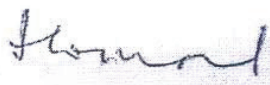
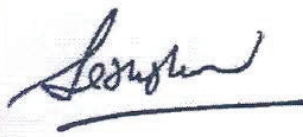

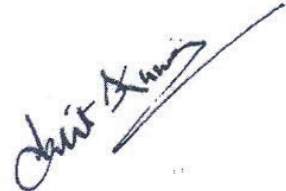
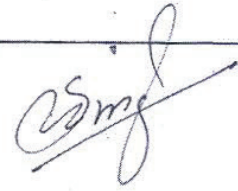
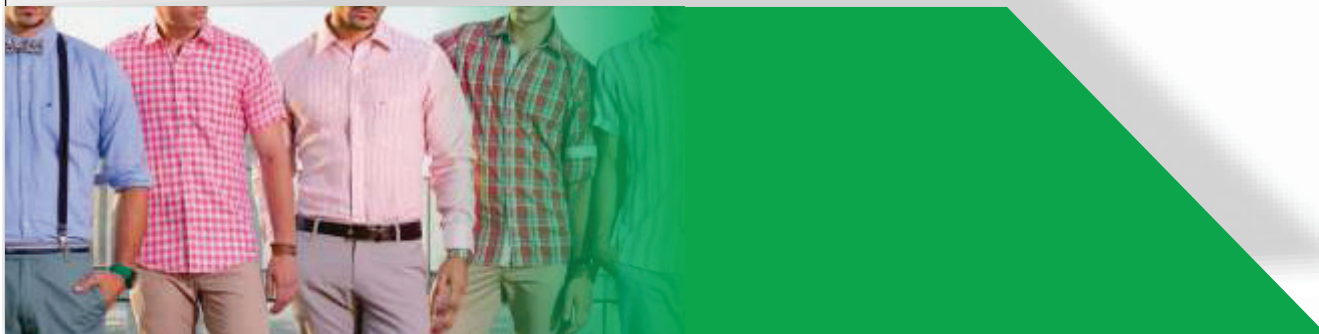
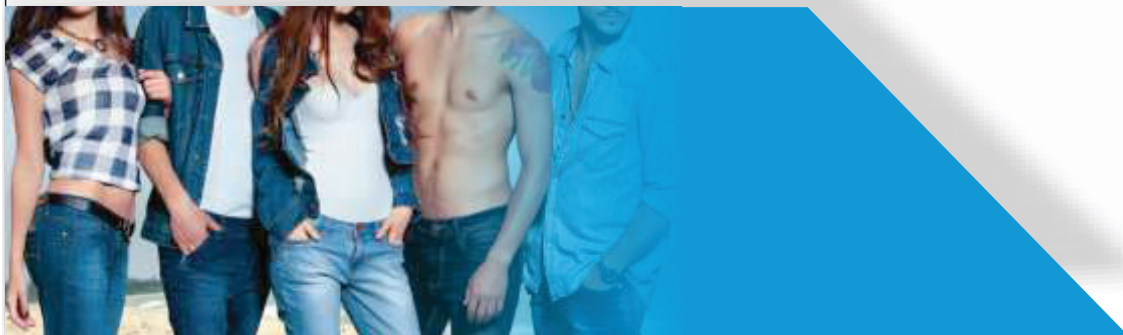


FORM-A

1.	Name of the Company	Monte Carlo Fashions Limited
2.	Annual Financial Statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	<ul style="list-style-type: none"> Chairman & Managing Director (Sh. Jawahar Lal Oswal) 	
	<ul style="list-style-type: none"> Chief Financial Officer (Sh. Sarweshwer Arora) 	
	<ul style="list-style-type: none"> Statutory Auditor Walker Chandio & Co LLP (Formerly Walker, Chandio & Co) Chartered Accountants Firm Registration No.: 001076N <p>per Lalit Kumar Partner Membership No.: 095256</p> <p>Place: Noida Date: 04 September, 2015</p> 	
	<ul style="list-style-type: none"> Audit Committee Chairman (Dr. Suresh Kumar Singla) 	

MONTE CARLO 

It's the way you make me feel



7th Annual Report 2014-15

MONTE CARLO FASHIONS LIMITED

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

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
Dr. Sailen Kumar Chaudhuri	Independent Director
Dr. Vandana Bhandari	Independent Director
Sh. Ajit Singh Chatha	Independent Director
Dr. Yash Paul Sachdeva	Independent Director
Dr. Suresh Kumar Singla	Independent Director
Dr. Manisha Gupta	Independent Director

<p>CHIEF FINANCIAL OFFICER Sh. Sarweshwer Arora</p> <p>COMPANY SECRETARY Sh. Sahil Jain</p> <p>WORKS: 231-232, Industrial Area-A, Ludhiana-141003 427, Industrial Area-A, Ludhiana-141003 B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003 Miller Ganj, Ludhiana-141003</p>	<p>AUDITORS Walker, Chandiok & Co. LLP 21st Floor, DLF Square, Jacaranda Marg, DLF Phase-II, Gurgaon-122002</p> <p>BANKERS: Allahabad Bank State Bank of Patiala State Bank of India Indian Bank</p>
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7th ANNUAL GENERAL MEETING	CONTENTS	Page No.
DAY : Tuesday	From the Chairman's Desk	2
DATE : 29 th September 2015	Director's Report	4
TIME : 11.00 A.M.	Corporate Governance Report	26
PLACE : At the Registered Office of the Company, B-XXIX-106, G.T. Road, Sherpur, Ludhiana.	Management Discussion and Analysis Report	39
	Independent Auditor's Report	49
	Balance Sheet	52
	Statement of Profit & Loss	53
	Cash Flow Statement	54
	Significant Accounting Policies and Notes	56



From the Chairman's Desk

Dear Shareholders,

We take pleasure in welcoming you to our first Annual Report as a listed enterprise. At the outset, we would like to take this opportunity to thank all our investors for participating in our Initial Public Offering launched in December, 2014. We are determined to maintain the highest standards of corporate governance and to assure you all of our commitment towards achieving value creation and growth.

A Differentiated Apparel Company

As you all are aware that our journey to establish the brand started way back in 1984 when your company was part of the parent company, Oswal Woollen Mills Ltd. The main Motto of the management since the inception of the brand was to create quality product and as well as achieve the standards of a good brand. The efforts put through at all levels, because a stand alone effort can never create a valuable and acceptable brand. Thus our endeavour was always to have a focused and concentrated approach at all levels, beginning from input of raw material till the stage of ready to sell, over the years. As a result Monte Carlo has emerged as one of the leading apparel brand, both in terms of revenue and brand stature. Inspired by success and recognition of Monte Carlo Brand in the market the company forayed into new territories in 2002, though identical and similar to the existing business. This diversification by the company received overwhelming support from all quarters and fulfilled the desire to have our presence in the market round the year. Accordingly we expanded our horizon and diversified our business operations by introducing cotton knitted t-shirts. The overwhelming response and acceptance of cotton t-shirts by the market encouraged the company to introduce other cotton garments viz. shirts, trousers, jackets, tracksuits etc. in 2006. With the passage of time and right efforts and high imagery value of Monte Carlo brand earned by us, helped us in getting a good response for our diversified product range consequently resulting in high growth rates. Encouraged by the success the growth potential of the business was estimated to be manifold thus inspired the management to have more focus on the business by forming a separate company, which resulted in the birth of Monte Carlo Fashions Limited in 2011 i.e. your company, within its folder lock, stock and barrel of Monte Carlo.

Over the years, we have successfully expanded our horizon and diversified our business operations. We have travelled a long way in accomplishing our goals for becoming a diversified apparels company, with a rich portfolio comprising of a wide range of woollen, cotton and cotton blended knitted, woven apparels and home furnishings. Some of our winning sub-brands under the umbrella brand Monte Carlo are: Platine, Alpha, Denim and Cloak & Decker. The consistent growth in business is the Motto, but the brief is that it should be at all levels, in other words to have a mindset of profitable growth. In Monte Carlo, we go with a firm belief and commitment that the success will come as our tradition and growth should be imperative.

The prime strength behind our leadership position in the domestic apparels industry has been our robust distribution network and, for the most part, our differentiated business model. We have a presence across India through 1,500-plus multi-brand outlets (MBO), 214 Exclusive Brand Outlets (EBO), and 89 national chain store outlets. A majority of our revenues are contributed by these MBOs and Franchisee EBOs, where the merchandise is primarily sold on a pre-ordered and outright basis. This has insulated us from major inventory risks and keeps us adequately protected from the routine hazards faced by the branded apparel business. Moreover our model of supplying Monte Carlo products to MBOs through agents or distributors and to EBOs

against bank guarantee or Post dated cheques make the company credit risk free. Notably, Monte Carlo has repeatedly been recognised as a “Super Brand” for woollen hosiery garments since September, 2004, by the International Society for Super Brands.

FY2015 Performance

Our performance during the year under review has been quite satisfactory, given the overall sluggish economic environment we experienced during FY2015. We countered the challenges by focusing on continuous innovation; elevating our design variations; on good consumer insights and by launching attractive new collections targeted at the youth. These initiatives provided us with the requisite momentum to report a decent delivery on our top and bottom line. Our revenues for the year FY2015 rose by 15.8% to Rs. 582 crore. Our Profit After Tax (PAT) increased by 9.86% at Rs 59.7 crore. Notably, our EBITDA showed a marked YoY improvement of 32.6% at Rs. 122 crore. Even more encouraging is the fact that our margins on EBITDA increased 270 basis points from 18.4% to 21.1%.

It is important to note that our revenues and PAT recorded for FY2015 are not directly comparable on a YoY basis due to a change in accounting method during the year under review. According to the prudent accounting norms suggested by our auditors, we have decided to net-off any expense incurred to propagate sales. These expenses mainly comprise of discounts and rebates against the revenues from operations, which earlier formed a part of other selling expenses. Our PAT has also been affected due to the provision of higher depreciation, followed by a change in our depreciation policy, as per the new Companies Act, 2013. As a result, our depreciation provisioning expanded by Rs. 7 Crore for FY2015. On the upside, our Cash Profits swelled by 32% on YoY basis at Rs. 93 Crores.

FY2015’s performance was essentially the product of our strong brand positioning, a better and more appealing product mix, aggressive marketing, lower cost of raw materials and the reduction in other expenses through improving operational leverage. Going ahead, we expect our revenues and profits to keep growing at a steady momentum. We expect our operating metrics and return ratios to keep improving. Confident of our business model, we will continue our focus on the execution of a well conceived business strategy in our core business areas.

The Path Ahead

We have a concrete plan to scale our business within a competitive environment. We intend to scale up our EBOs to 275 by FY 2016-17, primarily through the franchisee route. We also wish to expand our presence by penetrating into the Southern and Western regions of India. We have already made an encouraging beginning towards this goal. Going forward, we are well placed to capitalise on growth opportunities within the branded apparel industry. We remain squarely focussed on optimising the utilisation of our assets, leveraging on our quality, improving efficiency and maintaining strong relationships with stakeholders.

Besides your company and management beliefs in sharing the fortune with the family of its shareholders. This philosophy is evident from the recommendation by the Board a maiden dividend, of 100% on each equity share of Rs. 10.00.

We take this opportunity to thank our investors for their on-going belief in the Company – and to our Board of Directors for their continued thoughtful advice and good governance. We also thank our leadership team and our employees for their sheer dedication and strong work culture that keeps us on the winning path.

Jawahar Lal Oswal

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Seventh (7th) Annual Report of the Company along with the Audited Financial Results for the year ended March 31, 2015.

FINANCIAL RESULTS

Financial Results for the year under review are summarized below:

(₹ in Lacs)

PARTICULARS	Current Year (As At 31.03.2015)	Previous Year (As At 31.03.2014)
Revenue from operations	58,257.70	50,310.32
Other Income	1,895.32	1,516.07
Total Revenue	60,153.02	51,826.39
Profit before Financial Charges, Depreciation & Amortization	14,192.67	10787.68
Financial Charges	1,707.77	931.89
Profit before Tax & Depreciation & Amortization	12,484.90	9,855.80
Depreciation & Amortization	3,340.34	1,620.88
Profit before Tax	9,144.56	8,234.91
Tax Expenses/ Adjustment		
1. Current Tax	3,479.82	2,591.00
2. Deferred Tax	(312.20)	180.99
3. Adjustment for the earlier year	Nil	22.55
Amount Available for Appropriation	5976.94	5440.37
Appropriations		
Transfer to Special Reserve	1,793.08	-*
Dividend	2,173.21	-
Tax on Proposed Dividend	444.96	-
Transfer to General Reserve	1,488.75	5,400.00
Earnings Per Share (₹)		
Basic	27.50	25.03
Diluted	27.50	25.03
Dividend Per Share (₹)	10.00	--

OPERATIONAL REVIEW

The Company has delivered an impressive financial and operating performance for the Financial Year 2014-15 by achieving great performance both in top line and bottom line with a remarkable growth of 16.07% in total revenue.

The revenue from operations stood at ₹58,257.70 Lacs as compared to ₹50,310.32 Lacs in the previous year, indicating an impressive growth of 15.80%. As a result, your Company's Profit before financial charges, depreciation, amortization and tax also displayed robust growth by 31.56% from ₹10,787.68 Lacs for the year ended March 31, 2014 to ₹14,192.67 Lacs for the year ended March 31, 2015. The other income of the Company stood at ₹1,895.32 Lacs as against the previous figure of ₹1,516.07 Lacs and this increase is primarily due to increase in the interest earned on fixed deposits.

The growth rate in revenue is in natural consequence of continued efforts made by the company and its executives at all levels and it is expected to achieve the growth at a same pace in future also.

Your Directors are also pleased to report that consistent efforts and a policy to cut down the cost has resulted in reduction of per unit cost and consequently enabled the company to achieve better margins and face the competitors more efficiently.

During the year, the Company has achieved an excellent growth in the sale of "Cloak & Decker" the economy range launched by the company last year. The Company has also commenced production of socks during the current year. Your company has also chalked-out well thought-out strategy of building E-Commerce platforms and also looking to develop multiple 'Differentiated Online Formats' to play in E-Commerce space i.e. online sales of its products under B2B and B2C model.

The Company has also expanded its sale net work by increasing its number of exclusive retail outlets/ large format stores and distributors during the year. Detailed analysis on the Company's operations is given in the Management Discussion and Analysis report which forms part of this Annual Report.

SUCCESSFUL INITIAL PUBLIC OFFER

The Company got its shares listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 19.12.2014 pursuant to the successful completion of Initial Public Offering (IPO) in accordance with Securities and Exchange Board of India (SEBI) Regulations. This was an offer for sale by the existing share holders of the Company wherein the Private Equity Investor (Kanchi Investments Limited) and

the Promoters divested 1646420 shares (7.58%) and 3786596 shares (17.42%) respectively, at a premium of ₹635/- per equity share of ₹ 10/- each. The IPO of the Company received an overwhelming response from the Investors as it was oversubscribed by 7.83 times, thereby making this IPO a remarkable success. The Paid up equity share capital of the Company as on 31st March, 2015 is 2173.21 Lacs.

DIVIDEND

The Company has earned a net profit after tax of ₹5,976.94 lacs for the year. Yours Directors have recommended 100% dividend amounting to ₹10/- per equity share, in its meeting held on May 30, 2015, subject to the approval of members at the ensuing Annual General Meeting.

TRANSFER TO RESERVES

The company has earned a total profit after tax of ₹5,976.94 lacs, out of which a sum of ₹1,793.08 lacs (30% of the profit after tax) has been transferred to Special Reserve maintained for purpose of future expansions and acquisitions.

Your Company has transferred ₹1,462.30 lakhs to the General Reserve out of the profits available for appropriation after making a provision for dividend amounting to ₹2,618.17 lacs (inclusive of dividend distribution tax) and the same is in compliance with the applicable provisions prescribed under the Companies Act 2013.

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 31st March 2015 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 Companies Act, 2013 and rules made there under.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

The Board of Directors consists of Twelve (12) Directors which include a Chairman & Managing Director, Three (3) Executive Directors and Six (6) Independent Directors.

In terms of provisions of Section 149(4) of Companies Act 2013 and Clause 49 of the Listing Agreement entered with Stock Exchanges, following directors were appointed as Independent Directors by the members in their Extra Ordinary General Meeting held on 27.06.2014:

- Dr. Yash Paul Sachdeva (DIN: 02012337)
- Dr. Vandana Bhandari (DIN: 06841653)
- Dr Sailen Kumar Chaudhuri (DIN: 01021930)
- Sh. Ajit Singh Chatha (DIN: 02289613)
- Dr. Suresh Kumar Singla (DIN: 00403423)
- Dr. Manisha Gupta (DIN: 06910242)

A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 and the Listing Agreement have been issued and the format for the same has been disclosed on the website of the Company viz. www.montecarlocorporate.com.

All the Independent Directors have given declarations confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Sh. Paurush Roy (DIN: 03038347) ceased to act as nominee of Kanchi Investments Limited ("Private Equity Investor") on the board due to cessation of Share Subscription cum Share Holders Agreement entered by the Company and Kanchi Investments Limited, on successful completion of public issue of the Company. Consequently, the terms of the services of Sh. Gautam Gode (DIN: 01709758), an Alternate Director to Sh. Paurush Roy, Nominee Director of the company also ceased to be effective. The Board also place on record thanks for the valuable services rendered by him during his tenure and expresses its deep sense of appreciation and gratitude for the same.

However the Board in its meeting held on 03.02.2015 decided to retain Sh. Paurush Roy on the Board as Non Executive Director. There was no resignation of Directors during the year.

In terms of the provision of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, your company has four Women Directors on the Board namely Smt. Ruchika Oswal (DIN:00565979), Smt. Monica Oswal (DIN:00566052), Dr. Vandana Bhandari (DIN:06841653) and Dr. Manisha Gupta (DIN:06910242).

In accordance with the provisions of Section 152 of the Companies Act, 2013, Sh. Sandeep Jain (DIN-00565760) and Sh. Dinesh Gogna (DIN-00498670), Directors of the Company, being longest in the office since their last appointments shall retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment on the same terms and conditions on which they were appointed.

During the year under review Sh. Rukmesh Mohan Sood, Finance Controller of the Company was re-designated as Chief Financial Officer of the Company w.e.f 27.06.2014 under the provisions of the Act. However, the board of directors in their meeting held on 06.08.2015 appointed Sh. Sarweshwer Arora, Chartered Accountant as Chief Financial Officer in place of Sh. Rukmesh Mohan Sood, who has resigned from the said position.

Following are the existing Key Managerial Personnel (KMP's) in accordance with the provision of Section 203 of 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. Sarweshwer Arora	Chief Financial Officer
Sh. Sahil Jain	Company Secretary

NUMBER OF MEETINGS OF THE BOARD:

During the year, 4 (Four) Board Meetings were convened and held, details of which are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD:

The Company has several committees i.e Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Share Transfer Committee and IPO Committee which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the Companies Act and Listing Agreement. The details with respect to the compositions, powers, roles, terms of reference etc. of relevant committees are mentioned in Corporate Governance Report of the company which forms part of this Annual Report.

EVALUATION OF BOARD OF DIRECTORS, COMMITTEES AND DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, its Committees and all the directors individually as per the criteria laid down by the Nomination & Remuneration Committee of the Company. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In Compliance of Section 134(5) of the Companies Act 2013, it is hereby confirmed that:

- a) In the preparation of the annual accounts for the year ended March 31, 2015, 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.

NOMINATION AND REMUNERATION POLICY:

The Nomination & Remuneration Policy has been framed which lays down a framework in relation to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for determining qualifications, positive attributes, independence of director and other matters provided under sub section (3) of section 178 of the Companies Act 2013. The Remuneration Policy is elaborated in the Corporate Governance Report and can also be accessed on the website of the Company.

BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The details of the committee and its terms of reference are set out in the corporate governance report forming part of this Annual report. Your Directors in regular intervals evaluate the 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 constant basis.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has constituted a Vigil mechanism/ Whistle Blower Policy to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. The details are explained in the Corporate Governance Report and the said policy is also disclosed on the Website of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has constituted a CSR committee as per the provisions of Section 135 of the Companies Act 2013, details of which are given in the Corporate Governance Report forming part of this report. The Board has also framed a CSR policy for the Company on the recommendations of the CSR Committee. The policy is committed to certain CSR initiative and expects to incur expenditure during the ensuing year in the areas identified which are related to Medical Relief and Research, Environmental Sustainability, Education and Social Upliftment. The said policy has also been posted on the website of the Company.

