Previous year Series JY (1099 Days) 1,000,000 units) of ₹ 10 each.	**10,000,000**	10,000,000
	L&T FMP Series 10 - Plan H - Direct Growth, 2,000,000 units (Previous year Nil) of ₹ 10 each.	**20,000,000**	-
	IDFC Fixed Term Plan Series 62 Direct Plan - Growth, Nil (Previous year 1,000,000 units) of ₹ 10 each.	**-**	10,000,000
	DSP Blackrock FMP Series 144- 12M - Dir - Growth, Nil (Previous year 1,000,000 units) of ₹ 10 each.	**-**	10,000,000
	L&T FMP VII (July1189D A) Direct Plan - Growth, Nil (Previous year 1,000,000 units) of ₹ 10 each.	**-**	10,000,000
	IDFC corporate Bond Fund Direct Plan- Growth, 1,987,992.525 units (Previous year 1,987,992.525 units) of ₹ 10.06 each.	**20,000,000**	20,000,000
	IDFC Super Saver Income Fund-Medium Term Plan-growth (Direct Growth) 774,296.455 units (Previous year 774,296.455 units) of ₹ 25.83 each	**20,000,000**	20,000,000
	Birla Sun Life Dynamic Bond Fund-Retail-Growth -Direct Plan, 382,899.699 units (Previous year 382,899.699 units) of ₹ 26.12 each.	**10,000,000**	10,000,000
	ICICI Prudential Income Opportunities Fund-Direct Plan-Growth, 952,294.792 units (Previous year 952,294.792 units) of ₹ 21 each.	**20,000,000**	20,000,000
	SBI Debt Fund Series 366 Days 52 -Direct Plan - Growth, Nil (Previous year 1,500,000 units) of ₹ 10 each.	**-**	15,000,000
	UTI Fixed Term Income Fund Series XVII - X Direct Growth Plan, 2,000,000 units (Previous year 2,000,000 units) of ₹ 10 each.	**20,000,000**	20,000,000
	UTI Fixed Term Income Fund Series XVII - XVI (367 Days) - Direct Growth Plan, 2,000,000 units (Previous year 2,000,000 units) of ₹ 10 each.	**20,000,000**	20,000,000
	UTI Fixed Term Income Fund Series XVIII - VII (368 Days) - Direct Growth Plan, 1,500,000 units (Previous year 1,500,000 units) of ₹ 10 each.	**15,000,000**	15,000,000
	IDFC Fixed Term Plan Series 27 Direct Plan - Growth, Nil (Previous year 3,000,000 units) of ₹ 10 each.	**-**	30,000,000
	HDFC FMP 370D August 2013(3) Series 27 - Direct - Growth, Nil (Previous year 2,000,000 units) of ₹ 10 each.	**-**	20,000,000
	Birla Sun life Corporate Bond Fund- Growth- Regular, 4,232,553.42 units (Previous year Nil) of ₹ 11.81 each.	**50,000,000**	-
	Birla Sun life Medium Term Plan- Growth- Direct Plan, 2,416,100.90 units (Previous year Nil) of ₹ 20.69 each.	**50,000,000**	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
	Birla Sun Life Treasury Optimizer Plan- Growth -Direct Plan, 96,083.26 units (Previous year Nil) of ₹ 208.15 each.	**20,000,000**	-
	HDFC Corporate Debt Opportunities Fund- Direct- Growth, 2,175,315.97 units (Previous year Nil) of ₹ 13.79 each.	**30,000,000**	-
	ICICI Prudential Income Opportunities Fund-Direct Plan-Growth, 1,299,573.307 units (Previous year Nil) of ₹ 23.08 each.	**30,000,000**	-
	IDFC corporate Bond Fund Direct Plan- Growth, 2,690,028.066 units (Previous year Nil) of ₹ 11.15 each.	**30,000,000**	-
	IDFC Dynamic Bond Fund - Growth- Direct Plan, 2,435,341.68 units (Previous year Nil) of ₹ 20.53 each.	**50,000,000**	-
	IDFC Monthly Income Plan - Growth - (Direct Plan), 1,513,676.063 units (Previous year Nil) of ₹ 19.82 each.	**30,000,000**	-
	Reliance Corporate Bond Fund- Direct - Growth Plan, 3,775,693.595 units (Previous year Nil) of ₹ 13.24 each.	**50,000,000**	-
	SBI Dynamic Bond Fund - Direct Plan- Growth, 1,435,557.81 units (Previous year Nil) of ₹ 20.90 each.	**30,000,000**	-
	UTI Dynamic Bond Fund - Direct Pan - Growth, 2,584,954.531 units (Previous year Nil) of ₹ 19.34 each.	**50,000,000**	-
	Kotak Income Opportunities Fund- Growth (Regular Plan), 2,811,753.128 units (Previous year Nil) of ₹ 17.78 each.	**50,000,000**	-
	Kotak Medium Term Fund Direct Plan - Growth, 2,172,732.211 units (Previous year Nil) of ₹ 13.81 each.	**30,000,000**	-
	L&T RICBF - (DG), 1,316,205.117 units (Previous year Nil) of ₹ 11.40 each.	**15,000,000**	-
	UTI Income Opportunities Fund - Direct Plan - Growth, 3,222,417.716 units (Previous year Nil) of ₹ 15.52 each.	**50,000,000**	-
		855,000,000	299,631,386
	Aggregate amount of quoted investments [Market value ₹ 934,991,592 (previous year ₹ 351,333,991)]	**855,000,000**	299,631,386
17	**Inventories** (valued at lower of cost and net realisable value, unless otherwise stated)		
	Raw materials	**245,075,381**	300,719,006
	Work-in-process	**47,045,146**	99,783,475
	Finished goods (including traded goods)	**1,681,012,914**	1,775,912,755
	Stores and spares	**46,972,130**	41,189,890
		2,020,105,571	2,217,605,126
18	**Trade receivables** (Unsecured)		
	Debts outstanding for a period exceeding six months from the date they are due for payment		
	Considered good *	**169,562,765**	87,019,002
	Other debts - considered good **	**1,293,521,111**	1,430,135,663
		1,463,083,876	1,517,154,665
	* Includes amounts due from entities in which directors of the Company are able to exercise control or have significant influence (refer note 34)	2,787,593	16,348,497
	** Includes amounts due from entities in which directors of the Company are able to exercise control or have significant influence (refer note 34)	-	7,462,200