However, during the financial year 2014-2015 the Company has not incurred any expenditure on Corporate Social Responsibility as it was in the process of identifying specific objects/ programs for undertaking CSR activities. The Company was undertaking surveys for identifying the projects in thematic areas. However, as the other group companies are also on the same path, your company this year has therefore decided to undertake its CSR activities in collaboration with them, under one umbrella, i.e. through Oswal Foundation, which is a Registered Society having charitable objects in the said fields.

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

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. 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 **Annexue B**. 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.

The details of related party transactions are placed before the Audit Committee for its review and approval on quarterly basis. The Company has framed a Related Party Transactions policy for purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is available in the Company's website at www.montecarlocorporate.com.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act 2013. Details of investments made by the Company are given in the notes to the financial statements.

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:

Pursuant to sub-section 3 (a) of Section 134 and sub-section (3) of Section 92, 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-C**, forms an integral part of this report.

EXTRAORDINARY GENERAL MEETING:

During the year under review, an Extra Ordinary General Meeting of the company was held on June 27, 2014, the details regarding the meeting are included in Corporate Governance Report.

POSTAL BALLOT:

During the current financial year the Company has conducted postal ballot exercise in accordance with the provisions of Companies Act 2013 and Listing Agreement for the purpose of amendment/alteration of Memorandum & Articles of Association of the Company.

INTERNAL CONTROL SYSTEM & THEIR 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 is entrusted to M/s Gupta Vigg & Co, Chartered Accountants, who were appointed by the board in terms of Section 138 of the Companies Act, 2013 and rules made thereunder. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes and ensure optimal utilization & protection of company's resources. 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 at all locations of the Company. Significant audit observations and corrective actions are presented to the Audit Committee of the Board. Committee thereafter reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

CORPORATE GOVERNANCE:

The Company is committed to adhere the best corporate governance practices. A separate section on Management Discussion and Analysis, Corporate Governance and a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

STATUTORY AUDITOR & AUDITOR'S REPORT:

M/s Walker Chandiook & Co. LLP (Firm Registration No: 001067N / N500013), Chartered Accountants, who are Statutory Auditor of the Company, hold office up to the forthcoming Annual General Meeting. The Board of Directors based on the recommendation of the Audit Committee has proposed the appointment of M/s Walker Chandiook & Co. LLP, as the Statutory Auditors of the Company for a period of five

years to hold the office from the conclusion of the forthcoming Annual General Meeting till the conclusion of 12th Annual General Meeting of the Company subject to ratification by shareholders at every Annual General Meeting.

The Company has obtained from Auditors a written consent and a certificate as required under 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 conditions specified under section 141(3)(g) of the Companies Act, 2013.

The Auditor's Report on the 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.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s P.S. Dua & Associates, Company Secretaries in Practice (C.P. No. 3934) to undertake the Secretarial Audit of the Company for the Financial Year 2014-2015.

The Secretarial Audit Report is annexed herewith as **Annexure-D** and forms an integral part of this report. Further there are no adverse remarks or qualification in the report that calls for Board's explanation.

COST AUDITOR:

The Cost Audit Report for the year ended 31st March, 2014 was filed with the Ministry of Corporate Affairs, in accordance with the requirement of law.

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit from the FY 2014-15.

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 2014-15, the company has not received any complaints on the same and hence no complaints remain pending as of 31 March, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement 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 Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure-E** and form 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 given as **Annexure-F**.

HUMAN RESOURCE & INDUSTRIAL RELATIONS:

During the year under review, your company enjoyed cordial relationship with workers and employees at all levels. 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:

The Directors take this opportunity to express their deep sense of gratitude to the Company's shareholders, customers, vendors, bankers, financial institutions and business associates for their continued support during the year. The Directors 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

Place: LUDHIANA
Date: 06.08.2015

JAWAHAR LAL OSWAL
CHAIRMAN & MANAGING DIRECTOR
(DIN: 00463866)

ANNEXURE-A TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

Sr. No.	Particulars	
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 has adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, Company will broadly focus on medical relief and research, environment protection, promotion of education, social upliftment and any other activity as envisaged in the Companies Act. The details of CSR policy are available on the Company's website 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	₹7581.03 Lacs
4.	Prescribed CSR Expenditure	₹151.62 Lacs
5.	Details of CSR spend for the financial year:	
	Total amount spent for the financial year	Nil
	Amount unspent, if any	₹151.62 Lacs
	Manner in which the amount spent during the financial year is detailed below	
6.	Reasons for not spending the two percent of the average net profits of the last three financial years	During financial year 2014-15 no expenditure was incurred on company's CSR activities as the company was undertaking surveys for identifying the projects in the areas listed in the CSR policy. However, in the current financial year, the Company has already started contributing towards expenditure incurred by Oswal Foundation for saving water pollution and promoting education and has contributed ₹5.00 Lacs as initial contribution for the same.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.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 Direct or through implementing agency

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

ANNEXURE-B 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.			Nil
2.	Details of contracts or arrangements or transactions at Arm's length basis:			
A.	Particulars	Details		
1.	Name of the related party	M/s Oswal Woollen Mills Limited		
2.	Nature of Relationship	Related Party as defined under Section 2 (76) of the Companies Act, 2013.		
3.	Nature of contracts/ arrangements/transaction	Purchase of goods amounting to ₹7182.94 Lacs.		
4.	Duration of the contracts/ arrangements/ transaction	Purchases made during the financial year 2014-15.		
5.	Salient terms of the contracts or arrangements or transaction including the value, if any	The contracts or arrangements and transactions are entered at arms' length price and in the normal course of business. The value of the same is as above.		
6.	Date of approval by the Board	These transactions were placed before the Audit Committee / Board for approval in their meetings held during the year.		
7.	Amount paid as advances, if any	Nil as on 31.03.2015.		
B.	Particulars	Details		
1.	Name (s) of the related party	Sh. Sandeep Jain (Executive Director)	Smt. Ruchika Oswal (Executive Director)	Smt. Monica Oswal (Executive Director)
2.	Nature of Relationship	Related Party as defined under Section 2 (76) of the Companies Act, 2013.		
3.	Nature of contracts/ arrangements/transaction	Employment	Employment	Employment
4.	Duration of the contracts/ arrangements/ transaction	Appointed for a term of 5 years, liable to retire by rotation.	Appointed for a term of 5 years, liable to retire by rotation.	Appointed for a term of 5 years, liable to retire by rotation.
5.	Salient terms of the contracts or arrangements or transaction including the value, if any	Total remuneration paid for the Financial Year 2014-15 is ₹134.18 Lacs.	Total remuneration paid for the Financial Year 2014-15 is ₹75.17 Lacs.	Total remuneration paid for the Financial Year 2014-15 is ₹76.34 Lacs.
6.	Date of approval by the Board	Annual increase in remuneration approved in the Board Meeting held on 05.09.2014.	Annual increase in remuneration approved in the Board Meeting held on 05.09.2014.	Annual increase in remuneration approved in the Board Meeting held on 05.09.2014.
7.	Amount paid as advances, if any	Nil as on 31.03.2015	Nil as on 31.03.2015	Nil as on 31.03.2015

ANNEXURE-C TO THE DIRECTOR'S REPORT

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**
As on the financial year ended on 31.03.2015

 [Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(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	2650	82% (₹475.11 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 on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total ares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1572729	0	1572729	7.24	328622	0	328622	1.51	(5.73)

b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	15462492	0	15462492	71.15	12940393	0	12940393	59.55	(11.60)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other (Relative of Promoters)	580083	0	580083	2.67	580083	0	580083	2.67	0
Sub-total(A)(1)	17615304	0	17615304	81.06	13849098	0	13849098	63.73	(17.33)
(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)	17615304	0	17615304	81.06	13849098	0	13849098	63.73	(17.33)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	1169508	0	1169508	5.38	5.38
b) Banks / FI	0	0	0	0	11043	0	11043	0.05	0.05
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) FIs	4022990	0	4022990	18.51	802367	-	802367	3.69	(14.82)
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):-	4022990	-	4022990	18.51	1982918		1982918	9.12	(9.39)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	54862	54862	0.25	1208572	54862	1263434	5.81	5.56
ii) Overseas	0	0	0	0	2376570	0	2376570	10.94	10.94
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	268	22078	22346	0.10	1866566	19618	1886184	8.68	8.58

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	16562	16562	0.08	33523	16562	50085	0.23	0.15
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor (Foreign Portfolio Investor-Corporate)	0	0	0	0	2504	0	2504	0.01	0.01
Foreign Nationals	0	0	0	0	20162	0	20162	0.09	0.09
Clearing Members	0	0	0	0	53627	0	53627	0.25	0.25
Trusts	0	0	0	0	247482	0	247482	1.14	1.14
Sub-total (B)(2):-	268	93502	93770	0.43	5809006	91042	5900048	27.15	26.72
Total Public Shareholding (B) = (B)(1) + (B)(2)	4023258	93502	4116760	18.94	7791924	91042	7882966	36.27	17.33
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	21638562	93502	21732064	100.00	21641022	91042	21732064	100.00	0

ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	4404000	20.26	0	4404000	20.26	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	1575000	7.25	0	1595390	7.34	0	0.09
4.	Nagdevi Trading & Investment Company Limited	1185150	5.45	0	1185150	5.45	0	0.00
5.	Girnar Investment Limited	825714	3.80	0	825714	3.80	0	0.00
6.	Vanaik Investors Limited	864024	3.98	0	409273	1.88	0	(2.10)

7.	Tanvi Oswal	175000	0.81	0	175000	0.81	0	0.00
8.	Kamal Oswal	196401	0.90	0	109112	0.50	0	(0.40)
9.	Jawahar Lal Oswal	820253	3.77	0	108787	0.50	0	(3.27)
10.	Dinesh Oswal	553975	2.55	0	108623	0.50	0	(2.05)
11.	Abhilash Oswal	107583	0.50	0	107583	0.50	0	0.00
12.	Sambhav Oswal	87500	0.40	0	87500	0.40	0	0.00
13.	Abhinav Oswal	70000	0.32	0	70000	0.32	0	0.00
14.	Rishabh Oswal	70000	0.32	0	70000	0.32	0	0.00
15.	Atam Vallabh Financiers Limited	67106	0.31	0	67106	0.31	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.	Oswal Woollen Mills Limited	910570	4.19	0	0	0.00	0	(4.19)
23.	Abhilash Growth Fund Pvt. Ltd.	1177168	5.42	0	0	0.00	0	(5.42)
	Total	17615304	81.06	0	13849098	63.73	0	(17.33)

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.	Sh. Jawahar Lal Oswal				
	At the beginning of the year	820253	3.77	820253	3.77
	Shares sold in the Initial Public Offer on 15.12.2014	(711466)	(3.27)	108787	0.50
	At the end of the year			108787	0.50
2.	Sh. Kamal Oswal				
	At the beginning of the year	196401	0.90	196401	0.90
	Shares sold in the Initial Public Offer on 15.12.2014	(87289)	(0.40)	109112	0.50
	At the end of the year			109112	0.50
3.	Sh. Dinesh Oswal				
	At the beginning of the year	553975	2.55	553975	2.55
	Shares sold in the Initial Public Offer on 15.12.2014	445352	2.05	108623	0.50
	At the end of the year			108623	0.50
4.	Vanaik Investors Limited				
	At the beginning of the year	864024	3.98	864024	3.98
	Shares sold in the Initial Public Offer on 15.12.2014	454751	2.10	409273	1.88
	At the end of the year			409273	1.88

5. Nahar Capital & Financial Services Limited				
At the beginning of the year	1575000	7.25	1575000	7.25
Open market purchase on March 27, 2015	20390	0.09	1595390	7.34
At the end of the year			1595390	7.34
6. Oswal Woollen Mills Limited				
At the beginning of the year	910570	4.19	910570	4.19
Shares sold in the Initial Public Offer on 15.12.2014	910570	4.19	0	0.00
At the end of the year			0	0.00
7. Abhilash Growth Fund Private Limited				
At the beginning of the year	1177168	5.42	1177168	5.42
Shares sold in the Initial Public Offer on 15.12.2014	1177168	5.42	0	0.00
At the end of the year			0	0.00
8. Smt. Abhilash Oswal				
At the beginning of the year	107583	0.50	107583	0.50
Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
At the end of the year			107583	0.50
9. Sh. Sambhav Oswal				
At the beginning of the year	87500	0.40	87500	0.40
Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
At the end of the year			87500	0.40
10. Sh. Abhinav Oswal				
At the beginning of the year	70000	0.32	70000	0.32
Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
At the end of the year			70000	0.32
11. Sh. Rishabh Oswal				
At the beginning of the year	70000	0.32	70000	0.32
Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
At the end of the year			70000	0.32
12. Ms. Tanvi Oswal				
At the beginning of the year	175000	0.81	175000	0.81
Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
At the end of the year			175000	0.81
13. Smt. Ritu Oswal				
At the beginning of the year	17500	0.08	17500	0.08
Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
At the end of the year			17500	0.08
14. Smt. Manisha Oswal				
At the beginning of the year	52500	0.24	52500	0.24

	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			52500	0.24
15.	Smt. Monica Oswal				
	At the beginning of the year	1050	0.00	1050	0.00
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			1050	0.00
16.	Smt. Ruchika Oswal				
	At the beginning of the year	1050	0.00	1050	0.00
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			1050	0.00
17.	Sidhant And Mannat Company Limited				
	At the beginning of the year	4404000	20.26	4404000	20.26
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			4404000	20.26
18.	Simran And Shanaya Company Limited				
	At the beginning of the year	4404000	20.26	4404000	20.26
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			4404000	20.26
19.	Nagdevi Trading And Investment Company Limited				
	At the beginning of the year	1185150	5.45	1185150	5.45
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			1185150	5.45
20.	Girnar Investment Limited				
	At the beginning of the year	825714	3.80	825714	3.80
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			825714	3.80
21.	Atam Vallabh Financiers Limited				
	At the beginning of the year	67106	0.31	67106	0.31
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			67106	0.31
22.	Vardhman Investments Limited				
	At the beginning of the year	49718	0.23	49718	0.23
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			49718	0.23
23.	Neha Credit And Investment Private Limited				
	At the beginning of the year	42	0.00	42	0.00
	Date wise Increase/Decrease in promoters shareholding during the year	No change during the year			
	At the end of the year			42	0.00

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

Sr. 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	4022990	18.51	2376570	10.9358
2.	Goldman Sachs India Fund Limited	NIL	NIL	378180	1.7402
3.	Aditya Birla Private Equity Trust, A/c - Aditya Birla Pvt Equity Fund-I	NIL	NIL	341159	1.5698
4.	Birla Sun Life Trustee Company Private Limited, A/C Birla Sun Life Midcap Fund	NIL	NIL	329105	1.5144
5.	DB International (ASIA) Ltd.	NIL	NIL	282003	1.2976
6.	ICICI Prudential Life Insurance Company Ltd.	NIL	NIL	271736	1.2504
7.	Authum Investment and Infrastructure Limited	NIL	NIL	250000	1.1504
8.	Aditya Birla Private Equity Trust Aditya Birla Pvt. Equity Sunrise Fund	NIL	NIL	201549	0.9274
9.	Birla Sun Life Trustee Company Private Limited, A/C India Excel(Offshore) Fund	NIL	NIL	176688	0.8130
10.	Birla Sun Life Trustee Company Private Limited, A/C India Advantage (Offshore) Fund	NIL	NIL	164518	0.7570

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
	At the beginning of the year				
1.	Sh. Jawahar Lal Oswal	820253	3.77	820253	3.77
2.	Smt. Ruchika Oswal	1050	0.00	1050	0.00
3.	Smt. Monica Oswal	1050	0.00	1050	0.00
	Date wise Increase/ Decrease in shareholding during the year				
1.	Sh. Jawahar Lal Oswal (Shares sold in the Initial Public Offer on 15.12.2014)	711466	3.27	108787	0.50
2.	Smt. Ruchika Oswal	0	0.00	1050	0.00
3.	Smt. Monica Oswal	0	0.00	1050	0.00
	At the end of the year				
1.	Sh. Jawahar Lal Oswal	108787	0.50	108787	0.50
2.	Smt. Ruchika Oswal	1050	0.00	1050	0.00
3.	Smt. Monica Oswal	1050	0.00	1050	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	1180243974	-	-	1180243974
ii) Interest due but not paid	290926	-	-	290926
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1180534900	-	-	1180534900
Change in Indebtedness during the financial year				
* Addition	394665706	-	-	394665706
* Reduction	287531904	-	-	287531904
Net Change				
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	1287377776	-	-	1287377776
ii) Interest due but not paid	1844944	-	-	1844944
iii) Interest accrued but not due				
Total (i+ii+iii)	1289222720			1289222720

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 (₹)
		CMD	WTD	WTD	WTD	
		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	*	13403941	7510331	7621144	28535416
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	13855	6742	12522	33119
	(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)	-	13417796	7517073	7633666	28568535
	Ceiling as per the Act	10% of the Net Profits of the Company i.e. ₹914.46 lacs				

* No remuneration was paid to Sh. Jawahar Lal Oswal

B) Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
		Sh. Suresh Kumar Singla	Sh. Sainen Kumar Chaudhuri	Sh. Yash Paul Sachdeva	Sh. Ajit Singh hatha	Smt. Vandana Bhandari	Smt. Manisha Gupta	
1	Independent Directors							
	Fee for attending board committee meetings	30000	10000	30000	10000	10000	-	90000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	30000	10000	30000	10000	10000	-	90000
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	40000	-	-	-	-	-	40000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	40000	-	-	-	-	-	40000
	Total (B) = (1+2)							130000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	1% of the Net Profits of the Company i.e. ₹91.95 lacs						

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total (₹)
1	Gross salary		Sh. Sahil Jain	Sh. Rukmesh Mohan Sood	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		421556	2324500	2746056
	(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		421556	2324500	2746056

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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					

ANNEXURE-D TO THE DIRECTOR'S REPORT

**Form No. MR-3
SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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, 2015 (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, 2015 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - 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 did not issue 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 did not buyback any of its securities during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not Applicable for the Audit period);
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd. and BSE Ltd. (Listed on 19.12.2014).

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.

We further report that during the audit period:

1. An Initial Public Offer of 5,433,016 Equity Shares by way of offer for sale was made by the Selling Shareholders.
2. The Company has obtained approval of shareholders by way of special resolution under section 180 (1) (a) and 180(1) (c) of the Companies Act, 2013.

Place: Ludhiana
Date: 06.08.2015

Signature:-
Name of Company Secretary in Practice: 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

Company Secretary
Date: 06.08.2015
Place: Ludhiana

ANNEXURE-E 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 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name & Designation of Director / KMP	Remuneration for F.Y. 2014-15 (₹ in Lacs)	% Age increase in the remuneration in the F.Y. 2014-15	Ratio of Remuneration to each director to median remuneration of employees	Comparison of remuneration of KMP against the performance of the company
1.	Sh. Jawahar Lal Oswal Chairman & Mg. Director	Nil*	-	-	Profit before Interest, Depreciation and tax increased by 31.56% and Profit after Tax increased by 9.86%.
2.	Sh. Sandeep Jain Executive Director	134.18	24.52	143.07	
3.	Smt. Ruchika Oswal Executive Director	75.17	23.17	80.15	
4.	Smt. Monica Oswal Executive Director	76.34	24.58	81.39	
5.	Sh. Dinesh Gogna Non Executive Director	0.40	\$	0.43	
6.	Sh. Paurush Roy Non Executive Director	Nil*	-	-	
7.	Dr. Yash Paul Sachdeva Independent Director	0.30	\$	0.32	
8.	Dr. Vandana Bhandari Independent Director	0.10	\$	0.11	
9.	Dr. Sailen Kumar Chaudhuri Independent Director	0.10	\$	0.11	
10.	Sh. Ajit Singh Chatha Independent Director	0.10	\$	0.11	
11.	Dr. Suresh Kumar Singla Independent Director	0.30	#	0.32	
12.	Dr. Manisha Gupta Independent Director	Nil	#	-	
13.	Sh. Rukmesh Mohan Sood Chief Financial Officer	23.25	@	24.78	
14.	Sh. Sahil Jain Company Secretary	4.22	14.64	4.49	

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

\$ Details not given as the Company started paying the sitting fees to Non Executive Directors w.e.f.21.03.2014. The sitting fees has remained constant at ₹10,000/- per meeting during the year.

Details not given as appointed w.e.f. 27.06.2014.

@ Details not given as employed for part of the Financial Year 2013-14.

- The median remuneration of employees of the Company during the financial year was at ₹0.94 lacs.
- In the financial year 2014-15, there was an increase of 19.44% in the median remuneration of employees.
- There were 1,610 permanent employees on the rolls of Company as on March 31, 2015.
- Relationship between average increase in remuneration and company performance:-

The Profit after Tax for the financial year ended March 31, 2015 increased by 9.86% whereas the increase in median remuneration was 19.44%. There was an increase in the average median remuneration and Profit after tax.

6. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:-

The total remuneration of Key Managerial Personnel increased by 24.03% from ₹233.74 lacs in 2013-14 to ₹289.90 lacs in 2014-15 where as the Profit after Tax increased by 9.86% to ₹5976.94 lacs in 2014-15 (₹5440.37 lacs in 2013-14).

7. Variations in the market capitalization of the Company:

- The market capitalization was ₹1040.96 Crores and Price Earnings ratio of the Company was 17.42 as on March 31, 2015. Figures as at March 31, 2014 are not available as the Equity Shares of the company were listed on 19.12.2014.
- The Company came out with an Initial Public Offer (IPO) in the year 2014-15 at a price of ₹645/- per Equity Share. On 31st March 2015, the Closing price of the same was ₹479/- per Equity Share (Source: BSE), indicating a fall of 25.74%.

8. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2014-15 was 18.22 % whereas increase in the managerial remuneration for the same financial year was 24.03%.

9. The key parameters for the variable component, if any, of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year – Not Applicable.

11. 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 31.03.2015.

PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR 2014-15, WHO WAS IN RECEIPT OF REMUNERATION FOR THAT YEAR, WHICH, IN THE AGGREGATE, WAS NOT LESS THAN ₹60,00,000/-.

Name of Employees	Age in years	Designation	Qualification	Nature of duties	Experience	Date of Commencement of employment	Remuneration	Last Employment
Sh. Sandeep Jain	43	Executive Director	Graduate	Administration	21	01.08.2012	1,34,17,796	Oswal Woollen Mills Limited
Smt. Ruchika Oswal	42	Executive Director	Graduate	Administration	15	10.08.2011	75,17,073	Oswal Woollen Mills Limited
Smt. Monica Oswal	42	Executive Director	Graduate	Administration	15	10.08.2011	76,33,666	Oswal Woollen Mills Limited

NOTES :

1. The appointment of above mentioned personnel is contractual and is subject to other terms and conditions as mentioned in the respective resolutions of the board and share holders of the company.
2. All the above said personnel are related to each other and also related to Sh. Jawahar Lal Oswal, Chairman & Managing Director of the company.
3. The remuneration includes Salary, Commission, House Rent Allowance, Company's contribution to Provident Fund, Medical Expenses and other perquisites as per the company's policy.

ANNEXURE-F TO THE DIRECTORS' REPORT

Information and particulars as per section 217(1)(e) read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.03.2015.

A. CONSERVATION OF ENERGY**a) The Steps taken and impact on conservation of energy**

The company is continuously engaged in the process of energy conservation through continues improvements in operational and maintenance practices

Following measures have been taken by the Company for conservation of energy

- Technical up-gradation and modernization of various machines.
- Modernization/Replacement of old plant and machinery.
- b) Steps taken by the company for utilizing alternative source of energy;**
 - Use of Wood/Pet Coke/Cotton Fly.
- c) Capital investment on energy conservation equipment;**
 - Nil.

B. TECHNOLOGY ABSORPTION:

1. 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. 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 both inland and overseas 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. Expenditure incurred on Research & Development
Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Activities relating to exports; initiatives taken to increase exports; development of new exports markets for products and services; and export plans;
 1. The Company is engaged in the manufacture and exports of all types of designer apparels.
 2. Efforts are made on continuous basis to explore new export markets.
 3. The company has very strong R & D department to develop new varieties woolen/ acrylic/ blended/ cotton yarns as per the demands in the international market.
 4. The company has ambitious plans to tap the global customers in woolen/ blended/ cotton designer apparels.
- b) Total foreign exchange used & earned:

(Amount in ₹)

	2014-2015	2013-2014
i) Total Foreign Exchange used	33,17,25,687.81	39,74,55,649.00
ii) Total Foreign Exchange earned	14,02,220.00	89,98,264.00

FOR AND ON BEHALF OF BOARD OF DIRECTORS**Place: LUDHIANA****Date: 06.08.2015**

JAWAHAR LAL OSWAL
CHAIRMAN & MANAGING DIRECTOR
(DIN: 00463866)

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent governance practices. The Company is conscious of its responsibility as a good corporate citizen. This is reflected in the well balanced and independent structure of Company's eminent and well represented Board of Directors. It is well recognized that an effective Board is a pre-requisite for a strong and effective Corporate Governance. Our board is at the core of our Corporate Governance practices and oversees how the management serves and protects the long term interests of our stakeholders. 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, Listing Agreement entered with the stock exchange(s) 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 coordination with senior management team. The Board periodically evaluates the need for change in its composition and size.

As on March 31, 2015, the Board of directors of the Company comprises of an Executive Chairman, three (3) Executive Directors, two (2) Non Executive Non Independent Directors and six (6) Non Executive Independent Directors.

BOARD MEETINGS

During the year under review, the Board met four times i.e. June 27, 2014, September 05, 2014, December 18, 2014 and February 03, 2015. 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 are as under:

Name of the Director	Category	No. of Board Meetings Attended	Attendance at AGM held on 30.09.2014	No. of Director-ships ¹	No. of Committees in which Chairman / Member ²	
					Chairman	Member
Sh. Jawahar Lal Oswal ³	Promoter, Chairman & Managing Director	3 of 4	Not Present	8	-	-
Sh. Sandeep Jain ³	Executive Director	4 of 4	Present	2	-	-
Smt. Ruchika Oswal ³	Promoter, Executive Director	2 of 4	Not Present	4	-	-
Smt. Monica Oswal ³	Promoter, Executive Director	1 of 4	Not Present	6	-	-
Sh. Dinesh Gogna	Non Executive, Non Independent Director	4 of 4	Not Present	8	1	4
Sh. Paurush Roy	Non Executive, Non Independent Director	4 of 4	Not Present	1	-	-
Sh. Ajit Singh Chatha	Non Executive Independent Director	1 of 4	Not Present	6	-	1
Dr. Sailen Kumar Chaudhuri	Non Executive Independent Director	1 of 4	Not Present	None	-	-
Dr. Suresh Kumar Singla	Non Executive Independent Director	3 of 4	Present	4	2	3
Dr. Yash Paul Sachdeva	Non Executive Independent Director	3 of 4	Present	6	-	3
Dr. Vandana Bhandari	Non Executive Independent Director	1 of 4	Not Present	None	-	-
Dr. Manisha Gupta	Non Executive Independent Director	None	Not Present	None	-	-

1. The number of directorships excludes directorships 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. Sh. Jawahar Lal Oswal, Sh. Sandeep Jain, Smt. Ruchika Oswal and Smt. Monica Oswal are related to each other.

DIRECTORS WITH PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTION WITH THE COMPANY:

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

SHAREHOLDING DETAILS OF DIRECTORS AS ON 31.03.2015:

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows:

Name of Director	No. of Shares
Jawahar Lal Oswal	108787
Ruchika Oswal	1050
Monica Oswal	1050

*No other Director holds any share in the Equity Share Capital of the Company.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an Independent Director, the Company issues a formal Letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. The Company has 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.

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 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.

BOARD EVALUATION:

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 Boards 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.

COMMITTEES OF THE BOARD:

The Board of Directors has constituted various Committees of Board to take informed decision in the best interest of the Company. Some of the Committees of the Board were reconstituted, renamed and terms of reference were revised to align with the provisions of Companies Act, 2013 and Listing Agreement. 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 Board has constituted an Audit Committee in compliance with the provisions of Section 177 of the Companies Act 2013 and Clause 49 of the Listing agreement entered with the stock exchanges.

During the year under review, the Audit Committee met four times on June 27, 2014, September 5, 2014, December 18, 2014 and February 3, 2015 to deliberate on various matters and not more than 120 days lapsed between any two consecutive meetings of the Audit Committee. The necessary quorum was present for 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	Independent	3 of 3
2.	Sh. Paurush Roy	Member	Non-Executive	3 of 4
3.	Dr. Yash Paul Sachdeva*	Member	Independent	3 of 3
4.	Sh. Dinesh Gogna	Member	Non-Executive	3 of 4
5.	Dr. Manisha Gupta*	Member	Independent	None
6.	Dr. Sailen Kumar Chaudhuri*	Member	Independent	None

* Dr. Suresh Kumar Singla (Chairman), Dr. Manisha Gupta and Dr. Yash Paul Sachdeva were appointed on 27.06.2014. Dr. Sailen Kumar Chaudhuri was appointed as member of the committee in the board meeting held on September 5, 2014.

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 Senior Management team, Chief Financial Officer, Internal Auditors and the Statutory Auditors also invited for the meetings of the Committee. The terms of reference of the Audit Committee are in line with Clause 49 of the Listing Agreement and Section 177 of the Companies Act 2013. The brief description of the terms of reference of the Committee is described below:

Powers of the Audit Committee:

The Audit Committee shall have powers, which should include the following:

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 of any subsequent modification of transactions of the company with related parties;
Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.
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 Board has constituted a Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Companies Act 2013 and Clause 49 of the Listing agreement entered with the stock exchanges.

During the year under review, the committee met once on September 5, 2014. The necessary quorum was present for the meeting. The Company Secretary acts as the Secretary of the committee.

The Chairman of the Nomination and Remuneration Committee was present 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	1 of 1
2.	Dr. Suresh Kumar Singla	Member	Non-Executive Independent	1 of 1
3.	Sh. Dinesh Gogna	Member	Non-Executive	1 of 1
4.	Sh. Paurush Roy	Member	Non-Executive	1 of 1

Terms of Reference:

The Board has made the Nomination and Remuneration Committee Policy which ensures effective compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board has clearly defined terms of reference for the Nomination and Remuneration Committee, which are as follows:

- 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.

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/her 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.

REMUNERATION TO DIRECTORS:

The Company pays remuneration to the Executive Directors as approved by the Members in the General Meeting and Board of Directors of the Company. Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board Meetings. The details of remuneration paid to Directors for the year ended March 31, 2015 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	1,34,17,796	-	-	1,34,17,796
Smt. Ruchika Oswal	75,17,073	-	-	75,17,073
Smt. Monica Oswal	76,33,666	-	-	76,33,666
Sh. Dinesh Gogna	-	-	40,000	40,000
Sh. Paurush Roy*	-	-	-	NIL
Sh. Ajit Singh Chatha	-	-	10,000	10,000
Dr. Sailen Kumar Chaudhuri	-	-	10,000	10,000
Dr. Suresh Kumar Singla	-	-	30,000	30,000
Dr. Yash Paul Sachdeva	-	-	30,000	30,000
Dr. Vandana Bhandari	-	-	10,000	10,000
Dr. Manisha Gupta	-	-	-	NIL

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

(C) Stakeholders Relationship Committee:

In compliance with the provisions of Listing agreement and Section 178 of Companies Act, 2013, the board of directors of the Company has reconstituted its Shareholders Committee as Stakeholders Relationship Committee.

During the year under review, committee met once on February 03, 2015. The necessary quorum was present for the meeting. The Company Secretary acts as the Secretary of the committee.

This committee of the Board of your Company looks into various issues relating to shareholders / investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization / rematerialisation of shares and issue of duplicate share certificates and tracks investor complaints and suggests measures for improvement from time to time. 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, 2015. 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	1 of 1
2.	Sh. Sandeep Jain	Member	Executive	1 of 1
3.	Sh. Paurush Roy	Member	Non-Executive	1 of 1
4.	Dr. Yash Paul Sachdeva	Member	Non-Executive Independent	1 of 1

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 Share Transfer

During the year 4,939 Complaints (substantially related to refund of application money-Initial Public Offer) were received and all were disposed off to the satisfaction of the Investors / Shareholders. No complaints remained unattended/pending for more than thirty days. The company had no share transfers/transmission pending as on 31st March, 2015.

(D) Corporate Social Responsibility Committee:

During the year, Pursuant to the provisions of the Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted on September 5, 2014, comprising of Sh. Jawahar Lal Oswal (Chairman), Sh. Dinesh Gogna and Dr. Yash Paul Sachdeva as members.

Terms of Reference:

The Board has clearly defined terms of reference for the Corporate Social Responsibility Committee, which is 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.

(E) Risk Management Committee:

Evaluation of Business Risk and managing the risk has always been an ongoing process in your Company. The Company has set up a robust risk management framework to identify, monitor and minimize risk and also to identify business opportunities. The assessment is periodically examined by the Board. The committee comprises of Sh. Jawahar Lal Oswal (Chairman), Sh. Sandeep Jain and Sh. Rishabh Oswal (Members).

(F) IPO Committee:

During the year, to undertake, approve and adopt any subsequent changes, correction, updates, alterations, revisions, modifications or amendments in the Draft Red Herring Prospectus in accordance with the applicable law and regulations prior to filing with the SEBI, a committee with the name as "IPO Committee" was constituted. It comprises of Sh. Sandeep Jain, Sh. Dinesh Gogna, Dr. Yash Paul Sachdeva, Sh. Paurush Roy and Dr. Suresh Kumar Singla.

Terms of Reference

The Board has clearly defined the term of reference for IPO Committee, which are following:

- (a) to decide on the actual size of the IPO, including any offer for sale by promoters/shareholders, and/or reservation on a competitive basis, and/or any Pre-IPO Placement and/or green shoe option and/or any discount to be offered to retail individual bidders or eligible employees participating in the IPO and all the terms and conditions of the IPO, including without limitation timing, opening and closing dates of the issue, price band and to accept any amendments, modifications, variations or alterations thereto;
- (b) to appoint, instruct and enter into arrangements with the book running lead managers, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, registrars, IPO grading agency, monitoring agency, legal advisors, printers, advertising agencies and any other agencies or persons whose appointment is required in relation to the IPO;
- (c) to finalize and arrange for submission of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
- (d) to issue advertisements in such newspapers as it may deem fit and proper conforming to the regulations and guidelines issued by SEBI;
- (e) to decide the total number of equity shares to be reserved for allocation to employees of the Company in the proposed issue and on permitting existing shareholders to sell any equity shares of the Company held by them;
- (f) to open separate current accounts in the name and style of “Escrow Account – MCFL IPO – R”, “Escrow Account – MCFL IPO – NR”, “Escrow Account – MCFL IPO – Anchor Investor” and or any other account in such other name or style, as may be necessary, with scheduled banks to receive applications along with application monies in relation to the IPO;
- (g) to finalize, sign and execute the issue agreement, registrar agreement, syndicate agreement, escrow agreement and the underwriting agreement and any other agreements or documents required in relation to the IPO;
- (h) the opening of a bank account of the Company in the name and style of “Public Issue Account” and/or “Public Issue Refund Account” for the handling of refunds for the IPO;
- (i) to make any applications to the FIPB, RBI and such other authorities, as may be required, for the purpose of the Offer;
- (j) to make applications for listing of the equity shares of the Company on one or more recognized stock exchange(s), to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the concerned stock exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;
- (k) to finalize the basis of allocation and to allot the equity shares to the successful allottees and issue of share certificates in accordance with the relevant rules;
- (l) to seek the admission of the Company’s equity shares into the Central Depository Services (India) Limited and the National Securities Depository Limited and taking any further action as may be necessary or required for the dematerialization of the Company’s equity shares;
- (m) to approve the code of conduct, suitable insider trading policy and corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable laws;
- (n) to seek, if required, the consent of the Company’s lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO in accordance with the applicable regulations;
- (o) to determine the price at which the equity shares are offered, allocated, issued, transferred and/or allotted to investors in the IPO in accordance with applicable regulations in consultation with the book running lead managers and/or any other advisors;
- (p) to authorize and approve the incurring of expenditure and payment of fees in connection with the IPO;
- (q) to submit undertaking/certificates or provide clarifications to the SEBI and the relevant stock exchanges where the equity shares of the Company are to be listed; and
- (r) to authorize and empower Sh. Rukmesh Mohan Sood, Chief Financial officer of the Company (“**Authorized Officer**”), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memorandum of understanding, the listing agreements, the registrar’s agreement and memorandum of understanding, the depositories agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, and any agreement or document in connection with the Pre-IPO Placement (including any placement agreement, escrow

agreement and IPO documentation), with the book running lead managers, lead managers, syndicate members, placement agents, bankers to the IPO, registrar to the IPO, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, rating agencies, monitoring agencies and all such persons or agencies as may be involved in or concerned with the IPO, if any and to do or cause to be done any and all such acts, deeds and things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the IPO; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

- (s) to settle all questions, difficulties or doubts that may arise in relation to the IPO, as it may in its absolute discretion deem fit;
- (t) to do all acts, deeds and things and to execute all such documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the IPO;
- (u) to approve and adopt any corrections or alterations to the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and any other offering document for the public issue on behalf of the Board and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto, as required under applicable law including relevant provisions of the Companies Act, 2013, and any other regulations and to file the relevant offer documents with the Registrar of Companies and SEBI, as may be required.

(G) SHARE TRANSFER COMMITTEE:

During the year, your Board constituted a Share Transfer Committee in its meeting held on February 3, 2015 to expedite and streamline the process of transfer /transmission/ dematerialization / rematerialization etc. of the shares of the company. The Committee comprises of Sh. Jawahar Lal Oswal, Sh. Sandeep Jain and Sh. Dinesh Gogna.

Terms of Reference

1. To approve/register transfer or transmission of shares;
2. Dematerialization / Rematerialization of shares;
3. Issue of duplicate/split/consolidated share certificates;
4. Review of cases for refusal of transfer/transmission of shares;
5. To affix or authorize affixation of Common Seal of the Company to the share certificates of the Company;
6. 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;
7. 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.

Meeting & Attendance

Sr. No.	Name	Position	No. of Meeting Attended
1.	Sh. Jawahar Lal Oswal	Chairman	2 of 2
2.	Sh. Sandeep Jain	Member	2 of 2
3.	Sh. Dinesh Gogna	Member	2 of 2

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
2013-2014	Tuesday, 30 th September, 2014	04.30 P.M.	Registered Office of the company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	3
2012-2013	Thursday, 21 st November, 2013	11.30 A.M.	Registered Office of the company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	1
2011-2012	Thursday, 27 th September, 2012	11.30 A.M.	Registered Office of the company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	1

2. During the year under review, an Extra-Ordinary General Meeting on 27.06.2014 was also held, details of which are given below :

Day and Date	Time	Venue	No. of Special Resolutions
Friday, 27 th June, 2014	11.00 A.M.	Registered Office of the company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	3

3. During the year under review, no resolution was passed through postal ballot.

DISCLOSURES

➤ **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements as stipulated in Annexure XII of Clause 49 of the Listing Agreement. The non-mandatory requirements as stipulated in Annexure XIII of Clause 49 of the Listing Agreement is being reviewed by the Board and adopted to the extent and in manner as stated under the appropriate headings in the Report on Corporate Governance.

➤ **Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. 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 Clause 49 of the Listing Agreement, are disclosed in detail in Note No. 34 in "Notes forming part of the Accounts" annexed to the financial statements for the year. All the related party transactions were 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.

➤ **Accounting Treatment in preparation of Financial Statements:**

In the preparation of the financial statements the Company has followed the Accounting Standards referred to in section 133 of the Companies Act 2013. The significant accounting policies which are consistently applied are set out to the notes in the financial statements.

➤ **Whistle Blower Policy:**

Pursuant to section 177(9) & (10) of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, 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. The said policy is disclosed on the website of the Company viz: www.montecarlocorporate.com.

➤ **Subsidiary Company:**

As on March 31, 2015, your Company does not have any subsidiary.

MEANS OF COMMUNICATION:

- The Quarterly Results of the Company are published generally through Economic Times, Business Standard (English), Desh Sewak/ Punjabi Jagran (Punjabi) and are displayed on the Company's website.
- 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.
- The Company's website www.montecarlocorporate.com contains an exclusive section on 'Investor Relations' which enables them to access information such as quarterly / half yearly / annual financial statements, shareholding patterns and releases in downloadable format as a measure of added convenience.
- 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.
- The Company has a designated an exclusive email i.d for investor services i.e investor@montecarlocorporate.com.

GENERAL SHAREHOLDER INFORMATION

- Date of Annual General Meeting : September 29, 2015
- Day : Tuesday
- Financial Year : April 2014 to March 2015
- Time : 11.00 A.M.
- Venue : Regd. Office: B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003
- Date of Book Closure : September 23, 2015 to September 29, 2015 (both days inclusive)
- Dividend Payment Date : within 30 days after 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.
- Stock Code / Symbol : BSE - 538836
NSE - MONTECARLO
- ISIN : INE950M01013

Listing Fee / Annual Custodian Fee:

The Annual Listing Fee has been paid to BSE and NSE for the financial year 2015-2016. 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 2014-15.