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
19	**Cash and bank balances**		
	Cash and cash equivalents		
	- Cash in hand [including postal stamps in hand of ₹ 713 (previous year ₹ 1,312)]	**4,904,811**	4,380,224
	- Unpaid dividend account [refer note (i)]	**408,020**	221,710
	- Balances with banks in current account	**2,043,891**	3,575,680
		7,356,722	8,177,614
	Other bank balances		
	- Deposits with maturity more than three months but less than twelve months [refer note (ii)]	**252,378,898**	700,000,000
	- Deposits with more than twelve months maturity [refer note (iii)]	**165,100,000**	250,100,000
		424,835,620	958,277,614
	Less : Amounts disclosed as other non-current assets (refer note 15)	**165,100,000**	250,100,000
		259,735,620	708,177,614

Note:

(i) Cash and cash equivalents include ₹ 408,020 (previous year ₹ 221,710) held in dividend accounts which is not available for use by the Company.

(ii) Deposits with maturity more than three months but less than twelve months includes ₹ Nil (previous year ₹ 550,000,000) taken from Yes Bank, ₹ 250,000,000 (previous year ₹ 150,000,000) taken from DCB Bank are pledged against overdraft facility and ₹2,378,898 (previous year ₹ Nil) taken from State Bank of India against the utilisation of non fund based limits.

(iii) Deposits with maturity more than twelve months includes ₹ 100,000 (previous year ₹ 100,000) pledged against bank guarantees given to excise authorities and ₹ 165,000,000 (previous year ₹ 250,000,000) taken from DCB bank are pledged against overdraft facility.

20	**Short-term loans and advances** (Unsecured, considered good)		
	Advances to suppliers *	**58,745,351**	69,141,699
	Prepaid expenses	**7,025,775**	11,603,722
	Balances with statutory and government authorities	**77,149,931**	20,182,372
	Security deposits	**2,595,183**	19,521,563
	Others recoverable **	**36,628,650**	55,534,552
		182,144,890	175,983,908
	* Includes amounts due from entities in which directors of the Company are able to exercise control or have significant influence (refer note 34)	**2,889,522**	19,100,914
	** Includes amounts due from relatives of key management personnel (refer note 34)	**10,458**	141,478
21	**Other current assets**		
	Interest accrued but not due on fixed deposits	**27,325,973**	18,167,838
		27,325,973	18,167,838