Market Price Data:

The monthly high & low quotations of the Company's shares traded on BSE Limited during the financial year 2014-2015 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No's)	High (₹)	Low (₹)	Volume (No's)
December 2014	632.45	501.75	42,00,220	632.00	501.00	1,14,07,634
January 2015	553.70	460.65	17,03,811	553.70	461.10	35,53,482
February 2015	598.00	478.00	17,04,682	598.20	478.65	45,60,140
March 2015	562.50	460.00	4,69,219	562.80	451.30	12,88,916

Performance in comparison to broad based indices during the Financial Year 2014-2015:

Month	Share Price BSE		BSE Sensex		Volume	Share Price NSE		NSE NIFTY		Volume
	High (₹)	Low (₹)	High	Low	No. of Shares	High (₹)	Low (₹)	High	Low	No. of Shares
Dec 2014	632.45	501.75	28809.64	26469.42	42,00,220	632.00	501.00	8626.95	7961.35	1,14,07,634
Jan 2015	553.70	460.65	29844.16	26776.12	17,03,811	553.70	461.10	8996.60	8065.45	35,53,482
Feb 2015	598.00	478.00	29560.32	28044.49	17,04,682	598.20	478.65	8941.10	8470.50	45,60,140
Mar 2015	562.50	460.00	30024.74	27868.21	4,69,219	562.80	451.30	9119.20	8269.15	12,88,916

*The Equity Shares of the Company got listed on December 19, 2014, hence the market price data and performance in comparison to broad-based indices such as BSE, NSE for the months before December of financial year, 2014-15 are not available/applicable.

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, in terms of the Companies Act, 2013, to approve all the transfers, transmission, remat of shares etc. All share transfer / transmission / transposition / dematerialization requests are handled by our Registrar and Transfer Agents, Link Intime India Private Limited and are processed and completed within the minimum stipulated time provided they are in order in every respect.

The Company obtains from Company Secretary in practice half yearly Certificate of Compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files copy of the said certificate with the Stock Exchanges.

Distribution of Shareholding as on March 31, 2015:

Sr. No.	Distribution of No. of Shares	No. of Shareholders	% age to Total No. of Shareholders	No. of Shares held	Percentage
1.	1-500	59050	99.43	1667200	7.67
2.	501-1000	135	0.23	100314	0.46
3.	1001-2000	75	0.13	108286	0.50
4.	2001-3000	30	0.05	75644	0.35
5.	3001-4000	15	0.03	53403	0.25
6.	4001-5000	9	0.01	43028	0.20
7.	5001-10000	24	0.04	170690	0.78
8.	10001 & Above	50	0.08	19513499	89.79
	Total	59388	100.00	21732064	100.00

Dematerialization of shares and liquidity:

As on March 31, 2015, 2,16,41,022 equity shares representing 99.58% of the total equity share capital of the Company, 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.

Reconciliation of Share Capital Audit:

As stipulated by SEBI, a Company Secretary in whole time practice carries out Secretarial 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.

Plant Locations:

- The manufacturing plants of the company located at:
1. B-XXIX-106 G. T. ROAD, SHERPUR, LUDHIANA-141003
 2. 231-232, INDUSTRIAL AREA-A, LUDHIANA-141003
 3. 427, INDUSTRIAL AREA-A, LUDHIANA-141003
 4. MILLER GANJ, LUDHIANA-141003

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

Address for Correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

Correspondence with the Company	Link Intime India Private Limited
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 investor related complaints and the same has been displayed on the Company's website: www.montecarlocorporate.com.

Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

Compliance with the Code of Conduct for Directors and Senior Management Personnel

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Directors and Senior Management Personnel' for the year ended March 31, 2015.

For Monte Carlo Fashions Limited

Place: Ludhiana
Date: 19.05.2015

Jawahar Lal Oswal
Chairman & Managing Director

CEO / CFO CERTIFICATION

As required under sub-clause IX of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the Financial Year ended March 31, 2015 the Company has complied with the requirements of the said sub-clause.

For Monte Carlo Fashions Limited

For Monte Carlo Fashions Limited

Place : Ludhiana
Date : 19.05.2015

Jawahar Lal Oswal
Chairman & Managing Director

Rukmesh Mohan Sood
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
Monte Carlo Fashions Limited
(CIN: L51494PB2008PLC032059)

We have examined the compliance of conditions of Corporate Governance by Monte Carlo Fashions Limited ("the Company"), for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place : Ludhiana
Dated : 04.08.2015

For P. S. Dua & Associates
(Company Secretaries)
(M No. 4552)
(C. P No.3934)

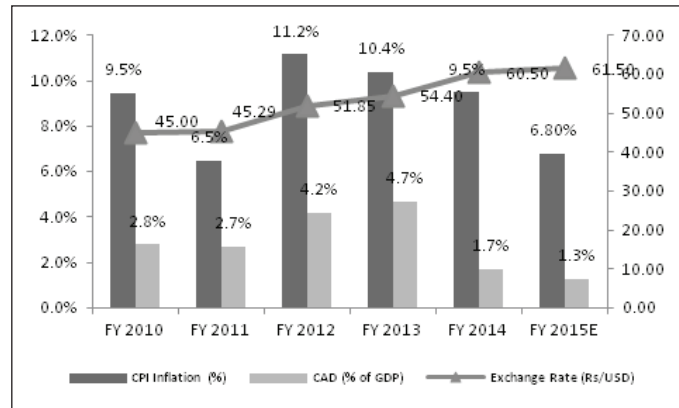
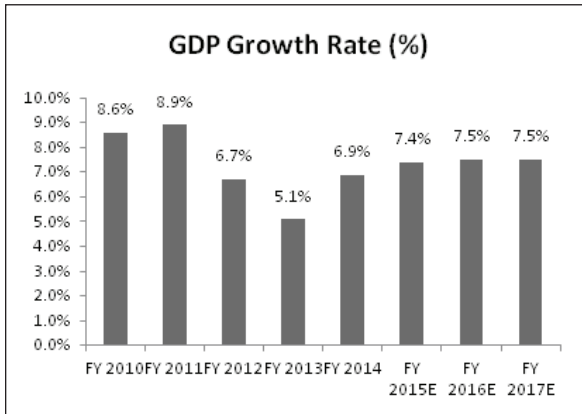
MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY & INDUSTRY SECTION

INDIA ECONOMIC OVERVIEW:

The Indian economy has been resilient in its resolve to get back on a solid growth trajectory in spite of a global turmoil. The economy witnessed a challenging phase during FY2012-13 and FY2013-14, marked by a slowdown, policy paralysis, rising inflation rate and a widening current account deficit (CAD). This was further escalated by an unsupportive external environment. However, India has weathered the challenges rather boldly and is now back on a revival path with strong policies from the new Government and with a whiff of new optimism.

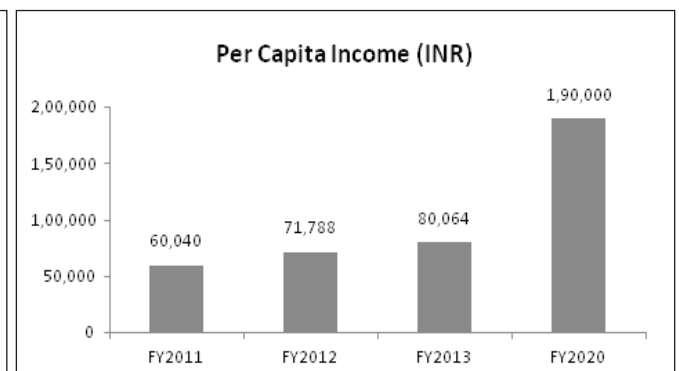
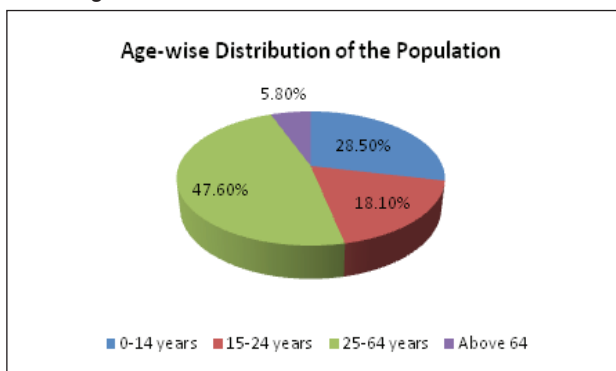
As per the forecast by the International Monetary Fund (IMF), the Indian economy is slowly reviving. The Gross Domestic Product (GDP) of India is expected to test 7.2% in 2015 and zoom up to 7.7% in 2016, surpassing China during that year. This up move is broadly to tread forward with a rise in consumer confidence on the back of positive policy actions, improved business climate driving stronger investments and stronger public and private consumption.



Growth numbers are now much higher and the current account deficit is comfortable. This is in part due to the fall in gold imports and lower oil prices. New investment project announcements have started to pick up, particularly in the power and transport sectors. Going forward, the bolstering financial sector health and further financial inclusion will support growth. The Indian economy is ranked fourth in the world on a purchasing power parity basis after the U.S., the European Union and China. The INR depreciation will further strengthen the export segment and has made the textile industry more cost competitive. The currency is likely to bounce back on the back of a fall in the greenback due to the prevalent global economic turmoil.

Further, the fall in inflation to about 5% after hovering around 10% for several years, due to RBI's steps to tighten the monetary policy by raising interest rates during 2013-14, as well as the government's efforts to introduce a flexible inflation-targeting framework is a clear positive. It will help deliver low and stable inflation and diminish the prospect of high inflation. The reducing trade deficit with the help of a fall in crude oil prices and higher infrastructure spending and bettered fiscal reforms can have a major positive impact on economic growth.

In addition, the Indian economy is all set to move towards a bigger economic picture, with the largest and among the youngest workforces in the world, thereby creating jobs with stronger structural reforms, thus improving the job market scenario. The per capita income has risen during the years and is likely to reach close to Rs. 1.9 lakh by FY2020 ([source: DNB](#)). The "Make In India" campaign, an initiative of the Government, is about to bring a change in the business climate by attracting investments.



Source: DNB & CIA – The world fact book

Moving the economy forward in these directions will help India continue along the path towards a brighter economic picture of rapid economic growth and macro-economic stability for many years to come.

Undoubtedly, the Indian economy continues to be a bright spot in the global landscape, having become the fastest-growing big market economy in the world. A positive economic outlook clearly indicates that the Indian growth story is seen gaining strength in the years to come. (IMF Projections) (ADB Projections) (IMF Report)

INDUSTRY OVERVIEW:

TEXTILE AND APPAREL INDUSTRY

India is the second-largest producer of textiles and garments in the world with an enormous raw material and manufacturing base. The present domestic textile industry is estimated to be \$33.23 billion and unstitched garments comprise \$8.31 billion. The sector contributes about 14% to industrial production, 4% to GDP, and 27% to the country’s foreign exchange inflows.

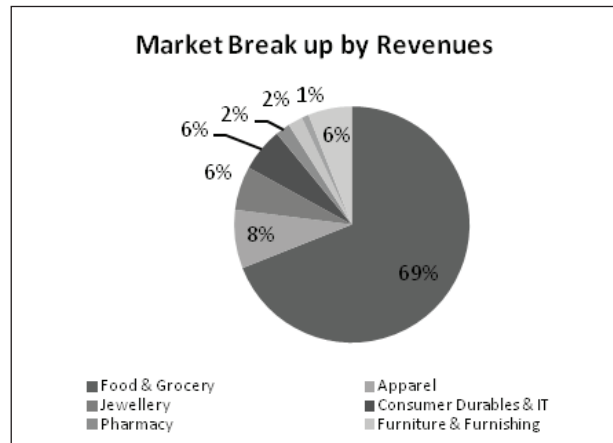
According to the *Technopak Report, 2014*, for almost two decades the textile and apparel industry has been a major contributor to India’s GDP and provides employment to over 45 million people (*Source: CII*). The industry has also been crucial as far as industrial production and earning of foreign exchange through exports is concerned. Availability of abundant raw material such as cotton, silk, wool and jute and India’s competitiveness in skilled labour has provided unique advantages to its textile and apparel industry. The textile and apparel domestic market has been bigger than the export market. It touched \$ 59 billion in FY2013, while the export market stood at \$36 billion. The apparel retail sector in India is highly fragmented and only 19% of total sales in India is estimated to be from the organised sector. These numbers are in contrast with that in United States and Europe, where over 80% of total apparel sales are contributed by organised fashion retailers.

The size of Indian textile and apparel industry, including the domestic and export market, stood at \$70 billion in 2009. This has grown at a CAGR of 8% till 2013. The export market is projected to more than double from \$36 billion in 2013 to \$85 billion by 2023. The domestic market, too, is seen growing owing to an increase in spending by the middle class. Domestic textile (including home textiles and technical textiles) and apparel market is seen growing at a CAGR of 9% from \$59 billion in 2013 to \$141 billion by 2023. (*Source: Technopak Report, 2014*)

THE INDIAN RETAIL AND APPAREL RETAIL MARKET: AN OVERVIEW

India’s retail market is seen doubling to \$1 trillion by 2020 from \$600 billion in 2015, a growth of 12%, in line with the historical trends. A rapid growth in the retailing industry is driven by four key factors:

- **Income growth:** ~3 times increase in average household income from \$6,393 in 2010 to \$18,448 in 2020
- **Urbanisation:** 40% population to live in urban cities by 2020, up from 31% in 2010
- **Nuclearisation:** Over 200 million households to be nuclear by 2020-with 25-50% higher consumption per capita spend
- **Attitudinal shifts:** Around 75% of population by 2020 will belong to Generation 1 with distinctly higher consumption levels



Source – IBEF, Technopak

The apparel retail market comprises ~8% of India’s total retail market. The organised Branded Apparel market comprises ~19% of the total apparel market, which stands at \$41 billion.

BRANDED APPAREL RETAIL INDUSTRY IN INDIA:

The Indian apparel market has been highly unorganised. A healthy economic growth, changing demographic profile, increasing disposable income, and changing consumer tastes and preferences are driving growth in the organised retail market in India.

The emergence of exclusive brand outlets, multi-brand outlets, departmental stores and cash & carry retail formats are making it convenient for Indian consumers to explore the latest fashion trends and look fashionable. Internet has made online retailing and m-tailing as the best shopping medium.

Retailers are increasingly opting for “omni-channel retailing” to attract and gain customers and be ahead of competition.

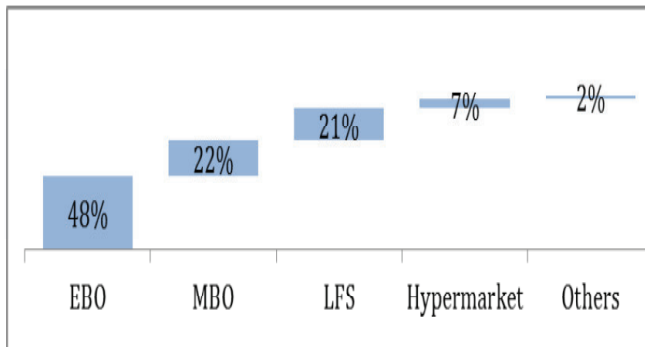
By 2020, the organized “Apparel Retail” segment is estimated to contribute approximately 40% of the total apparel market .

Even as the apparel market is spread across India, there is a substantial difference in the characteristics of different markets across different regions. The demand pattern and price sensitivity of metros (Mumbai and Delhi/NCR) varies substantially from that of a smaller city or town. (Source: Technopak Report, 2014)

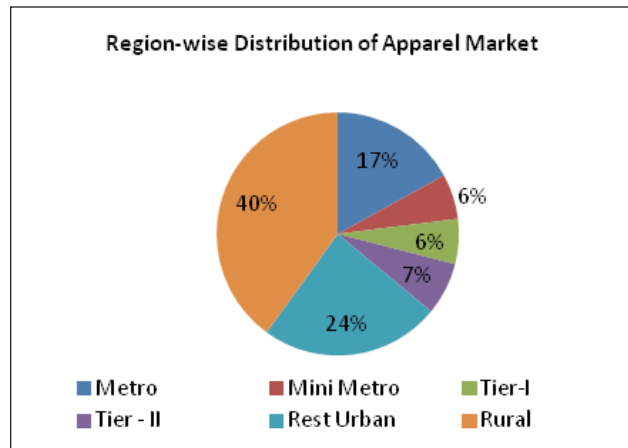
Retail spending in the top seven Indian cities currently amounts to Rs 3.58 trillion (\$57.56 billion), with organised retail penetration standing at 19% in 2014.

In recent times, the established players and brands have realised the growing need to shift their focus from metros to Tier-I and Tier-II cities to tap the sprouting growth opportunities emerging in these cities. The smaller cities are witnessing a surge in consumption of apparel in value and volume terms. (Source: Technopak Report, 2014)

Share of organized retail by formats



Region-wise Distribution of Apparel Market

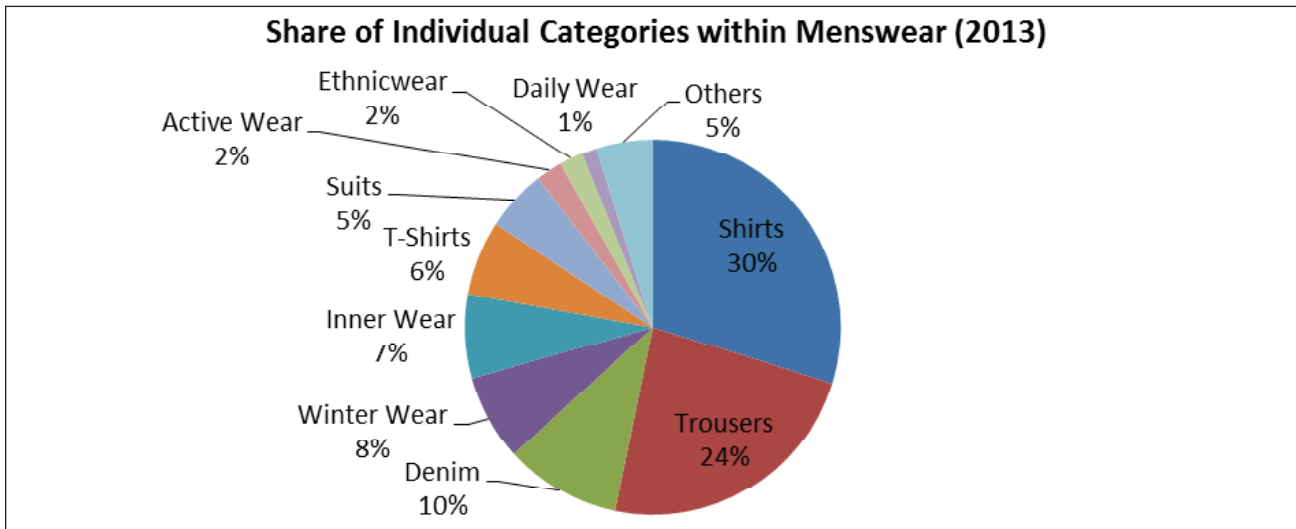


Traditionally, the Indian apparel retail market has been dominated by domestic players. However, changes in previous years have paved way for a lucrative path for international brands and retailers to establish their footprint in India. Young adults across metros, Tier-I and Tier-II cities are more aspirational and experimentalist. As a result, deeply penetrated brands in the masstige segment are leading growth in the lifestyle & apparel market through the value of their offerings, in terms of price as well as additional attributes.