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		For the year ended 31 March 2017	For the year ended 31 March 2016
22	**Revenue**		
	Revenue from operations		
	Sale of products		
	Export	**15,915,745**	14,455,968
	Domestic	**5,882,009,443**	6,189,562,137
		5,897,925,188	6,204,018,105
	Less: Excise duty	**69,277,559**	4,105,704
		5,828,647,629	6,199,912,401
	Other operating revenue		
	Export incentives	**-**	114,593
	Insurance recovered from customers	**10,703,851**	12,950,944
	Rebate and discount	**1,702,034**	2,327,495
		5,841,053,514	6,215,305,433
	Details of products sold (contributing more than 10% of the total revenue)		
	Raw material (Yarn)	**12,923,513**	22,108,319
	Fabric	**448,467,387**	403,840,280
	Garments	**4,853,227,374**	5,164,607,934
	Textile goods	**925,349**	504,532,636
	Others	**582,381,565**	108,928,936
		5,897,925,188	6,204,018,105
23	**Other income**		
	Interest income:		
	from banks	**73,943,219**	83,805,106
	others	**22,299,060**	24,773,533
	Unclaimed balances written back	**3,662,494**	4,023,749
	Counter veiling duty recoverable *	**64,663,667**	-
	Provisions no longer required, written back	**-**	2,041,939
	Profit on sale of fixed assets (net)	**15,969,186**	276,428
	Profit on sale of investments (net)	**37,319,460**	21,405,297
	Miscellaneous	**3,144,155**	2,770,767
		221,001,241	139,096,819

* Amount of ₹ 64,663,667 recognised as an asset in the books of account based on the favorable order received from CESTAT. The amount was charged to the statement of profit and loss in prior periods due to uncertainty associated with the recovery of counter veiling duty levied by authorities of certain goods imported by the company.

24	**Cost of materials consumed**		
	Opening stock of raw materials	**300,719,006**	252,662,805
	Add : Purchases of raw materials during the year	**1,085,058,595**	1,371,948,362
		1,385,777,601	1,624,611,167
	Less : Closing stock of raw materials	**245,075,381**	300,719,006
		1,140,702,220	1,323,892,161

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	**Details of raw materials**		
	Woollen yarn	**437,711,362**	633,021,649
	Cotton yarn	**47,603,612**	58,146,190
	Other yarn	**15,531,881**	17,507,926
	Woven fabric	**218,173,543**	225,554,978
	Non woven fabrics	**10,186,811**	18,760,463
	Knitted cloth	**411,495,011**	370,900,955
		1,140,702,220	1,323,892,161
25	**Purchases of stock in trade**		
	Purchase of stock in trade	**1,998,310,136**	2,096,288,472
		1,998,310,136	2,096,288,472
26	**Changes in inventories of finished goods, work-in-process and traded goods**		
	Opening stock		
	- Finished goods (including traded goods)	**1,775,912,755**	1,462,428,712
	- Work-in-process	**99,783,475**	89,524,364
		1,875,696,230	1,551,953,076
	Closing stock		
	- Finished goods (including traded goods)	**1,681,012,914**	1,775,912,755
	- Work-in-process	**47,045,146**	99,783,475
		1,728,058,060	1,875,696,230
	Impact of excise duty on opening/closing stock	**(5,489,054)**	21,538,331
		142,149,116	(302,204,823)
27	**Employee benefit expense**		
	Salaries, wages and bonus	**427,318,736**	406,775,097
	Contribution to provident and other funds [refer note 31]	**47,307,877**	40,451,112
	Staff welfare expenses	**17,705,755**	16,540,974
		492,332,368	463,767,183
28	**Finance cost**		
	Interest expenses:		
	- to banks	**101,703,460**	147,575,791
	- others	**13,665,045**	10,561,318
	Other borrowing costs	**4,225,534**	4,269,138
		119,594,039	162,406,247