The Technopak Report, 2014, classifies India’s apparel market into three groups: men’s wear, women’s wear and kid’s apparel. Men’s wear segment contributes the most to the apparel market at 42%, followed by women’s wear at 38% and kids at 20%. The CAGR of men’s wear is seen at around 9%, while women’s wear is seen growing at a rate of 10% for the next 10 years. The kids apparel market is expected to demonstrate the highest growth with a CAGR of 10.50%. (Source: Technopak Report, 2014)

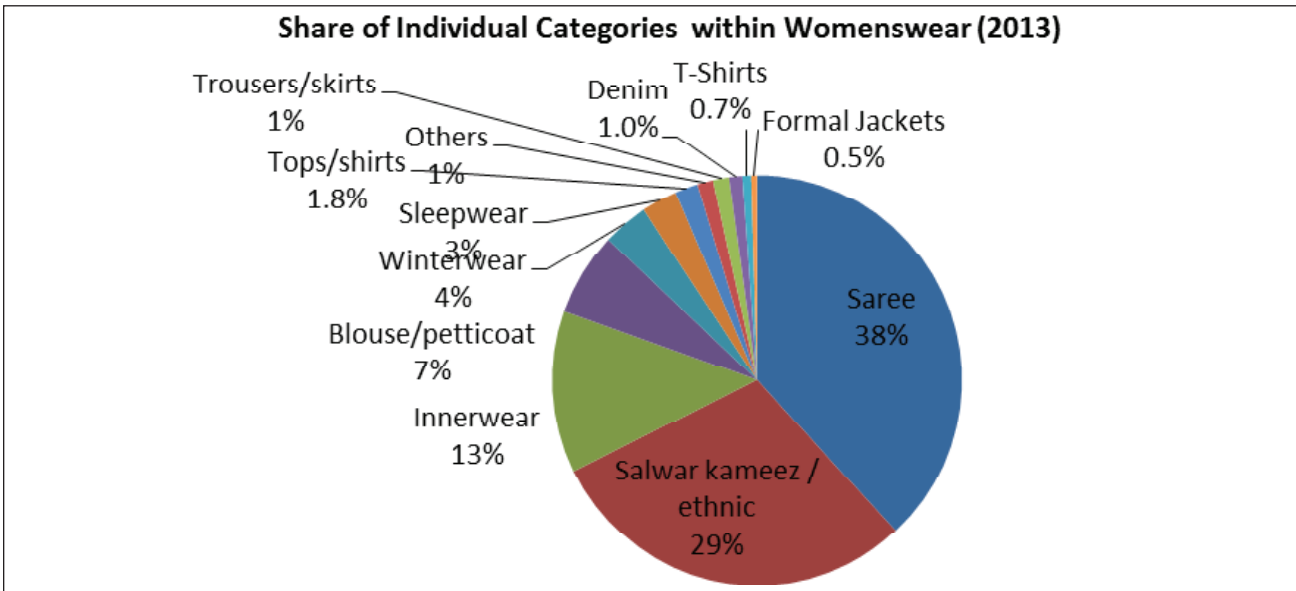
Men’s Apparel Industry:

Men’s wear is a pre-dominant segment in India. It is expected to grow by 9% CAGR to reach \$39,575 million in 2023, compared to \$17,271 million in 2013. The market is dominated by popular product categories such as shirts and trousers. However, western wear categories such as denim, active wear and t-shirts are the fastest growing categories in the segment. (Source: Technopak Report, 2014) The men’s wear wardrobe has expanded substantially. There is sharper segmenting in this segment to include sports/gym wear, occasion specific ethnic wear, casual wear, office wear, night wear and party wear. The men’s denim market is expected to grow at 14% per year.



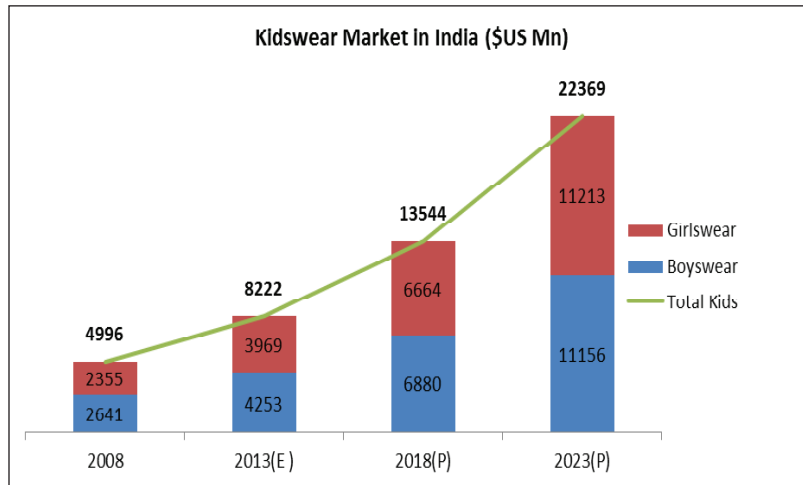
Women’s Apparel Industry:

The women’s wear market of India contributes 38% to the Indian apparel market, largely dominated by the unorganised players. However, with an increasing preference for branded apparel, regional brands and international brands have expanded their geographical presence. The women’s wear market is expected to grow from \$15,493 million in 2013 by 10% CAGR to touch \$38,915 million in 2023. The growth in the market captures two essential preference shifts. Firstly, a shift from non-branded apparel to branded apparel, and secondly, increasing the share of western wear to ethnic wear categories. (Source: Technopak Report, 2014)



Kids Apparel Industry:

The kids apparel segment is the fastest growing, contributing 20% to the total apparel market in India. This is expected to grow at 10.5% CAGR to touch \$22,369 million by 2023. The branded and designer kids apparel segment is emerging as a promising opportunity in the luxury and premium category. The factors driving the kids apparel market are increasing expenditure on kids and improved awareness of kids brands. Additionally, due to increased media exposure, kids have also become more fashion conscious today and influence their parents to allow them to experiment with clothing. (Source: Technopak Report, 2014) Branded kids’ wear retail in itself is a high growth opportunity area, as the market is dominated by local and unorganised players. The absence of a significant player in the mid-tier segment presents a huge prospect. There is still a substantial gap in the need for design and quality in kids apparel, providing ample opportunities for organised players.



Woollen Apparel:

The current size of India’s winter wear market is approximately \$2,341 million and is growing at CAGR of 9%. Between men, women and kids segment, the men’s segment contributes as high as 51% of the entire segment.

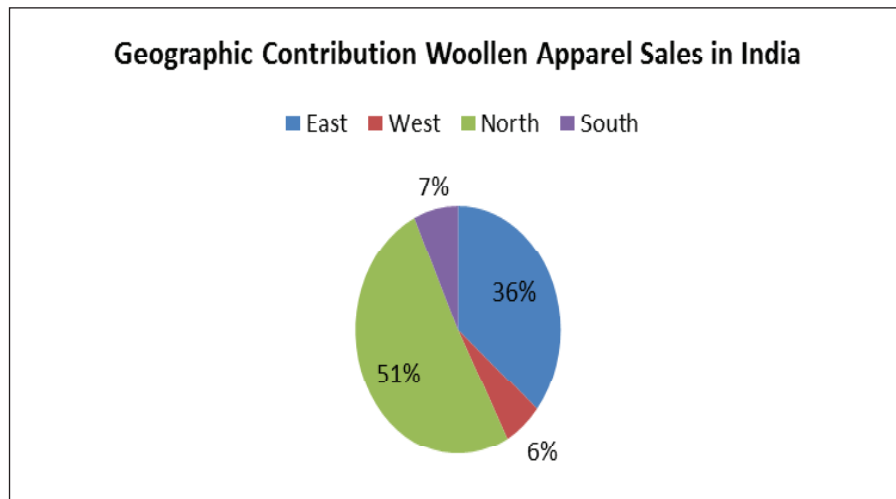
Most segments in winter wear, such as shawls, men’s suits, jackets, blazers and sweaters are registering a double-digit growth. Hence, winter wear is seen as a lucrative business proposition, despite facing various issues such as infrastructure and labour costs to name a few. Aspects such as investment in new technologies and keeping updated with international trends have further helped in boosting the industry. (Source: Technopak Report, 2014)

In India, the winter wear market is clearly segmented between branded and unbranded players. The ratio is 70:30, with 70% players belonging to the unbranded sector. The established domestic brands are trying to capture increased market share by innovating and introducing new lines every season. Innovative pricing and discount sales are helping them increase footfalls to their exclusive brand outlets (EBOs). Most lifestyle apparel brands have an exclusive range of winter wear for specific months. However, there aren’t many exclusive players in this segment.

(Source: Technopak Report, 2014)

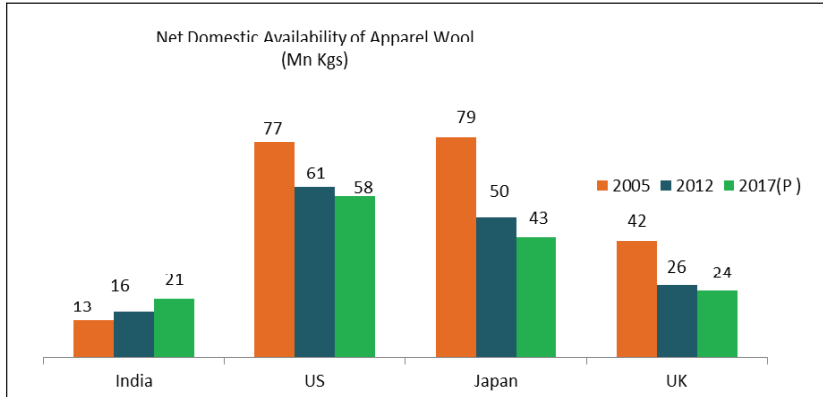
In India, due to varied geographical distribution, the country experiences different climatic conditions during the same part of the year. Winters are predominant in the northern parts of India – from November to February. Hence, the northern and the eastern markets mark the maximum amount of sales in the woollen category.

Gradually, the segment is finding space in, mini metros and Tier I cities in other regions as well. Thus, it is of utmost importance in a heterogeneous market such as India to have a region-specific range. Though the segment has shown promising growth and elicited enthusiasm from brands and retailers, there is still an arduous task ahead for merchandisers and product developers. (Source: Technopak Report, 2014)



Woollen apparel industry forecast:

Woollen apparel market has traditionally been unbranded and fragmented. However, due to increasing brand and fashion consciousness of consumers, the branded woollen apparel market is seen witnessing much higher growth vis-à-vis the unbranded segment. (Source: Technopak Report, 2014) The higher growth trajectory is expected with a rise in the income levels, growing spending capacity, increasing urbanisation, rising middle class, diverse sales network, favourable demographics with increasing young aspirational population, increasing exposure to fashion trends and increasing awareness for brands and improved self-consciousness among the growing population. This primarily contributes to the branded woollen apparel market in India. As per the latest data available, the per capita apparel consumption of apparel grade wool in India is estimated to grow at a CAGR of 5.6% between 2012 and 2017. Due to an increase in the per capita consumption of apparel grade wool, the CAGR for volume and value growth of the woollen apparel market in India during 2012 and 2017 is expected to be 7% and 12%, respectively.



**COMPANY OVERVIEW SECTION
COMPANY OVERVIEW**

Monte Carlo Fashions Limited was launched in 1984 as an exclusive woollen brand by the Group Company Oswal Woollen Mills Limited (“OWML”). During that time, the industry was largely dominated by unorganised players. However, by developing and delivering superior design and quality apparel, the Company has been able to delight its customers and win their loyalty over the years. This has enabled the Company to emerge as one of the leading Indian apparel brands today. In fact, it is consistently recognised as a ‘Superbrand’ for woollen knitted apparels in each edition of Consumer Superbrands India, since its first edition in September 2004.

Initially launched as an exclusive woollen brand, the Company has successfully diversified over the years. It has created a comprehensive range of woollen, cotton & cotton blended, knitted and woven apparels and home furnishings through its Platine, Denim, Alpha and Tweens range, under the umbrella Brand “Monte Carlo”. Our vast range of products showcase our clear capabilities in anticipating, identifying and responding to the changing fashion trends in the apparel market.

In 2011, the branded apparel business of the parent company, Oswal Woollen Mills Ltd., was demerged into Monte Carlo Fashions Limited (MCFL), which retains the ownership of the brand ‘Monte Carlo’.

OVERVIEW OF DESIGN & MANUFACTURING CAPABILITIES

The Company has an in-house dedicated design team of over 30+ professionals (as on 31st March, 2015). Our designers are well qualified from prestigious design institutes such as NIFT and possess strong industry experience. The Design Team travels across the globe to understand emerging trends in global fashion, which facilitates creation of exciting new designs for our collection. We maintain a continuous approach on developing new products, improving the existing ones and effectively forecasting fashion trends.

The Company maintains a robust mechanism for gauging customer demand and gaining effective feedback of our products. This is facilitated by an extensive network of Exclusive Commissioned Agents by way of direct access to dealers, distributors and retailers in India and by conducting regular market surveys. This approach helps the Company to remain continually updated about the market pulse.

We currently operate three manufacturing facilities in Ludhiana, at Punjab. One of these facilities is for woollen apparel products, while the remaining two are for the manufacturing of cotton apparel products. To boost creativity and innovation and facilitate smooth development of new products, our manufacturing plants include facilities for product development, a design studio and sampling infrastructure.

Almost all the woollen-knitted products are manufactured in-house. In April 2014, we commenced in-house manufacturing of some of our cotton T-shirts, thermals and socks. For production of the remaining cotton and cotton-blended products, we follow an asset-light model by outsourcing production to a network of entities with whom we enjoy a long-term relationship.

OVERVIEW OF PRODUCT CATEGORIES

Our company has a comprehensive product range comprising of knitted & woven woollen apparel, cotton & cotton-blended apparel, kids wear & home furnishing. Monte Carlo is the flagship brand with a portfolio of woollen apparel and cotton and cotton-blended apparel. Our customers associate the ‘Monte Carlo’ brand with high-quality premium and mid-premium apparel – one that incorporates quality materials, modern fashion and comfort.

Our Range of Products under the “Monte Carlo” brand:

- ‘Platine’ - Our premium range for men
- ‘Denim’ - Our exclusive range for denim apparel
- ‘Alpha’ - Our exclusive range for women
- ‘Tweens’ - Our exclusive range for kids
- ‘Cloak & Decker’ - Our economy range

Range	Woolens & Woolenblended	Cottons & Cotton-blended	Home Furnishing	Kids
Monte Carlo -Premium and mid-premium segments for men	Sweaters, jackets, thermals, woolen accessories (caps, Mufflers, Shawls, stoles)	Shirts, trousers, t-shirts, track-suits	Mink blankets, bed sheets and quilts	
Platine - Premium range for Men	Cashmere and cash-wool sweaters, blazers, coats	Cotton shirts, trousers and t-shirts		
Denim - mid-premium Range		Denim trousers (jeans) and shirts		
Alpha - Exclusive range for Women	Sweaters, cardigans	Shirts, t-shirts, tops and trousers		
Tweens - Exclusive Kids wear Collection				Sweaters, Cardigans, Shirts, t-shirts and Bottoms
Cloak & Decker - Economy range for men		Cotton and cotton-blended t-shirts		

Winter wear contributes a significant portion to our total revenues, which adds to the seasonal nature of our business. The seasonality is primarily because the sale of winter products (sweaters, woollen knitted jackets, cardigans) and sale of certain cotton and cotton-blended products (cotton jackets, track suits, sweat shirts, full sleeve t-shirts, thermals and shirts) mainly occurs between October and January. As a result, the third quarter usually contributes a majority share (>50%) of our full-year revenues.

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.

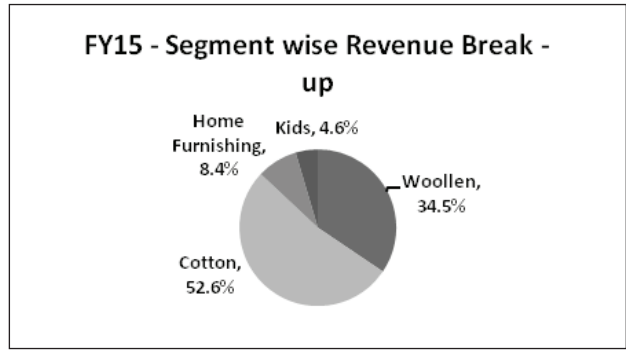
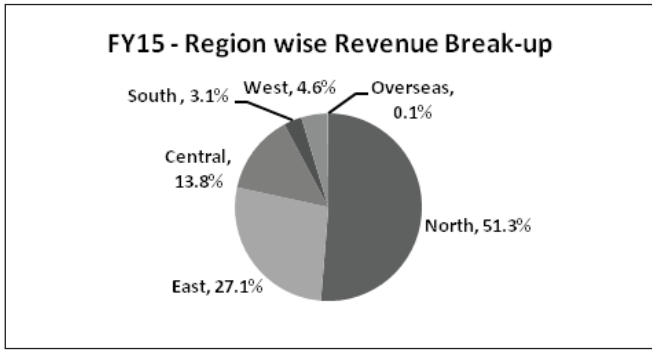
While we already have a pan-India presence, we seek to penetrate further in the western and southern regions of India with a comprehensive range of cotton and cotton-blended products catering to all seasons. Given the tropical climate in these regions, we seek to further expand our product range in cotton and cotton-blended apparel segments. 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.

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.

REGION & CATEGORY WISE REVENUE OVERVIEW

Monte Carlo Fashions Limited was initially launched as an exclusive woollen brand. The Company has well diversified presence across different categories such as Cotton, Home Furnishing and Kids. Currently, winter wear contributes around ~34% of the Company’s total revenues. Historically, the Company’s presence has been strong in Northern and Eastern regions of the country. However, we remain focused to improve our presence in Southern and Western regions too by increasing the share of “all season” cotton product categories.



STRONG RETAIL & DISTRIBUTION NETWORK

The Company’s portfolio of products is sold through ‘Monte Carlo Exclusive Brand Outlets’ (EBOs), Multi-Brand Outlets (MBOs) and a network of National Chain Stores (NCS) that merchandise products in an environment that reinforces its brand in premium and mid-premium categories. The environment also provides a superior and distinct in-store experience. Most of its EBOs are located in high street locations, lifestyle centers and malls, positioning it as a premium and mid-premium brand in the apparel industry. The superior in-store experience facilitates in maintaining its brand loyalty and strengthening brand equity.

Online Presence

The Company has also entered into distribution agreements with online sales platforms to leverage digital commerce. 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. The Company has 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.

Total Network Details	
	As on March - 15
No of own EBO	20
No of Franchise EBO	194
No of MBO	1500+
No of NCS Presence	89
Institutional Buyers	60

EBOs: We have rapidly expanded the number of EBOs from 152 in FY2012 to 214 in FY2015. Our presence is mainly concentrated in northern, central and eastern India.

EBOs – COCO: 20 stores leased; Managed by company personnel; Inventory owned by MCFL

EBOs – FOFO: 194 EBOs on Franchise basis; Products supplied on Pre-order Outright Basis

The locations for EBOs which are “franchise owned-franchise operated” are decided by the Company. The fit-outs layout and fixtures and the look and feel of the store is defined by the Company to ensure the ambience and in-store experience is never compromised. The store level expenses - rent, staff salary and other overheads - are borne by the franchisee. Since this format is an asset-light model of expansion, it is highly scalable and enables expansion at a robust pace.

MBOs - Products are supplied through 21 exclusive commission agents to 1,500+ MBOs on an outright basis.

NCS – Products are also supplied to 89 National Chain Stores (NCS) on Sale or Return / Outright Sale basis. It is supplied to 6 large retail chains with a nationwide presence, such as Reliance Retail, Shopper’s Stop, Madura Garments, Pantaloons, Metro and Carrefour.

THE WAY FORWARD

The Company’s future growth strategy is a combination of three prime elements – branding & promotion to enhance brand visibility; increasing focus on cotton & cotton-blended apparel; and expansion of retail distribution network.

- Focus on branding & promotion to further increase visibility of “Monte Carlo” brand, enabling it to grab a larger market share. We will continue to increase brand awareness and customer loyalty through our marketing efforts and planned retail expansion.
- The ‘Monte Carlo’ brand has historically been associated with winter-wear for its woollen knitted apparel. This has led to a strong presence in the northern and eastern regions of India. However, over the years, the Company has successfully diversified its operations, with the cotton segment contributing more than half of its overall revenues. Focus is on increasing emphasis on cotton & cotton-blended apparels and plan on aggressively ramping-up distribution and sales of a range of cotton and cotton-blended products catering to all-seasons to strengthen its pan-India operations.

- *Target is to open 275 Exclusive Brand Outlets (EBOs) over the next 2-3 years mainly through the franchisee route and establish a truly pan-India presence by increasing penetration in southern and western regions of India. The Company is also focusing on tapping the rapidly growing online sales platform through its own portal as well as through tie-ups with leading e-commerce portals in India.*

SWOT Analysis

STRENGTHS

- ***Strong Expertise and Experience in Textiles and Brand Building***

The management team, led by Mr. Jawahar Lal Oswal having more than 50 years of experience in the textiles and woollen industry, has been instrumental and integral in driving growth and expanding at a robust pace, diversifying into different product categories, continuously evolving and managing change effectively and enabling Monte Carlo Fashions to become the success story that it is today.

- ***Dominant Player in Woollen and Knitted Apparel***

Monte Carlo was launched as an exclusive woollen brand by Oswal Woollen Mills Limited in 1984, when the apparel market was fragmented and dominated by unbranded products. However, by delivering superior design and quality woollen products over the last three decades, it has carved a niche for itself and risen to become one of the most recognised and reputed apparel brands in northern and eastern India. In fact, 'Monte Carlo' has been given the tag of 'Superbrand' for woollen knitted apparel in each edition of Consumer Superbrands India, since its first edition in September 2004. Today, the Monte Carlo brand is well placed and positioned to capitalise on rising growth opportunities presented by the Indian woollen market.

- ***Strong Retail Presence in Northern, Central and Eastern Regions***

Initially launched as an exclusive woollen apparel brand, its primary markets have been the northern, central and eastern regions of India. Over the years, it has built an extensive retail presence and reach in these regions. Now, with diversification of its product range, the company has leveraged its strong Brand equity and presence built over the years and successfully launched other categories such as Cotton, Children Wear and Home Furnishings.