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		For the year ended 31 March 2017	For the year ended 31 March 2016
29	**Depreciation and amortisation**		
	Depreciation of property, plant and equipment (refer note 12)	**244,471,772**	291,293,509
	Amortisation of intangible assets (refer note 12)	**2,879,741**	1,416,477
		247,351,513	292,709,986
30	**Other expenses**		
	Consumption of stores and spare parts [refer note 35(d)]	**274,572,709**	317,704,299
	Power and fuel	**58,351,007**	69,777,510
	Rent	**136,700,493**	113,254,806
	Repairs to		
	building	**6,290,484**	8,469,438
	machinery	**8,720,505**	19,423,400
	others	**36,111,218**	29,176,101
	Insurance	**8,826,636**	6,146,439
	Legal and professional expenses [also refer note 40]	**15,266,936**	14,750,816
	Rates and taxes	**8,000,965**	11,367,505
	Travelling and conveyance	**37,169,088**	38,551,253
	Processing charges	**96,488,769**	100,407,600
	Commission on sale	**71,840,887**	114,199,713
	Freight and forwarding charges [refer note 31]	**92,734,265**	83,280,830
	Advertisement expenses [refer note 31]	**299,234,205**	344,212,832
	Rebate and discount [refer note 31]	**24,759,414**	25,312,896
	Provision for sales returns	**30,061,897**	21,134,662
	Amounts written off	**3,875,969**	758,338
	Exchange fluctuation (net)	**73,298**	442,720
	CST/VAT reversal [refer note 31]	**16,632,990**	11,293,148
	Communication expenses	**6,601,293**	7,649,886
	Miscellaneous [refer note 31]	**54,761,992**	71,302,401
		1,287,075,020	1,408,616,593
31	**Prior period expenses**		
	Contribution to provident and other funds [refer note 11(a) and 27]	**-**	5,854,653
	Freight expenses [refer note 30]	**1,600,561**	1,644,056
	Rebate and discount [refer note 30]	**432,023**	538,679
	Advertisement expenses [refer note 30]	**1,586,134**	4,259,850
	Miscellaneous [refer note 30]	**735,219**	2,651,490
		4,353,937	14,948,728
	Less: CST/VAT reversal [refer note 30]	**-**	(19,172,575)
	Less: Depreciation [refer note 12]	**-**	(4,037,715)
		4,353,937	(8,261,562)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

		As at 31 March 2017	As at 31 March 2016
32	**Contingent liabilities**		
	(i) Contingent liabilities:		
	(a) Claims against the Company not acknowledged as debt		
	Indirect tax litigations - As against these litigations, the Company has deposited ₹ 230,998 (previous year ₹ 230,998) under protest. The Company is contesting these claims at various levels.	**508,945**	508,945
	Direct tax demand on account of tax deducted at source (TDS) defaults in previous years. The Company is contesting against such demands.	**3,326,964**	3,127,109
	(b) Other money for which the Company is contingently liable	**3,150,000**	3,150,000
	(ii) Capital commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	**55,052,624**	3,781,325

33 Unhedged foreign currency exposure as at year end

	Currency	As at 31 March 2017		As at 31 March 2016	
		(Foreign currency)	**(Indian currency)**	(Foreign currency)	(Indian currency)
Trade receivables	USD	**42,498**	**2,755,497**	21,855	1,449,724
Long term loans and advances	EURO	**-**	**-**	12,000	1,116,813
Short term loans and advances	USD	**186,033**	**12,481,493**	365,405	25,116,036
	EURO	**9,969**	**704,933**	3,124	285,176
	JPY	**1,135,925**	**668,292**	-	-
Trade payables	USD	**-**	**-**	48,629	3,251,513
	JPY	**1,053,125**	**620,185**	-	-

34 Related party disclosure

a) Disclosure of related parties and relationship between the parties

Nature of relationship	**Name of related party**
Entities in which directors of the Company are able to exercise control or have significant influence	Oswal Woollen Mills Limited
	Atam Vallabh Financiers Limited
	Girnar Investment Limited
	Nagdevi Trading and Investment Company Limited
	Abhilash Growth Fund Private Limited
	Ruchika Growth Fund Private Limited
	Monica Growth Fund Private Limited
	J L Growth Fund Limited
	Nahar Growth Fund Private Limited
	Vanaik Investors Limited
	Vanaik Spinning Mills Limited
	Vardhman Investment Limited
	Palam Motels Limited
	Nahar Spinning Mills Limited
	Nahar Industrial Enterprises Limited
	Nahar Financial and Investment Limited
	Nahar Industrial Infrastructure Corporation Limited
	Nahar Capital and Financial Services Limited
	Sankheshwar Holding Company Limited
	Oswal Leasing Limited
	Oswal Foundation
	Cotton County Retail Limited
	Crown Star Limited (UK)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

	Nahar Poly Films Limited
	Hugs Foods (Private) Limited
	Siddhant and Mannat Company Limited
	Simran and Shanaya Company Limited
	Neha Credit and Investment Private Limited
	Retailerkart E.Venture Private Limited
	Cabot Trading and Investment Company Private Limited
	Bermuda Insurance Brokers Private Limited
	Kovalam Investment and Trading Company Limited
	Vigil Investment Private Limited
	Amloh Industries Limited
	Suvrat Trading Company Limited
Key management personnel (KMP) and their relatives	Jawahar Lal Oswal (Chairman and Managing Director)
	Sandeep Jain (Executive Director)
	Monica Oswal (Executive Director)
	Ruchika Oswal (Executive Director)
Relatives of KMP's *	Rishabh Oswal

* With respect to the relatives of key management personnel, disclosure has been given for those relatives with whom the Company has made transactions during the year.

b) Transactions with related parties

	For the Year ended 31 March 2017	For the Year ended 31 March 2016
Entities in which directors of the Company are able to exercise control or have significant influence		
Sale of goods		
Nahar Spinning Mills Limited	**51,685,633**	60,548,177
Nahar Industrial Enterprises Limited	**2,406,293**	881,016
Cotton County Retail Limited	**610,829**	8,979,882
Oswal Woollen Mills Limited	**7,819,497**	7,913,757
Vanaik Spinning Mills Limited	**-**	13,016,048
Retailerkart E.Venture Private Limited	**1,402,149**	16,613,897
Sales returns		
Oswal Woollen Mills Limited	**716,250**	231,283
Nahar Spinning Mills Limited	**530,896**	-
Nahar Industrial Enterprises Limited	**2,419,445**	459,225
Cotton County Retail Limited	**11,331**	312,626
Retailerkart E.Venture Private Limited	**10,029,424**	-
Purchase of goods		
Nahar Spinning Mills Limited	**124,525,464**	177,356,558
Nahar Industrial Enterprises Limited	**32,275,684**	32,580,260
Cotton County Retail Limited	**44,695,150**	32,603,681
Oswal Woollen Mills Limited	**436,131,111**	598,805,349
Vanaik Spinning Mills Limited	**5,673,423**	49,835,765
Purchase of fixed assets		
Oswal Woollen Mills Limited	**-**	56,815
Nahar Spinning Mills Limited	**1,548,446**	48,000
Purchase return		
Nahar Industrial Enterprieses Limited	**19,750**	-
Sale of fixed assets		
Nahar Spinning Mills Limited	**-**	57,375
Oswal Woollen Mills Limited	**126,278**	64,824
Rent paid		
Nahar Spinning Mills Limited	**8,057,600**	8,477,920
Nahar Industrial Enterprises Limited	**4,780,944**	4,903,164
Oswal Woollen Mills Limited	**9,985,046**	8,267,369

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

Rent received		
Vanaik Spinning Mills Limited	**116,916**	-
Processing charges paid		
Nahar Spinning Mills Limited	**35,140,063**	19,162,849
Oswal Woollen Mills Limited	**2,890,996**	5,724,191
Cotton County Retail Limited	**5,209**	-
Reimbursement of expenses paid		
Nahar Industrial Enterprises Limited	**10,081,130**	3,001,440
Nahar Spinning Mills Limited	**3,560,924**	4,443,190
Oswal Woollen Mills Limited	**12,945,748**	8,288,986
Retailerkart E.Venture Private Limited	**3,547,952**	-
Vanaik Spinning Mills Limited	**-**	17,595
Cotton County Retail Limited	**3,394**	-
Reimbursement of expenses received		
Nahar Industrial Enterprises Limited	**633**	-
Nahar Spinning Mills Limited	**7,987**	6,604
Oswal Woollen Mills Limited	**744,628**	1,519,627
Vanaik Spinning Mills Limited	**2,300**	5,750
Repayment of loans with bank on behalf of Company		
Oswal Woollen Mills Limited	**-**	10,000,234
Payment of interest on loans with bank on behalf of Company		
Oswal Woollen Mills Limited	**-**	1,293,656
Contribution made to the fund (CSR activities)		
Oswal Foundation (refer note 41)	**3,027,759**	14,977,512
Key management personnel (KMP)		
Remuneration paid		
Sandeep Jain	**15,686,224**	15,080,222
Monica Oswal	**8,443,815**	7,597,228
Ruchika Oswal	**8,405,842**	7,590,278
Relative of KMP's		
Remuneration paid		
Rishabh Oswal	**983,651**	962,599
Year end balances		
Entities in which directors of the Company are able to exercise control or have significant influence		
Trade payables		
Nahar Spinning Mills Limited	**43,515,087**	65,405,223
Nahar Industrial Enterprises Limited	**7,745,750**	3,928,995
Cotton County Retail Limited	**16,840,639**	12,181,304
Oswal Woollen Mills Limited	**184,166,751**	230,579,982
Vanaik Spinning Mills Limited	**3,968,308**	28,039,261
Trade receivable		
Retailerkart E.Venture Private Limited	**2,787,593**	23,810,697
Advances to suppliers		
Nahar Spinning Mills Limited	**711,078**	-
Oswal Woollen Mills Limited	**566,891**	4,491,211
Vanaik Spinning Mills Limited	**1,611,553**	14,609,703
Key management personnel (KMP)		
Due to KMP's (appearing in other current liabilities)		
Jawahar Lal Oswal	**30,207**	105,325
Sandeep Jain	**805,062**	1,349,012
Ruchika Oswal	**479,792**	862,256
Monica Oswal	**478,760**	491,265