- ***No Major Inventory risk due to Robust Business Model with Majority of Sales through Outright Sale Model***

Our business model is fairly robust and distinct. Over 90% of our sales are through the outright sale basis. We manufacture on the basis of pre-booking of orders for apparels. Therefore, the Company does not have any major inventory risk. With the MBOs, there is no stock correction as well as no discount sharing, whereas, with EBOs, there is 5% stock correction and discount sharing ranging from 5% to 17.5%.

- ***No Major Credit risk due to Robust Business Model***

All our sales to MBOs are through Exclusive Commission Agents working with the Company over the last 3 decades. These agents earn 6% commission for the sale through their network and are responsible for payments from respective MBOs. The supplies to EBOs are backed by either a Bank Guarantee or a Post-dated Cheque.

- ***In-house Manufacturing and Excellent Design Capabilities***

Today, the customers have become extremely discerning and fashion conscious, laying a great deal of emphasis on the design and quality of the product. The Company's extremely qualified and professional 30+ member design, development and merchandising team helps in successfully innovating and developing new products, improving existing ones and forecasting future fashion trends. The Company boasts of a dedicated design team comprising of alumni from top national design institutes such as NIFT having considerable experience in the industry, who continuously travel and follow the emerging global trends for creation of new designs. Also with the help of its commissioned agents, the Company can feel the market pulse enabling better understanding of consumer demand and receiving valuable feedback and information on acceptance of products. In-house manufacturing of woollen apparel products helps in generating higher margins and follows an asset-light model by outsourcing the major portion of cotton garments production to a network of job work entities with whom we enjoy a long-term relationship, helping drive better return ratios.

WEAKNESSES

- ***Seasonal nature of business***

Woollen knitted garments sales contribute around one-third of total sales. This leads to highly seasonal nature of the business, with over 50% of the yearly turnover coming in the third quarter. However, the Company has been laying an increasing emphasis on cotton and cotton-blended apparel and diversifying the product range to include home furnishings and kids' apparel. With this, the seasonal nature of business is expected to diminish over the coming years.

- ***Woollen apparel not a Pan-India phenomenon***

India being a tropical country, the country as whole does not experience intense winters, particularly the Southern & Western region. Due to this, the market for woollen products is primarily limited only to Northern and Eastern India. With the Company focusing on expanding and promoting cotton and cotton-blended apparel, it can establish a pan-India presence.

- ***Fragmented Market***

The Indian apparels market is highly fragmented, with organised players commanding only ~ 19% market share, in stark contrast to the United States and European markets where organised players have more than 80% market share. (Source Technopak Report 2014) This peculiarity makes the Indian apparel market becoming price sensitive and sometimes adversely affecting margins. However, with growing brand awareness and fashion consciousness, demand for superior quality and design is rising at a robust pace. This will help organised players significantly increase their market over the coming years.

OPPORTUNITIES

• **Favourable Demographics**

The favourable demographic profile of the country, coupled with the improving economic scenario, makes the Indian apparel market extremely attractive. This offers a sustainable long-term growth potential.

1. **Increasing disposable incomes and purchasing power**

India has been witnessing continuous rise in its per capita income. With the improving economic climate, the rise in incomes is expected to continue. Per capita GDP at current market price is estimated to grow from Rs. 0.8 lakh in FY2013 to Rs. 1.9 lakh by FY2020 (Source: DNB). The number of middle class households is expected to grow sharply from 35 million in 2012 to 58 million by 2020. (Source: Technopak Report, 2014)

2. **Young population and increasing brand awareness and Fashion Consciousness**

India has a large local and youth population. The median age of India's population is 27 years. (Source: CIA, The World Factbook) Indian consumers, especially the youth, are becoming increasingly discerning not only in metros/ Tier 1 cities, but also in Tier 2 and 3 cities, giving increasing preference to quality and design. This changing demand climate will help top quality brands such as Monte Carlo increase their market share significantly.

3. **Increasing Urbanisation**

Nearly 35% of the Indian population is expected to be living in urban centers by 2017. This higher level of urbanisation will lead to consumers trying to upgrade their lifestyles, leading to increased discretionary spending, even in the apparel category. (Source: Technopak Report, 2014). The share of India's discretionary spending is set to increase from 59% in 2010 to 67% in 2020. (Source: DNB)

• **Increasing emphasis on cotton and cotton-blended apparel to tap pan-India market**

The Company is currently focusing on promoting and expanding sales of cotton apparel aggressively. This will enable Monte Carlo to tap the entire Indian market, increasing the share of revenues significantly from southern and western regions in the long-term.

• **Increasing penetration of Organised Retail**

Penetration of organised retail is increasing at a robust pace. In fact, organised retail is estimated to contribute 25% to the total Indian apparel market in 2015, growing from 17% contribution in 2010. The contribution of organised retail is expected to further increase sharply to 40% by 2020. Increasing penetration of organised retail, especially in tier 2 and tier 3 cities, will provide immense growth opportunities to top quality organised apparel players. (Source: Technopak Report, 2014)

• **Diversification across various Product Categories**

Today, Monte Carlo Fashions has diversified across different product categories such as Cottons, Kids 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.

THREATS

• **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, the competition is expected to intensify further.

• **Low entry barriers**

The absence of significant entry barriers leads to an increase in the number of players, especially the unorganised players. This can escalate the degree of competition, making market penetration and sustaining of higher margins even tougher.

• **Dependence on Rainfall and climatic conditions**

Rainfall plays an important role in the apparel industry. Absence of adequate rainfall can lead to a significant decline in the availability of cotton, besides having an adverse impact on the economy, and consequently, the consumer demand. This can adversely impact the top line and margins too. Shorter and less intense winters can also adversely impact sales of the woollen segment.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorized, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. Management continuously reviews the internal control systems and procedures to ensure the efficient conduct of business. The Audit Committee of the Board oversees the internal controls within the organization.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT

The company is of firm belief that human resources are the driving force that propels a company towards progress and success and the company is committed to the development of its people. The total permanent employee's strength rose from 1458 to 1610 as on 31st March 2015. The Industrial relations were cordial and satisfactory.

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 2015, the Statement of Profit and Loss, 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 specified 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; safeguarding the assets of the Company; 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 the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 the 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 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 specified 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 as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 32(i)(a) to the financial statements, the Company 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; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandio & Co LLP
(formerly Walker, Chandio & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

Place : Ludhiana
 Date : 30 May 2015

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

Annexure 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 2015

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, 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. No material discrepancies were noticed on such verification.
- (ii) (a) 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.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) 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) To the best of our knowledge and belief, 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, wealth 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 with 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, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

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	-	2008-09	Deputy Commissioner of Commercial Taxes, Kolkata
Central Sales Tax Act, 1956	Interest on CST	16,134	-	2008-09	Deputy Commissioner of Commercial Taxes, Kolkata
West Bengal Value Added Tax, 2003	Penalty on VAT	230,998	230,998	2009-10	West Bengal Taxation Tribunal
Central Sales Tax Act, 1956	Interest on CST	122,124	-	2009-10	West Bengal, Commercial taxes Appellate & Revisional Board

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank during the year. The Company did not have any outstanding dues to any financial institution or debentures during the year.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

Place : Ludhiana
 Date : 30 May 2015

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

Balance Sheet as at 31st March, 2015

(All amounts in ₹ unless stated otherwise)

	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	217,320,640	217,320,640
Reserves and surplus	4	3,916,430,151	3,583,198,383
		4,133,750,791	3,800,519,023
Non-current liabilities			
Long-term borrowings	5	621,917,930	664,945,821
Deferred tax liabilities (net)	6	2,605,033	35,225,256
Other long-term liabilities	7	107,547,882	91,530,196
		732,070,845	791,701,273
Current liabilities			
Short-term borrowings	8	391,779,993	229,735,687
Trade payables	9	817,478,633	840,773,090
Other current liabilities	10	433,694,722	563,760,827
Short-term provisions	11	312,172,398	22,917,970
		1,955,125,746	1,657,187,574
TOTAL		6,820,947,382	6,249,407,870
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		1,806,185,029	1,671,815,169
Intangible assets		4,770,560	1,145,415
Capital work-in-progress		9,847,691	202,149,378
Non-current investments	13	249,631,386	140,000,000
Long-term loans and advances	14	56,773,787	118,343,190
Other non-current assets	15	-	450,100,000
		2,127,208,453	2,583,553,152
Current assets			
Current investments	16	230,000,000	360,000,000
Inventories	17	1,840,347,118	1,398,487,294
Trade receivables	18	1,200,825,960	886,538,978
Cash and bank balances	19	1,178,581,354	821,468,093
Short-term loans and advances	20	181,906,332	171,783,497
Other current assets	21	62,078,165	27,576,856
		4,693,738,929	3,665,854,718
TOTAL		6,820,947,382	6,249,407,870

Notes 1 to 43 form an integral part of these financial statements

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

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2015

For **Monte Carlo Fashions Limited**

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

R M Sood
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2015

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)

Statement of Profit and Loss for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	Notes	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue			
Revenue from operations	22	5,825,769,465	5,031,031,854
Other income	23	189,532,458	151,607,329
Total revenue		6,015,301,923	5,182,639,183
Expenses			
Cost of materials consumed	24	1,490,036,801	1,347,661,770
Purchases of stock in trade	25	1,892,445,710	1,450,723,376
Changes in inventories of finished goods, work-in-process and traded goods	26	(459,960,098)	(194,536,308)
Employee benefit expenses	27	418,791,499	270,362,042
Finance costs	28	170,776,768	93,188,455
Depreciation and amortisation	29	334,033,839	162,088,143
Other expenses	30	1,248,624,680	1,220,020,137
Prior period expenses	31	6,096,566	9,640,194
Total expenses		5,100,845,765	4,359,147,809
Profit before tax		914,456,158	823,491,375
Tax expense			
Current tax		347,982,262	259,100,223
Current tax - earlier years		-	(318,604)
Deferred tax		(31,219,974)	18,098,805
Deferred tax - earlier years		-	2,573,519
Profit for the year		597,693,870	544,037,432
Earnings per equity share			
	37		
Basic and Diluted		27.50	25.03

Notes 1 to 43 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 Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2015

For **Monte Carlo Fashions Limited**

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

R M Sood
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2015

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)

Cash Flow Statement for the year ended 31 March, 2015

(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2015		For the year ended 31 March 2014	
A. Cash flow from operating activities				
Profit before tax		914,456,158		823,491,375
Adjustments for:				
Depreciation and amortisation	334,033,839		162,088,143	
Profit on sale of fixed assets (net)	(397,605)		(879,526)	
Excess provisions written back	(1,071,794)		(300,934)	
Unclaimed balances written back	(5,810,790)		(186,579)	
Interest income	(161,560,395)		(141,351,195)	
Interest on income tax refund	(5,411,420)		(31,820)	
Interest expense	164,890,930		89,428,104	
Profit on sale of investment (net)	(8,457,314)		(7,064,082)	
Amount written off	1,884,459		515,417	
		318,099,909		102,217,528
Operating profit before working capital changes		1,232,556,067		925,708,903
Adjustments for:				
Increase in other long term liabilities	16,017,686		23,381,507	
(Decrease)/Increase in trade payables	(17,483,666)		434,752,417	
Increase in other current liabilities	12,931,610		95,419,503	
(Decrease) in short-term provisions	(395,798)		(15,911,274)	
Decrease/(Increase) in long-term loans and advances	55,638,429		(7,373,142)	
(Increase) in inventories	(441,859,824)		(309,796,062)	
(Increase) in trade receivables	(314,286,983)		(139,586,521)	
(Increase) in short-term loans and advances	(12,007,294)		(119,300,213)	
		(701,445,840)		(38,413,786)
Cash generated from operations		531,110,227		887,295,117
Income taxes paid (including taxes deducted at source)		(302,538,484)		(240,358,360)
Net cash generated from operating activities		228,571,743		646,936,757
B. Cash flow from investing activities				
Purchase of fixed assets (including capital advances and creditors for capital goods)		(422,428,752)		(678,611,935)
Purchase of non-current investments		(109,631,386)		(125,000,000)
Sale of current investments (net)		138,457,314		32,064,082
Bank balances not considered as cash and cash equivalents				
-Placed		(720,000,000)		(1,260,100,000)
-Matured		810,000,000		1,052,023,781
Interest received		127,059,087		128,236,082
Proceeds from sale of fixed assets		1,188,365		1,342,651
Net cash (used in) investing activities		(175,355,372)		(850,045,339)

Cash Flow Statement contd...

	For the year ended 31 March 2015		For the year ended 31 March 2014	
C. Cash flow from financing activities				
Proceeds from long-term borrowings		232,621,400		421,221,773
Repayment of long-term borrowings		(287,531,904)		(214,128,621)
Proceeds from short-term borrowings		162,044,306		138,170,380
Repayment of short-term borrowings		-		(54,008,102)
Interest paid		(163,336,912)		(95,150,864)
Net cash (used in)/generated from financing activities		(56,203,110)		196,104,566
Net decrease in cash and cash equivalents		(2,986,739)		(7,004,017)
Cash and cash equivalents at the beginning of the year		11,468,093		18,472,109
Cash and cash equivalents at the end of the year		8,481,354		11,468,093
Notes:				
(a) Cash and cash equivalents include:				
Cash in hand		2,953,173		2,663,593
Cheques/demand drafts in hand		1,290,153		-
Balance with banks		4,238,028		8,804,501
		8,481,354		11,468,093
Other bank balances				
- Pledged in fixed deposit accounts		670,100,000		510,100,000
- Deposits with maturity more than three months but less than twelve months		500,000,000		750,000,000
Cash and cash equivalents		1,178,581,354		1,271,568,093

(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 43 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**
(formerly Walker, Chandiok & Co)
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2015

For **Monte Carlo Fashions Limited**

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

R M Sood
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2015

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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 woolen/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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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 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
Tangible assets

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 2015 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 2015

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 2015
(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015		As at 31 March 2014	
	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
Add : Issued during the year	-	-	-	-
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	4,404,000	20.26	4,404,000	20.26
Simran & Shanaya Company Limited	4,404,000	20.26	4,404,000	20.26
Kanchi Investments Limited	2,376,570	10.94	4,022,990	18.51
Nahar Capital and Financial Services Limited	1,595,390	7.34	1,575,000	7.25
Nagdevi Trading and Investment Company Limited	1,185,150	5.45	1,185,150	5.45
Abhilash Growth Fund Private Limited	-	-	1,177,168	5.42
	13,965,110	64.26	16,768,308	77.16

- (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 2015
(All amounts in ₹ unless stated otherwise)

4 Reserves and surplus	As at 31 March 2015		As at 31 March 2014	
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
Special reserve *				
Balance at the beginning of the year		1,760,000,000		-
Add : Transfer from general reserve		179,308,161		1,760,000,000
Balance at the end of the year		1,939,308,161		1,760,000,000
*Pursuant to board resolution dated 21 March 2014, the Company has transferred a sum of ₹ 179,308,161 (previous year ₹1,760,000,000) 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		503,635,531		1,723,635,531
Add : Transfer from surplus in the statement of profit and loss		590,000,000		540,000,000
Less : Transfer to special reserve		179,308,161		1,760,000,000
Less : Adjustment on account of Schedule II of Companies Act, 2013 (refer note 12)	4,046,027			
Less : Deferred tax adjustment on above	(1,400,249)	2,645,778		-
Less : Proposed dividend for current year *		217,320,640		-
Less : Tax on proposed dividend for current year		44,495,684		-
Balance at the end of the year		649,865,268		503,635,531
Surplus in the statement of profit and loss				
Balance at the beginning of the year		32,586,583		28,549,152
Add : Profit for the year		597,693,870		544,037,432
Less : Transferred to general reserve		590,000,000		540,000,000
Balance at the end of the year		40,280,453		32,586,583
		3,916,430,151		3,583,198,383

*Board of Directors have recommended dividend @ 100% (previous year Nil) amounting to ₹10.00 per share (previous year ₹ Nil). The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general meeting.

	As at 31 March 2015	As at 31 March 2014
5 Long-term borrowings		
Term loans from banks (secured)	621,917,930	664,945,821
	621,917,930	664,945,821

Notes:

(a) Security for term loans:

1 Security in respect of term loan facility availed through 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

Personal guarantee:

Shri. Jawahar Lal Oswal
 Shri. Kamal Oswal
 Shri. Dinesh Oswal

2 Security in respect of term loan facility availed through State Bank of Patiala:**Primary security:**

Hypothecation charge on first pari-passu basis with other term lenders on all the factories plant & 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 availed through Allahabad Bank:**Primary security :**

First pari-passu charge on the fixed assets of the company.

Collateral security:

Second pari - passu charge on the current assets of the company.

Personal guarantee:

Shri. Jawahar Lal Oswal
 Shri. Kamal Oswal
 Shri. Dinesh Oswal

4 Security in respect of term loan facility availed through 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 pasu 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

Term loans from banks carry interest rate spread in the range of 0.8% to 1% over the base rate. Repayment terms of the loans are as follows:

- (i) Term loan from State Bank of Patiala amounting to ₹ 232,621,400 (previous year ₹ Nil) [(sanctioned amount ₹ 498,500,000) (previous year ₹ Nil)] is repayable in 32 quarterly instalments of ₹ 15,578,125 each commencing from 30 June 2016 and last instalment of ₹ 15,578,125 would be due for repayment on 31 March 2023.
- (ii) Term loan from State Bank of Patiala amounting to ₹ 14,903,278 (previous year ₹ 27,323,228) repayment of which commenced from 1 April 2011 [(including current maturity of long term debt amounting ₹ 9,936,000 lying in other current liabilities) (previous year ₹ 9,936,000)] is repayable in 5 quarterly instalments of ₹ 2,484,000 each, and last quarterly instalment of ₹ 2,483,278 would be due for repayment on 30 September 2016.
- (iii) Term loan from Allahabad Bank amounting to ₹ 2,023,863 (previous year ₹ 11,347,379) repayment of which commenced from 1 April 2011 [(including current maturity of long term debt amounting ₹ 2,023,863 lying in other current liabilities), (previous year ₹ 10,781,466)] is repayable in 1 quarterly instalment of ₹ 1,568,021 and last quarterly instalment of ₹ 455,842 would be due for repayment on 30 September 2015.
- (iv) Term loan from Indian Bank amounting to ₹ 646,049,242 (previous year ₹ 908,712,680) repayment of which commenced from 30 September 2013 [(including the current maturity of long term debt amounting of ₹ 261,720,000 lying in other current liabilities) (previous year ₹ 261,720,000)] is repayable in 9 quarterly instalments of ₹ 65,430,000 each, last quarterly instalment of ₹ 57,179,242 would be due for repayment on 31 March 2018.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
6 Deferred tax liabilities (net)		
Deferred tax liabilities		
Timing difference on depreciation and amortisation of tangible and intangible assets	20,589,044	54,524,685
Deferred tax assets		
Expenditure incurred under section 35D of Income Tax Act, 1961	5,052,768	7,443,810
Provision for discount	1,265,872	2,567,498
Lease rent straight lining	5,160,269	3,845,443
Provision for sales returns	6,505,102	5,442,678
Deferred tax liabilities (net)	2,605,033	35,225,256
7 Other long-term liabilities		
Security deposits from customer	92,637,257	80,216,742
Deferred payment liability due to lease straight lining	14,910,625	11,313,454
	107,547,882	91,530,196
8 Short-term borrowings		
Working capital borrowings from banks (secured)	391,779,993	229,735,687
	391,779,993	229,735,687

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

Company has working capital borrowings from Allahabad Bank, State Bank of Patiala and State Bank of India. It carries interest rate spread in the range of 0.75% to 0.90% over the 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 2,135 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
9 Trade payables		
Dues to micro small and medium enterprises [refer note (a) below]	-	-
Dues to others	817,478,633	840,773,090
	817,478,633	840,773,090

- (a) Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed. This has been relied upon by the auditors.

10 Other current liabilities		
Current maturities of long term borrowings	273,679,853	285,562,466
Interest accrued but not due on borrowings	1,844,944	290,926
Statutory dues	26,804,801	25,540,681
Employee related payables	41,081,626	29,724,422
Due to directors	4,099,133	2,469,254
Other payables		
Creditors for capital goods	15,487,883	147,085,209
Advance from customers	44,230,786	48,054,907
Security deposits from customers	24,100,000	24,250,000
Others	2,365,696	782,961
	433,694,722	563,760,827

11 Short-term provisions		
Provision for gratuity [refer note (a) below]	-	-
Provision for wealth tax	67,900	100,223
Provision for discount [refer note (b) below]	3,657,745	7,553,687
Proposed dividend	217,320,640	-
Tax on proposed dividend	44,495,684	-
Provision for income tax [net of advance tax of ₹ 579,080,460 (previous year ₹ Nil)]	27,833,902	-
Provision for sales returns [refer note (c) below]	18,796,527	15,264,060
	312,172,398	22,917,970

- (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:

Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	45,055,957	34,519,195
Current service cost	6,317,798	4,918,517
Past service cost	-	-
Interest cost	4,085,407	2,761,536
Actuarial (gain)/loss on obligations	(3,443,926)	4,807,891
Benefits paid	(891,500)	(1,951,182)
Projected benefit obligation at the end of the year	51,123,736	45,055,957
Changes in the fair value of plan assets		
Opening fair value of plan assets	48,376,035	27,042,597
Expected return on plan assets	4,194,310	3,283,740
Contributions	16,152,455	20,000,880
Benefits paid	(891,500)	(1,951,182)
Closing fair value of plan assets	67,831,300	48,376,035

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
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	51,123,736	45,055,957
Closing fair value of plan assets	67,831,300	48,376,035
Net assets recognized in balance sheet *	(16,707,564)	(3,320,078)
* included in short term loans and advances		
Components of net gratuity costs are		
Current service cost	6,317,798	4,918,517
Interest cost	4,085,407	2,761,536
Expected return on plan assets	(4,194,310)	(3,283,740)
Recognized net actuarial loss	(3,443,926)	4,807,891
Net gratuity costs	2,764,969	9,204,204
Actuarial assumptions		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	7.00%	7.00%
Rate of return of plan assets	9.25%	8.75%
Demographic assumptions		
Mortality rate	Indian assured lives mortality (1994-96) Ultimate	Indian assured lives mortality (1994-96) 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. The disclosure for current year and previous year is as follows:

	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Defined benefit (asset)/obligation	(16,707,564)	(3,320,078)	7,476,598	1,379,708
Experience adjustment arising on the gratuity benefits	(3,443,926)	4,807,891	3,768,778	-

	As at 31 March 2015	As at 31 March 2014
(b) Reconciliation of provision for discount		
Provision at the beginning of the year	7,553,687	-
Add : Provided during the year	3,657,745	7,553,687
Less : Utilised during the year	7,553,687	-
Provision at the end of the year	3,657,745	7,553,687
(c) Reconciliation of provision for sales return		
Provision at the beginning of the year	15,264,060	31,276,646
Add : Provided during the year	18,796,527	15,264,060
Less : Utilised during the year	15,264,060	31,276,646
Provision at the end of the year	18,796,527	15,264,060

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

12 Fixed assets

For the year ended 31 March 2015

Particulars	Gross block			Accumulated depreciation and amortisation				Net block	
	As at 1 April 2014	Additions during the year	Sales / adjustment during the year	As at 31 March 2015	For the year	Sales / Adjustment during the year	Adjustment from opening reserve	As at 31 March 2015	As at 31 March 2014
Tangible assets									
Freehold land	155,493,552	42,747,000	-	198,240,552	-	-	-	198,240,552	155,493,552
Buildings	766,061,160	260,908,078	82,130	1,026,887,108	55,928,266	28,040	65,820	126,485,622	900,401,486
Plant and equipment	1,401,409,931	129,808,429	2,998,700	1,528,219,660	645,692,324	237,173,192	2,346,029	882,908,664	645,310,996
Office equipments	26,720,150	10,141,405	204,487	36,657,068	9,645,729	11,902,766	1,607,945	22,989,836	13,667,232
Furniture and fixture	32,650,295	24,794,796	101,182	57,343,909	17,519,905	7,450,171	23,438	24,895,298	32,448,611
Vehicles	28,634,597	4,488,745	-	33,123,342	10,368,292	6,636,103	2,795	17,007,190	15,130,390
Sub Total	2,410,969,684	472,888,454	3,386,500	2,880,471,639	333,681,807	2,595,741	4,046,027	1,074,286,609	1,671,815,169
Intangible assets									
Computer software	1,453,343	3,977,177	-	5,430,520	307,928	352,032	-	659,960	4,770,560
Sub Total	1,453,343	3,977,177	-	5,430,520	307,928	352,032	-	659,960	4,770,560
Total	2,412,423,027	476,865,631	3,386,500	2,885,902,159	739,462,444	2,595,741	4,046,027	1,074,946,569	1,672,960,584
As at 31 March 2014									

Particulars	Gross block			Accumulated depreciation and amortisation				Net block	
	As at 1 April 2013	Additions during the year	Sales / adjustment during the year	As at 31 March 2014	For the year	Sales / Adjustment during the year	Adjustment from opening reserve	As at 31 March 2014	As at 31 March 2013
Tangible assets									
Freehold land	135,216,252	20,277,300	-	155,493,552	-	-	-	155,493,552	135,216,252
Buildings	420,962,089	345,099,072	-	766,061,161	10,958,949	44,969,317	55,928,266	710,132,895	410,003,140
Plant and equipment	1,019,635,724	368,332,634	1,558,427	1,401,409,931	540,271,739	106,817,914	1,397,329	645,692,324	755,717,607
Office equipments	14,802,857	12,039,887	122,595	26,720,149	8,090,358	1,613,763	58,392	9,645,729	479,363,985
Furniture and fixture	22,428,947	10,353,651	132,304	32,650,294	13,747,787	3,904,362	17,519,905	15,130,389	6,712,499
Vehicles	20,127,911	9,399,504	892,817	28,634,598	6,426,944	4,596,400	655,052	10,368,292	13,700,967
Sub Total	1,633,173,760	780,502,048	2,706,143	2,410,969,684	579,495,777	161,901,756	2,243,018	739,154,515	1,053,678,003
Intangible assets									
Computer software	123,680	1,329,663	-	1,453,343	121,542	186,386	307,928	1,145,415	2,138
Sub Total	123,680	1,329,663	-	1,453,343	121,542	186,386	307,928	1,145,415	2,138
Total	1,633,297,460	781,831,711	2,706,143	2,412,423,027	579,617,319	162,088,143	2,243,018	1,672,960,584	1,053,680,141

Note: Pursuant to the enactment of Schedule II to the Companies Act, 2013 with effect from 01 April 2014, the management has reassessed and revised wherever necessary the useful lives of the assets to compute depreciation to conform with its requirements. Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 March 2015 would have been lower by ₹ 70,595,821 and the profit before tax would have been higher by such amount. Further, as provided under Schedule II, the carrying amount of the assets (having gross block of ₹ 155,062,472 and accumulated depreciation of ₹ 151,016,445 as included in 'adjustment from opening reserve' column above) whose reassessed remaining useful life is Nil as at 01 April 2014 (after retaining the net realizable value and net of deferred tax of ₹ 1,400,249) has been adjusted from to the retained earnings.

	As at 31 March 2015	As at 31 March 2014
Capital work-in-progress:		
Building under construction	8,502,334	137,791,083
Machinery	1,345,357	59,811,719
Borrowing cost pending capitalisation	-	10,546,575
	9,847,691	202,149,378

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
13 Non-current investments		
Investments in mutual funds (at cost, quoted)		
Birla Sun Life Fixed Term Plan - Series JX (427 Days), Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
Birla Sun Life Fixed Term Plan - Series JX (1530 Days), 2,000,000 units (Previous year Nil) of ₹ 10 each.	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
IDFC Fixed Term Plan Series 62 Direct Plan - Growth, Nil (Previous year 1,000,000 units) of ₹ 10 each.	-	10,000,000
SBI Debt Fund Series A1 15 Months -Direct - Growth, 1,500,000 units (Previous year 1,500,000 units) of ₹10 each.	15,000,000	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, Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
Birla Sun Life Fixed Term Plan - Series JY (1099 Days), 1,000,000 units (Previous year Nil) of ₹10 each.	10,000,000	-
HDFC FMP 370D August 2013(3) Series 27 - Direct - Growth, 2,000,000 units (Previous year Nil) of ₹ 10 each.	20,000,000	-
L&T FMP VII (July1189D A) Direct Plan - Growth, 1,000,000 units (Previous year Nil) of ₹ 10 each.	10,000,000	-
L&T FMP Series 10 - Plan H - Direct Growth, Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
SBI Debt Fund Series 366 Days 52 -Direct Plan - Growth, 1,500,000 units (Previous year Nil) of ₹10 each.	15,000,000	-
IDFC Fixed Term Plan Series 65 Direct Plan - Growth, 2,963,139 units (Previous year Nil) of ₹10 each.	29,631,386	-
IDFC Fixed Term Plan Series 27 Direct Plan - Growth, 3,000,000 units (Previous year Nil) of ₹10 each.	30,000,000	-
ICICI Prudential FMP Series 76-1155 Days Plan K Direct Plan Cumulative, 2000,000 units (Previous year Nil) of ₹10 each.	20,000,000	-
ICICI Prudential FMP Series 72 370 Days Plan G Direct Plan Cumulative, 2,000,000 units (Previous year Nil) of ₹ 10 each.	20,000,000	-
ICICI Prudential FMP Series 72 366 Days Plan K Direct Plan Cumulative, 2,000,000 units (Previous year Nil) of ₹ 10 each.	20,000,000	-
HDFC FMP 370D April 2014(1) Series 31 - Direct - Growth, 1,000,000 units (Previous year Nil units) of ₹ 10 each.	10,000,000	-
DSP Blackrock FMP Series 144-12M-Dir-Growth, 1,000,000 units (Previous year Nil) of ₹10 each.	10,000,000	-
Axis Fixed Term Plan-Series 49 (437) Days Direct Growth, Nil (Previous year 2,500,000 units) of ₹ 10 each.	-	25,000,000
	249,631,386	140,000,000
Aggregate amount of quoted investments (Market value ₹ 277,314,768 (previous year ₹ 142,428,850))	249,631,386	140,000,000

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
14 Long-term loans and advances (unsecured considered good, unless otherwise stated)		
Security deposits	31,634,869	23,609,478
Capital advances	25,138,918	18,871,437
Advance tax [net of provision of ₹ Nil (previous year ₹ 488,924,000)]	-	75,862,276
	56,773,787	118,343,190
15 Other non-current assets		
Non-current bank balances (refer note 19)	-	450,100,000
	-	450,100,000
16 Current investments		
Non trade investments (at lower of cost and fair value, quoted)		
Investments in mutual funds		
Axis Fixed Term Plan-Series 49 (437) Days Direct Growth, 2,500,000 units (Previous year Nil) of ₹ 10 each.	25,000,000	-
L&T FMP Series 10-Plan H-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 units (Previous year Nil) of ₹ 10 each.	20,000,000	-
IDFC Fixed Term Plan Series 62 Direct Plan-Growth, 1,000,000 units (Previous year Nil) of ₹10 each.	10,000,000	-
Birla Sun Life Fixed Term Plan-Series JU (369 Days), Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
Birla Sun Life Fixed Term Plan - Series JY (367 Days), 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
HDFC FMP 478D January 2014(1) Series 29-Direct -Growth, 3,000,000 units (Previous year Nil units) of ₹ 10 each.	30,000,000	-
Templeton India Income Opportunities Fund - Growth, 1,527,767 units of ₹ 13.091 each (Previous year 1,527,767 units of ₹ 13.091 each).	20,000,000	20,000,000
Templeton India Income Opportunities Fund - Growth, 1,528,234 units of ₹ 13.087 each (Previous year 1,528,234 units of ₹ 13.087 each).	20,000,000	20,000,000
HDFC FMP 370D August 2013(3) Series 27-Direct-Growth, Nil units (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
ICICI Prudential FMP Series 66 412 Days Plan E Direct Plan Cumulative, Nil (Previous year 1,500,000 units) of ₹ 10 each.	-	15,000,000
ICICI Prudential FMP Series 72 366 Days Plan I Direct Plan Cumulative, Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
ICICI Prudential FMP Series 72 366 Days Plan K Direct Plan Cumulative, Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
ICICI Prudential FMP Series 72 370 Days Plan G Direct Plan Cumulative, Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
IDFC Fixed Term Plan Series 27 Direct Plan-Growth, Nil (Previous year 3,000,000 units) of ₹ 10 each.	-	30,000,000
IDFC Fixed Term Plan Series 65 Direct Plan-Growth, Nil units (Previous year 3,000,000 units) of ₹10 each.	-	30,000,000
JP Morgan India Fixed Maturity Plan Series 15 Direct Plan-Growth, Nil (Previous year 1,000,000 units) of ₹ 10 each.	-	10,000,000
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 (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 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 Income Opportunities Fund-Growth Plan, 979,873 units ₹ 10.2054 each (Previous year 979,873 units ₹10.2054 each).	10,000,000	10,000,000
UTI Income Opportunities Fund-Growth Plan, 1,957,637 units ₹ 10.2164 each (Previous year 1,957,637 units ₹ 10.2164 each).	20,000,000	20,000,000
UTI Fixed Term Income Fund Series XVII - VII (368 Days)-Direct Growth Plan, 1,500,000 units (Previous year Nil) of ₹ 10 each.	15,000,000	-
L&T FMP VII (July 511 D A) Direct Plan-Growth, Nil (Previous year 1,000,000 units) of ₹10 each.	-	10,000,000
Religare Invesco FMP Sr. 22 Plan G (370 Days)-Direct Plan, Nil (Previous year 2,000,000 units) of ₹ 10 each.	-	20,000,000
	230,000,000	360,000,000
Aggregate amount of quoted investments [Market value ₹ 263,253,162 (previous year ₹ 377,296,273)]	230,000,000	360,000,000
17 Inventories (valued at lower of cost and net realisable value, unless otherwise stated)		
Raw materials	252,662,805	269,556,115
Work-in-process	89,524,364	192,102,596
Finished goods (including traded goods)	1,462,428,712	899,890,382
Stores and spares	35,731,237	36,938,201
	1,840,347,118	1,398,487,294
18 Trade receivables (Unsecured)		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Considered good	57,376,680	37,101,847
Other debts - considered good	1,143,449,280	849,437,131
	1,200,825,960	886,538,978

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
19 Cash and bank balances		
Cash and cash equivalents		
- Cash in hand [including postal stamps in hand of ₹ 944 (previous year ₹ 2,778)]	2,953,173	2,663,593
- Cheques/demand drafts in hand	1,290,153	-
- Balances with banks		
in current account	4,238,028	8,804,501
	8,481,354	11,468,093
Other bank balances		
- Deposits with maturity more than three months but less than twelve months [refer note (i) and (ii)]	1,170,100,000	810,000,000
- Deposits with more than twelve months maturity [refer note (iii)]	-	450,100,000
	1,178,581,354	1,271,568,093
Less : Amounts disclosed as other non-current assets (refer note 15)	-	450,100,000
	1,178,581,354	821,468,093
Note:		
(i) Deposits with maturity more than three months but less than twelve months includes ₹ 500,000,000 (previous year ₹ 550,000,000) taken from Yes Bank and ₹ Nil (previous year ₹ 60,000,000) taken from Indusind Bank and ₹ 670,000,000 (previous year ₹ 200,000,000) taken from DCB Bank pledged against overdraft facility.		
(ii) Deposits with maturity more than three months but less than twelve months includes ₹100,000 (previous year ₹ Nil) pledged against bank guarantees given to excise authorities.		
(iii) Deposits with maturity more than twelve months includes ₹ Nil (previous year ₹ 100,000) pledged against bank guarantees given to excise authorities and ₹ Nil (previous year ₹ 450,000,000) taken from DCB bank pledged against overdraft facility.		
20 Short-term loans and advances (Unsecured, considered good)		
Advances to suppliers	38,605,766	43,974,213
Prepaid expenses	32,231,577	53,411,656
Balances with statutory and government authorities	13,198,372	9,629,026
Security deposits	17,708,576	170,000
Others recoverable *	80,162,041	64,598,602
	181,906,332	171,783,497
* Includes amounts due from directors	510,105	10,423
21 Other current assets		
Interest accrued but not due on fixed deposits	62,078,165	27,576,856
	62,078,165	27,576,856

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2015	For the year ended 31 March 2014
22 Revenue		
Revenue from operations		
Sale of products		
Export	9,606,614	13,418,159
Domestic	5,801,204,184	5,003,590,351
	5,810,810,798	5,017,008,510
Other operating revenue		
Export incentives	96,376	207,671
Insurance recovered from customers	11,858,375	10,932,059
Rebate and discount	3,003,916	2,883,615
Total	5,825,769,465	5,031,031,854
Details of products sold (contributing more than 10% of the total revenue)		
Raw material (Yarn)	25,022,726	19,519,808
Fabric	514,031,892	430,778,962
Accessories	-	74,454,121
Garments	4,751,172,254	4,088,029,732
Textile goods	442,791,127	345,974,923
Others	77,792,799	58,250,964
	5,810,810,798	5,017,008,510
23 Other income		
Interest income:		
- from banks	118,774,291	104,140,502
- others	42,786,104	37,210,693
Exchange fluctuation	1,501,220	-
Unclaimed balances written back	5,810,790	186,579
Excess provisions written back	1,071,794	300,934
Interest on income tax refund	5,411,420	31,820
Profit on sale of fixed assets (net)	397,605	879,526
Profit on sale of Investments (net)	8,457,314	7,064,082
Miscellaneous	5,321,920	1,793,193
	189,532,458	151,607,329
24 Cost of materials consumed		
Opening stock of raw materials	269,556,115	154,821,392
Add : Purchases of raw materials during the year	1,473,143,491	1,462,396,493
	1,742,699,606	1,617,217,885
Less : Closing stock of raw materials	252,662,805	269,556,115
	1,490,036,801	1,347,661,770

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2015	For the year ended 31 March 2014
(a) Details of raw materials		
Woollen yarn	731,658,421	646,292,574
Cotton yarn	60,363,906	50,624,113
Other yarn	1,893,895	4,151,008
Woven fabric	267,300,550	196,082,790
Non woven fabrics	17,274,832	14,122,831
Knitted cloth	411,545,196	436,388,455
	1,490,036,801	1,347,661,770
25 Purchases of stock in trade		
Trading goods purchased	1,892,445,710	1,450,723,376
	1,892,445,710	1,450,723,376
26 Changes in inventories of finished goods, work-in-process and traded goods		
Opening stock		
- Finished goods (including traded goods)	899,890,382	762,078,595
- Work-in-process	192,102,596	135,378,075
	1,091,992,978	897,456,670
Closing stock		
- Finished goods (including traded goods)	1,462,428,712	899,890,382
- Work-in-process	89,524,364	192,102,596
	1,551,953,076	1,091,992,978
	(459,960,098)	(194,536,308)
27 Employee benefit expense		
Salaries, wages and bonus	371,029,659	229,054,221
Contribution to provident and other funds	33,987,854	31,357,074
Staff welfare expenses	13,773,986	9,950,747
	418,791,499	270,362,042
28 Finance cost		
Interest expenses:		
- to banks	154,119,192	80,707,222
- others	10,771,738	8,720,883
Other borrowing costs	5,885,838	3,760,351
	170,776,768	93,188,455

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2015	For the year ended 31 March 2014
29 Depreciation and amortisation		
Depreciation of tangible assets (refer note 12)	333,681,807	161,901,756
Amortisation of intangible assets (refer note 12)	352,032	186,386
	334,033,839	162,088,143
30 Other expenses		
Consumption of stores and spare parts [refer note 35(d)]	271,586,916	230,981,829
Power and fuel	68,365,753	82,713,552
Rent	86,533,723	56,148,173
Repairs to		
- building	8,080,573	3,741,563
- machinery	13,738,529	14,327,734
- others	33,342,030	17,809,770
Insurance	5,069,554	4,169,453
Legal and professional expenses	15,024,038	6,739,652
Rates and taxes	9,370,971	7,382,137
Travelling and conveyance	25,537,504	27,000,889
Processing charges	90,096,942	143,176,229
Commission on sale	152,635,321	144,563,964
Freight and forwarding charges	71,991,667	47,119,508
Advertisement expenses	269,751,637	246,109,322
Rebate and discount	21,930,914	110,855,235
Provision for sales returns	18,796,527	15,264,060
Amounts written off	1,884,459	515,417
Exchange fluctuation (net)	-	3,750,432
CST/VAT reversal	31,408,449	21,460,831
Communication expenses	5,922,310	5,154,474
Miscellaneous	47,556,863	31,035,915
	1,248,624,680	1,220,020,137
31 Prior period expenses		
Lease straight lining [Refer note (a)]	-	7,571,401
Turnover discount	1,503,444	327,576
Advertisement expenses	1,988,328	420,788
Miscellaneous	2,604,794	1,320,428
	6,096,566	9,640,194

(a) During the years ended 31 March 2013 and 2012 the Company recognised rent expense on the actual basis. Adjustment for impact of straight lining of rent expense as per AS-19 "Leases" was made in the financial statements for the year ended 31 March 2014.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2015	As at 31 March 2014
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.	502,759	502,759
(b) Other money for which the Company is contingently liable	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)	46,007,228	70,663,743