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

Relative of KMP's		
Due to relatives of KMP's (appearing in other current liabilities)		
Rishabh Oswal	**70,581**	133,910
Due from relatives of KMP's (appearing in short-term loans and advances)		
Rishabh Oswal	**10,458**	141,478

35 The information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per revised schedule III of Companies Act, 2013

		For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	**Earnings in foreign currency (accrual basis)**		
(i)	Export value of goods on FOB basis	**-**	1,530,736
(b)	**Expenditure in foreign currency (accrual basis)**		
	Travelling and conveyance	**11,115,248**	12,206,063
	Sampling expenses	**2,961,780**	2,555,312
	Consultation charges	**-**	3,698,063
	Advertisement	**4,053,969**	1,213,927
	Others	**473,907**	-
(c)	**Value of imports (calculated on C.I.F basis)**		
	Raw materials	**9,509,107**	3,175,523
	Traded goods	**230,764,095**	238,843,884
	Capital goods	**895,800**	40,537,622
	Components and spare parts	**3,877,962**	8,666,419
		245,046,964	291,223,448
(d)	**Imported and indigenous consumption**		
	Raw materials		
	- Imported		
	- Amount	**9,509,107**	3,175,523
	- Percentage	**0.83%**	0.24%
	- Indigenous		
	- Amount	**1,131,193,113**	1,320,716,638
	- Percentage	**99.17%**	99.76%
	- Total		
	- Amount	**1,140,702,220**	**1,323,892,161**
	- Percentage	**100.00%**	**100.00%**
	Stores and spares and packing materials		
	- Imported		
	- Amount	**3,877,962**	8,666,419
	- Percentage	**1.41%**	2.73%
	- Indigenous		
	- Amount	**270,694,747**	309,037,880
	- Percentage	**98.59%**	97.27%
	- Total		
	- Amount	**274,572,709**	**317,704,299**
	- Percentage	**100.00%**	**100.00%**
(e)	**Net dividend remitted in foreign exchange**		
	Period to which it relates	**2015-16**	2014-15
	Number of non-resident shareholders	**1**	1
	Number of equity shares held on which dividend was due	**2,376,570**	2,376,570
	Amount remitted	**23,765,700**	23,765,700

36 The Company is primarily engaged in the business of manufacturing/trading of textile garments. Accordingly, the entire operations of the Company are governed by the same set of risk and rewards and thus, it operates in a single primary segment. The Company is mainly operating in India which is considered to be the only reportable geographical segment. The disclosures as per the Accounting Standards (AS) 17 on Segment Reporting are not applicable to the Company.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts in ₹ unless stated otherwise)

37 Earnings per share

The calculation of Earning Per Share (EPS) as disclosed in the Statement of Profit and Loss has been made in accordance with Accounting Standard (AS)-20 on "Earning Per Share".

	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit attributable to equity shareholders (A)	**423,226,673**	589,383,999
Weighted average number of equity shares (B)	**21,732,064**	21,732,064
Earnings per share (₹) (A/B) - Basic and Diluted	**19.47**	27.12
Face value per equity share (₹)	**10**	10

38 Leases

The Company has taken a number of office and factory facilities under operating leases. The lease rent expenses recognized during the year amounts to ₹ 136,700,493 (previous year ₹ 113,254,806). Expected future minimum lease payments under non-cancellable operating leases are as follows:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Year ending after balance sheet date:		
Not later than one year	**117,101,437**	86,774,352
Later than one year but not later than five years	**342,835,507**	272,118,449
Later than five years	**152,989,820**	123,521,003

39 Disclosure of details of Specified Bank Notes (SBN)* held and transacted during the period from 8 November 2016 to 30 December 2016:

	SBN	**Other Denomination Notes**	**Total**
Closing cash in hand as on 8 November 2016	6,424,500	3,280,976	9,705,476
(+) Permitted receipts	-	17,540,138	17,540,138
(+) Non-permitted receipts	-	-	-
(-) Permitted payments	-	(7,331,455)	(7,331,455)
(-) Non-permitted payments	-	-	-
(-) Amount deposited in banks	(6,424,500)	(6,228,790)	(12,653,290)
Closing cash in hand as on 30 December 2016	-	7,260,869	7,260,869