33 Unhedged foreign currency exposure as at year end

	Currency	As at 31 March 2015		As at 31 March 2014	
		(Foreign currency)	(Indian currency)	(Foreign currency)	(Indian currency)
Trade receivables	USD	49,481	2,998,576	132,487	7,893,587
Short term loans and advances	USD	337,216	21,361,671	765,628	47,359,666
	EURO	247,281	17,416,137	-	-
	JPY	11,700,000	6,066,450	-	-
Other current liabilities	JPY	-	-	250,505,687	147,085,209

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 & Investment Co. 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 & Investment Limited
	Nahar Industrial Infrastructure Corporation Limited
	Nahar Capital and Financial Services Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	Sankheshwar Holding Co. Limited
	Oswal Leasing Limited
	Cotton County Retail Limited
	Crown Star Limited (UK)
	Nahar Poly Films Limited
	Hugs Foods (Private) Limited
	Siddhant & Mannat Company Limited
	Simran & Shanaya Company Limited
	Neha Credit & Investment Private Limited
	Retailkart E.Venture Private 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 2015	For the Year ended 31 March 2014
Companies in which directors of the Company are able to exercise control or have significant influence		
Sale of goods		
Nahar Spinning Mills Limited	55,802,169	31,599,860
Nahar Industrial Enterprises Limited	394,470	30,833
Cotton County Retail Limited	3,487,284	13,797,097
Oswal Woollen Mills Limited	7,819,048	9,632,451
Vanaik Spinning Mills Limited	21,298,303	88,286,185
Retailkart E.Venture Private Limited	5,827,890	-
Sales returns		
Vanaik Spinning Mills Limited	32,900,246	36,552,838
Oswal Woollen Mills Limited	-	79,350
Nahar Spinning Mills Limited	310,834	-
Nahar Industrial Enterprises Limited	10,925	-
Cotton County Retail Limited	370,342	-
Purchase of goods		
Nahar Spinning Mills Limited	190,182,938	265,447,582
Nahar Industrial Enterprises Limited	57,842,458	47,173,912
Cotton County Retail Limited	56,115,006	66,851,738
Oswal Woollen Mills Limited	718,293,659	735,741,415
Vanaik Spinning Mills Limited	19,833,020	59,114,774
Purchase of fixed assets		
Oswal Woollen Mills Limited	680,802	2,065,031
Nahar Spinning Mills Limited	3,084,572	727,400
Vanaik Spinning Mills Limited	-	5,850,719

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	For the Year ended 31 March 2015	For the Year ended 31 March 2014
Purchase of Duty Entitlement Pass Book		
Nahar Spinning Mills Limited	-	7,078,971
Sale of fixed assets		
Nahar Spinning Mills Limited	308,350	425,289
Oswal Woollen Mills Limited	475,000	-
Rent paid		
Nahar Spinning Mills Limited	5,898,900	3,960,690
Nahar Industrial Enterprises Limited	1,971,368	67,416
Oswal Woollen Mills Limited	7,832,737	6,851,140
Processing charges paid		
Cotton County Retail Limited	9,168	-
Nahar Spinning Mills Limited	50,027,444	91,566,860
Oswal Woollen Mills Limited	5,284,825	732,060
Discount given		
Vanaik Spinning Mills Limited	1,433,409	5,389,183
Income tax paid by and reimbursed to		
Oswal Woollen Mills Limited	-	45,000,000
Statutory dues paid by and reimbursed to		
Oswal Woollen Mills Limited	-	67,843,758
Reimbursement of expenses paid		
Nahar Industrial Enterprises Limited	2,170,596	2,958,363
Nahar Spinning Mills Limited	5,564,274	662,958
Oswal Woollen Mills Limited	9,109,129	6,361,673
Vanaik Spinning Mills Limited	56,921	1,325,562
Reimbursement of expenses received		
Nahar Industrial Enterprises Limited	11,400	-
Nahar Spinning Mills Limited	83,269	-
Oswal Woollen Mills Limited	4,687,648	-
Vanaik Spinning Mills Limited	8,200	17,674,946
Repayment of loans with bank on behalf of Company		
Oswal Woollen Mills Limited	15,545,000	8,093,000
Payment of interest on loans with bank on behalf of Company		
Oswal Woollen Mills Limited	1,223,390	2,313,899
Income received		
Vanaik Spinning Mills Limited	-	798,161
Year end balances		
Trade payables		
Nahar Spinning Mills Limited	50,341,825	74,253,255
Nahar Industrial Enterprises Limited	14,470,500	8,608,194
Cotton County Retail Limited	6,076,999	13,266,457
Oswal Woollen Mills Limited	246,412,342	206,851,484
Vanaik Spinning Mills Limited	13,534,637	37,845,616
Trade receivable		
Retailerkart E.Venture Private Limited	6,180,477	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	For the Year ended 31 March 2015	For the Year ended 31 March 2014
Key management personnel (KMP)		
Remuneration paid		
Sandeep Jain	13,417,796	10,775,677
Ruchika Oswal	7,517,073	6,102,989
Monica Oswal	7,633,666	6,127,601
Year end balances		
Due to KMP's (appearing in other current liabilities)		
Sandeep Jain	1,848,633	1,199,455
Ruchika Oswal	1,203,813	645,502
Monica Oswal	1,046,687	624,297
Due from KMP's (appearing in short term loans and advances)		
Jawahar Lal Oswal	489,656	10,423
Relative of KMP's		
Remuneration paid		
Rishabh Oswal	244,667	-
Year end balances		
Rishabh Oswal	20,449	-

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

(a) Earnings in foreign currency (accrual basis)		
(i) Export value of goods on FOB basis	1,402,220	8,998,264
(b) Expenditure in foreign currency (accrual basis)		
Travelling and conveyance	7,474,231	5,155,909
Sampling expenses	2,559,863	1,623,408
Others	388,811	998,494
(c) Value of imports (calculated on C.I.F basis)		
Raw materials	674,917	-
Traded goods	199,389,618	126,873,064
Capital goods	115,175,752	256,551,914
Components and spare parts	6,062,496	6,252,860
	321,302,783	389,677,838
(d) Imported and indigenous consumption		
Raw materials		
- Imported		
- Amount	674,917	-
- Percentage	0.05%	-
- Indigenous		
- Amount	1,489,361,885	1,347,661,770
- Percentage	99.95%	100.00%
- Total		
- Amount	1,490,036,802	1,347,661,770
- Percentage	100.00%	100.00%
Stores and spares and packing materials		
- Imported		
- Amount	6,062,496	6,252,860
- Percentage	2.23%	2.71%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2015	For the year ended 31 March 2014
- Indigenous		
- Amount	265,524,420	224,728,969
- Percentage	97.77%	97.29%
- Total		
- Amount	271,586,916	230,981,829
- Percentage	100.00%	100.00%

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.

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 2015	For the year ended 31 March 2014
Profit attributable to equity shareholders (A)	597,693,870	544,037,432
Weighted average number of equity shares (B)	21,732,064	21,732,064
Earnings per share (₹) (A/B) - Basic and Diluted	27.50	25.03
Face value per equity share (₹)	10	10

38 Leases

The Company has leased facilities under cancellable and non - cancellable operating leases arrangements with a lease term ranging from 1 to 12 years with a lock-in period of 1-3 years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. There are no restrictions imposed on the Company under the lease arrangement. The lease rent expenses recognized during the year amounts to ₹ 86,533,723 (previous year ₹ 56,148,173).

	For the year ended 31 March 2015	For the year ended 31 March 2014
Year ending after balance sheet date:		
Not later than one year	75,945,873	64,351,931
Later than one year but not later than five years	239,497,900	213,638,497
Later than five years	95,035,272	38,737,646

39 Payments to auditors*

As auditor		
Statutory audit (including reviews)	1,500,000	1,500,000
Reimbursement of expenses	129,792	91,360
	1,629,792	1,591,360

* excludes service tax

40 As per the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to confirm that the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Company's transactions are at arm's length and that the results of the proposed study will not have any impact on the financial statements and that they do not expect any transfer pricing adjustments.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹ unless stated otherwise)

- 41** The Company completed its Initial Public Offering (IPO) pursuant to which 5,433,016 equity shares of the Company of ₹ 10 each were allotted at a price of ₹ 645 per equity share through an offer for sale by the selling shareholders. This being an offer for sale, the IPO proceeds have been received by the selling shareholders and hence requirements to disclose utilisation of proceeds from IPO does not apply to the Company. The equity shares of the Company were listed on the National Stock Exchange Limited (NSE) and Bombay Stock Exchange of India Limited (BSE) on 19 December 2014.
- 42** 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 ₹15,162,060 towards CSR activities during the year ended 31 March 2015. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives. Pending examination and evaluation of such proposal, no amounts have been incurred on CSR initiative during the year. The management expects finalization of the proposals in due course.
- 43** Previous year figures have been regrouped/recasted, wherever considered necessary to make them comparable with those of the current year.

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

per **Lalit Kumar**
Partner

Place : Ludhiana
Date : 30 May 2015

For Monte Carlo Fashions Limited

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

R M Sood
(Chief Finance Officer)

Place : Ludhiana
Date : 30 May 2015

Sandeep Jain
(Executive Director)
(DIN : 00565760)

Sahil Jain
(Company Secretary)

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

MONTE CARLO FASHIONS LIMITED

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

NOTICE

NOTICE is hereby given that the 7th **ANNUAL GENERAL MEETING** of the members of **MONTE CARLO FASHIONS LIMITED** will be held as scheduled below:

DATE : 29th September, 2015

DAY : Tuesday

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 on 31st March, 2015 along with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares of the Company for the Financial Year 2014-15.
3. To appoint a Director in place of Sh. Sandeep Jain (DIN:00565760), 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. 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.
5. To appoint Statutory Auditors of the Company and to fix their remuneration and 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 other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twelfth Annual General Meeting of the Company subject to ratification by shareholders at every Annual General Meeting at such remuneration and other expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

**By order of the Board
MONTE CARLO FASHIONS LIMITED**

**SAHIL JAIN
(COMPANY SECRETARY)**

Place : LUDHIANA

Date : 06.08.2015

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The instrument appointing the proxy, duly completed, should however 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 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 copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 23, 2015 to September 29, 2015** (both days inclusive).
5. 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.
 - (iii) Electronic copy of the Annual Report 2014-15 and Notice of Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant, unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of Attendance Slip and bring along with them to the AGM.

6. Members seeking any information with regard to the accounts at the time of the meeting are requested to write to the company at least 10 days before the date of the meeting so as to enable the management to keep the relevant information ready.
7. The board of directors of the Company at its meeting held on 30.05.2015 has recommended a dividend @ 100% on the paid up equity share capital of the Company. The dividend, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration to the members, whose names shall appear on the Register of Members of the Company as on 22nd September 2015 in respect of physical shares and in respect of shares held in dematerialized form, the dividend will be paid to those members whose names will be furnished to us by National Securities Depository Ltd. [NSDL] and Central Depository Services [India] Ltd. [CDSL] as beneficial owners as on that date.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent 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.
9. A brief resume of each of the directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Details of Directors seeking Appointment/ Re-appointed at the Annual General Meeting annexed herewith as **Annexure A**.
10. All public documents of the Company are open for inspection at the Registered Office of the Company during office hours on all the working days.
11. Members may also note that the Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2015 will be uploaded on the Company's website www.montecarlocorporate.com and website of CDSL www.cdslindia.com, may be accessed by the members.
12. 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.
13. Members holding shares in physical form are requested to notify change in their address, if any, to the Company at the earliest. However, members holding equity shares in dematerialized form may notify the change in their address, if any, to the Company's Register and Transfer Agent or their respective depository participants, as the case may be.
14. In compliance with Clause 35B of the Listing Agreement 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 at the 7th Annual General Meeting (AGM). For this purpose, the Company has engaged the services of M/s. Central Depository Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
15. 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.
16. 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.
17. The Results shall be declared on and after the Annual General Meeting of the Company. The Results declared shall be placed along with the Scrutinizer's Report on the website of the Company i.e. www.montecarlocorporate.com, besides being communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.
18. **Voting through Electronic means:**
The instructions for members for voting electronically are as under:
 - (i) The voting period begins on 26th September, 2015 (at 9:00 A.M) and ends on 28th September, 2015 (at 5:00 P.M). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on 22nd September 2015 (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** tab.
 - (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) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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 <MONTE CARLO FASHIONS LIMITED> 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed 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) **Note for Corporate & Institutional Members (i.e. other than Individuals, HUF, NRI etc.)**
 - Corporate & Institutional Members are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts 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.
- (xix) 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 2015 may follow the same instructions as mentioned above for e-Voting.
- (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.

19. Important Communication:

As per the provisions of Section 101 and 136 of Companies Act 2013 read with Companies (Management and Administration) Rules, 2014 and Clause 32 of the listing agreement, 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, to enable the Company to send the notices, documents including Annual Reports by e-mail.

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

Name	Sh. Sandeep Jain		
Designation	Executive Director		
Date of birth/ age	24.12.1971/ 43 Years		
Date of appointment	01.07.2008		
Qualification	Bachelor's degree in Pharmacy, Diploma in Export Management, Certificate course in wool from the AWTA Limited		
Experience	More than 17 years of experience in the field of administration.		
Terms of appointment	Liable to retire by rotation		
Remuneration (For the Financial Year 2014-2015):	₹1,34,17,796		
Disclosure of Relationship:	Sh. Sandeep Jain is husband of Smt. Ruchika Oswal, Executive Director, Son In Law of Sh. Jawahar Lal Oswal, Chairman and Managing Director and Brother in law of Smt. Monica Oswal, Executive Director of the company. He is not related to any other Director(s) and Key Managerial Personnel of the Company.		
Shareholding:	None		
No. of Board Meetings attended during the year:	4		
Other Directorships:	Oswal Woollen Mills Limited and Vanaik Spinning Mills Limited		
Other Committee Membership/ Chairmanship:	Name of the Company	Name of the Committee	Designation
	Oswal Woollen Mills Limited	Corporate Social Responsibility Committee	Member
		Shareholders Committee	Member
		Nomination & Remuneration Committee	Member
Name	Sh. Dinesh Gogna		
Designation	Non Executive Director		
Date of birth/ age	07.07.1953/ 62 Years		
Date of appointment	01.07.2008		
Qualification	Bachelor's Degree in Law, Completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance.		
Experience	More than 35 years of experience in the field of Corporate Finance and Taxation.		
Terms of appointment	Liable to retire by rotation		
Remuneration for the Financial Year 2014-15. :	₹40,000 (Sitting Fees for Board Meetings attended)		
Disclosure of Relationship:	Sh. Dinesh Gogna is not related to any Director(s) and Key Managerial Personnel of the Company.		
Shareholding:	None		
No. of Board Meetings attended during the year:	4		
Other Directorships:	Oswal Woollen Mills Limited (Executive Director), Nahar Spinning Mills Limited Cotton County Retail Limited, Girnar Investment Limited, Oswal Leasing Limited Nahar Industrial Enterprises Limited, Nahar Capital And Financial Services Limited Nahar Poly Films Limited and Crown Star Limited (U.K.)		
Other Committee Membership/ Chairmanship:	Name of the Company	Name of the Committee	Designation
	1. Oswal Woollen Mills Limited	Audit Committee	Member
		Shareholders Committee	Member
	2. Nahar Spinning Mills Limited	Audit Committee	Member
		Share Transfer Committee	Member
		Corporate Social Responsibility Committee	Member
	3. Nahar Industrial Enterprises Limited	Audit Committee	Member
		Share Transfer Committee	Chairman
		Corporate Social Responsibility Committee	
	4. Nahar Capital And Financial Services Limited	Share Transfer Committee	Member
		Corporate Social Responsibility Committee	Member
	5. Nahar Poly Films Limited	Share Transfer Committee	Member
		Corporate Social Responsibility Committee	Member
		Audit Committee	Member

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

SEVENTH 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 7th Annual General Meeting of the Company on Tuesday, the 29th day of September, 2015 at 11.00A.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. 18 of the Notice of 7th Annual General Meeting, carefully before voting electronically.

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

-----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:.....

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on the Tuesday, the 29th day of September, 2015 at 11 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*	
		For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt the Audited Financial Statement for the financial year ended on 31 st March, 2015 together with the Reports of Auditors' and Directors' thereon.		
2.	To declare dividend on equity shares of the company.		
3.	To appoint Director in place of Sh. Sandeep Jain (DIN: 00565760), 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. Dinesh Gogna (DIN: 00498670), who retires by rotation in terms of Section 152(6) and being eligible, offers himself for re-appointment.		
5.	To appoint Statutory Auditors and fix their remuneration.		

Signed this.....day of.....2015.

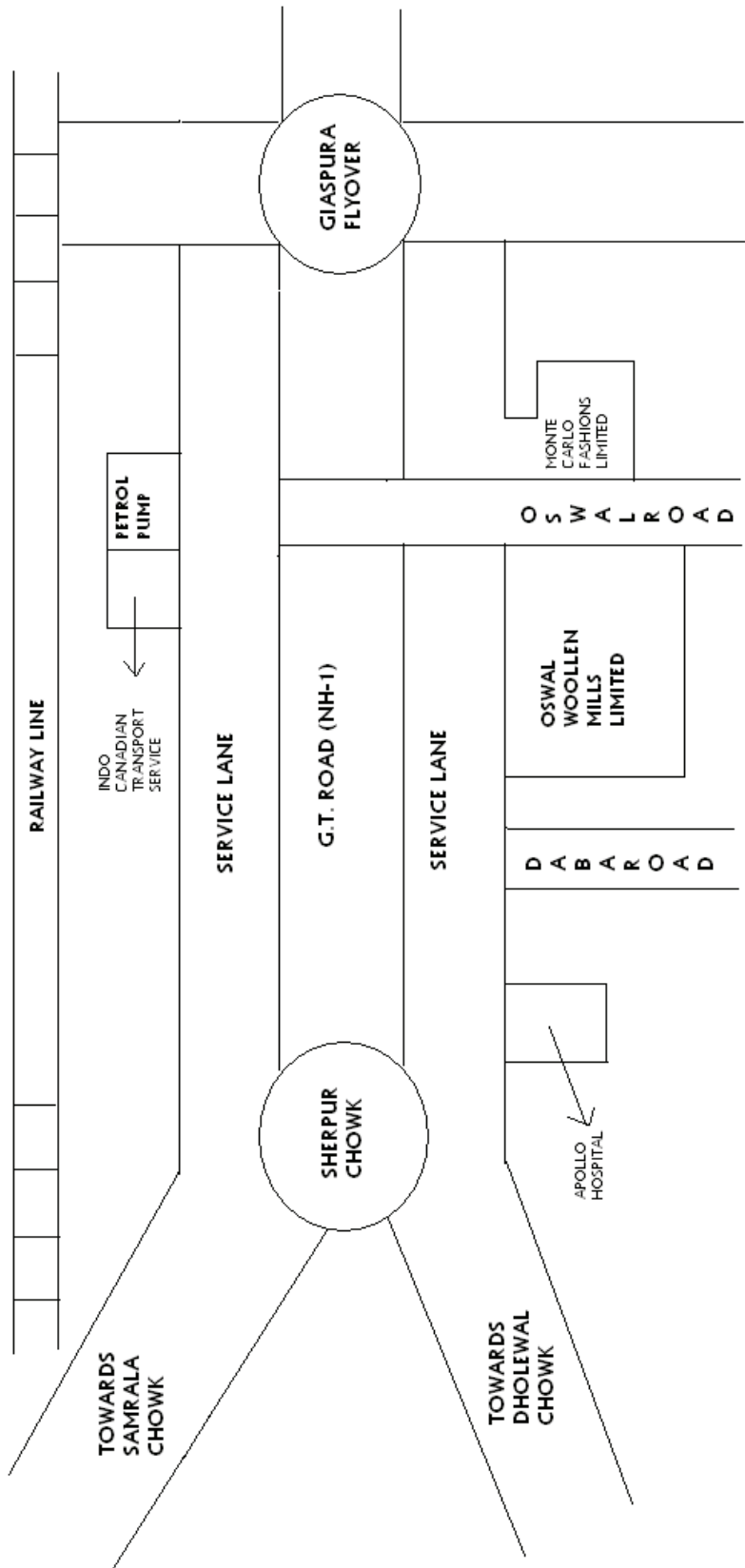
Affix Revenue Stamp of Re. 1

Signature of Member

Signature of Proxy holder(s)

Notes:

- 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.**
- *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.
- Please complete all the details of the member(s) in box before submission.



ROUTE MAP :- MONTE CARLO FASHIONS LIMITED,
 B-XXIX-106, SHERPUR, LUDHIANA-14 1003

NOT TO SCALE