*For the purpose of this note, the term Specified Bank Notes (SBN), shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

40 Payments to auditors *

	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditor		
Statutory audit (including reviews)	**2,700,000**	2,000,000
Certification charges	**25,000**	-
Reimbursement of expenses	**159,065**	226,290
	2,859,065	2,226,290

* excludes service tax

41 In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹ 17,700,099 (previous year ₹ 16,136,024) towards CSR activities during the year ended 31 March 2017. The details of amount actually spent by the Company are:

	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Gross amount required to be spent by the company.	**17,700,099**	16,136,024
(b) Amount spent on		
- paid in cash/cash equivalents *	**3,027,759**	16,163,846
- yet to be paid	**-**	-
Total	**3,027,759**	16,163,846

* Includes ₹ 3,027,759 (Previous year ₹ 14,977,512) paid to Oswal Foundation (refer note 34).

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2017

For Monte Carlo Fashions Limited
Jawahar Lal Oswal
(Chairman and Managing Director)
(DIN : 00463866)

Raman Kumar
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2017

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)
(Membership No. F9011)

ATTENDANCE SLIP

MONTE CARLO FASHIONS LIMITED
(CIN: L51494PB2008PLC032059)
Regd. Office: B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003
Tel.: 91-161-5048610-40, Fax: 91-161-5048650
Website: www.montecarlocorporate.com,
E-mail: investor@montecarlocorporate.com

NINTH (9th) ANNUAL GENERAL MEETING

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*		Folio No.	

Client ID*		No. of Shares	

NAME AND ADDRESS OF SHAREHOLDER:

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the Ninth (9th) Annual General Meeting of the Company on Friday, the 29th day of September, 2017 at 11:00 A.M at the Registered Office of the Company at B-XXIX-106, G.T. Road, Sherpur, Ludhiana.

_____
Signature of Member / Proxy

Notes:
1. *Applicable for investors holding shares in electronic form.
2. Please read the instructions given at Note No. 22 of the Notice of Ninth (9th) Annual General Meeting, carefully before voting electronically.

ELECTRONIC VOTING PARTICULARS		
EVSN (E-Voting Sequence Number)	**User ID/ Folio No./ DP/Client ID**	**Sequence No.**
170828111		

----------cut here----------

MONTE CARLO FASHIONS LIMITED
(CIN: L51494PB2008PLC032059)
Regd. Office: B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003
Tel.: 91-161-5048610-40, Fax: 91-161-5048650
Website: www.montecarlocorporate.com,
E-mail: investor@montecarlocorporate.com

PROXY FORM
Form No. MGT-11
[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):		E-Mail ID:	
Registered Address:		Folio No./ Client ID:	
		DP ID :	

I / We, being the member (s) of _____ shares of Monte Carlo Fashions Limited, hereby appoints

1. Name:.....
   Address:.....
   E-mail ID:.....Signature:....., or failing him/her
2. Name:.....
   Address:.....
   E-mail ID:.....Signature:....., or failing him/her
3. Name:.....
   Address:.....
   E-mail ID:.....Signature:....., or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninth (9th) Annual General Meeting of the Company on Friday, the 29th day of September, 2017 at 11:00 A.M at the Registered Office of the Company situated at B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003 and at any adjournment thereof in respect of such business items as are indicated below:

Item No.	Particulars	Optional*	
	ORDINARY BUSINESS	**For**	**Against**
1.	To receive, consider and adopt the Audited Financial Statements for the Financial Year ended March 31, 2017 along with the Reports of the Directors and Auditors thereon.		
2.	To declare dividend on Equity Shares of the Company for the Financial Year 2016-17.		
3.	To appoint Director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation in terms of Section 152(6) and being eligible, offers himself for re-appointment.		
4.	To appoint Director in place of Sh. Paurush Roy (DIN: 03038347), who retires by rotation in terms of Section 152(6) and being eligible, offers himself for re-appointment.		
5.	To ratify the appointment of Statutory Auditors and to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To approve Related Party Transactions.		
7.	To re-appoint Sh. Sandeep Jain (DIN: 00565760) as Executive Director of the Company.		

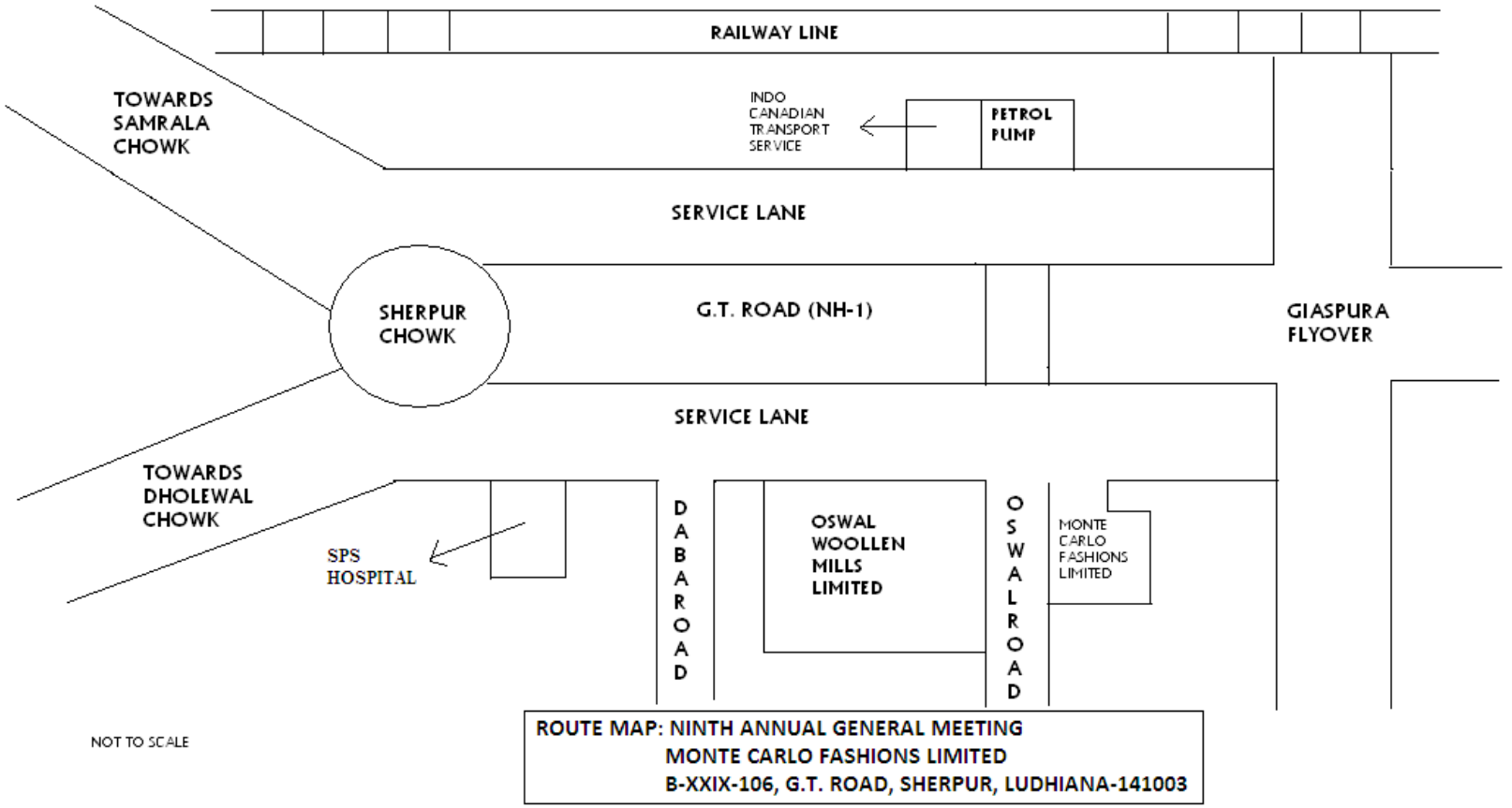
Signed this.....**day of**.....**2017.**

Affix Revenue Stamp of Re. 1

Signature of Member **Signature of Proxy holder(s)**

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. *It is optional to put a tick (√) in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the Resolution, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
3. Please complete all the details of the member(s) in box before submission.



ROUTE MAP: NINTH ANNUAL GENERAL MEETING
MONTE CARLO FASHIONS LIMITED
B-XXIX-106, G.T. ROAD, SHERPUR, LUDHIANA-141003

NOTES

NOTES

NOTES















MONTE CARLO FASHIONS LIMITED

(CIN: L51494PB2008PLC032059)

Registered Office: B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003

Tel.: 91-161-5048610-40, Fax: 91-161-5048650

Website: www.montecarlocorporate.com, E-mail: investor@montecarlocorporate.com

MPA info@mpaworld.com