

Monte Carlo Fashions Limited

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

Tel.: 91-161-5048610-40, Fax: 91-161-5048650, Email: info@montecarlo.in, Website: http://www.montecarlo.in, CIN: L51494PB2008PLC032059

Statement of audited financial results for the quarter and for the year ended 31 March 2020

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	3 months ended (31 March 2020)	Preceding 3 months ended (31 December 2019)	Corresponding 3 months ended in the previous year (31 March 2019)	Year to date figures for current period ended (31 March 2020)	Previous year ended (31 March 2019)
	(refer notes below)	(Audited) (refer note 10)	(Unaudited)	(Audited) (refer note 10)	(Audited)	(Audited)
	Income					
1	Revenue from operations	10,946.65	40,340.21	9,578.36	72,561.32	65,637.47
2	Other income	101.52	346.89	566.87	1,151.79	1,822.85
3	Total income (1+2)	11,048.17	40,687.10	10,145.23	73,713.11	67,460.32
	Expenses					
4	(a) Cost of materials consumed	2,883.75	3,629.77	2,898.09	17,426.51	16,405.14
	(b) Purchase of stock-in-trade	4,746.24	8,809.14	5,507.36	23,398.10	19,498.38
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,723.93)	10,818.59	(1,842.21)	(2,510.92)	(1,464.13)
	(d) Employee benefits expense	1,858.47	1,882.99	1,553.79	6,961.95	5,949.19
	(e) Finance costs [refer note 7]	330.99	553.04	150.61	1,701.01	894.61
	(f) Depreciation and amortisation expense [refer note 7]	895.26	894.04	488.88	3,340.38	1,910.01
	(g) Other expenses					
	-Advertisement and business promotion	764.77	859.62	1,378.20	3,006.79	3,599.56
	-Corporate social responsibility expense	11.43	151.05	465.63	162.48	465.63
	-Others [refer note 7]	2,398.15	3,538.79	2,640.92	11,673.89	11,349.08
	Total expenses	12,165.13	31,137.03	13,241.27	65,160.19	58,607.47
5	Profit/(loss) before tax (3-4)	(1,116.96)	9,550.07	(3,096.04)	8,552.92	8,852.85
6	Tax expense					
	-Current tax	(1,069.69)	3,376.98	(1,275.28)	2,337.82	2,272.37
	-Deferred tax expense/(credit) [refer note 8]	974.75	(1,053.02)	64.01	(53.91)	620.89
7	Profit/(loss) for the period (5-6)	(1,022.02)	7,226.11	(1,884.77)	6,269.01	5,959.59
8	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	(51.26)	(24.41)	(75.20)	(101.85)	(62.42)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	12.90	6.14	(26.28)	25.63	21.81
9	Total comprehensive income/(loss) for the period (7+8)	(1,060.38)	7,207.84	(1,933.70)	6,192.79	5,918.98
10	Paid-up equity share capital (face value of ₹ 10 each)	2,073.21	2,073.21	2,073.21	2,073.21	2,073.21
11	Other equity				52,444.15	46,298.95
12	Earnings/(loss) per share (face value of ₹ 10 each) (not annualised for the quarters)					
	(a) Basic (in ₹)	(4.93)	34.85	(8.73)	30.24	27.46
	(b) Diluted (in ₹)	(4.93)	34.85	(8.53)	30.24	26.85



Notes:		
1. Statement of assets and liabilities		
Particulars	₹ in lakhs, unless otherwise stated	
	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
ASSETS		
Non-current assets		
a) Property, plant and equipment	15,178.03	14,855.30
b) Right-of-Use assets [refer note 7]	7,585.74	-
c) Capital work-in-progress	248.54	2.38
d) Intangible assets	57.58	94.36
e) Financial assets		
i) Investments		
ii) Loans	3,571.39	4,772.11
iii) Other financial assets	402.78	426.09
f) Income tax assets (net)	812.44	8.61
g) Deferred tax assets (net) [refer note 8]	889.54	907.90
h) Other non-current assets	791.61	712.06
	172.00	126.53
Total non-current assets	29,709.65	21,905.34
Current assets		
a) Inventories		
b) Financial assets	21,618.21	19,115.78
i) Investments		
ii) Trade receivables	9,793.54	8,980.82
iii) Cash and cash equivalents	25,216.72	21,985.28
iv) Bank balances other than cash and cash equivalents	134.43	3,265.54
v) Loans	1,142.29	225.36
vi) Other financial assets	56.49	119.04
c) Other current assets	135.69	54.48
	3,236.73	3,182.51
Total current assets	61,334.10	56,928.81
TOTAL ASSETS	91,043.75	78,834.15
EQUITY AND LIABILITIES		
Equity		
a) Equity share capital	2,073.21	2,073.21
b) Other equity	52,444.15	46,298.95
	54,517.36	48,372.16
Total equity	54,517.36	48,372.16
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	1,630.74	1,286.65
ii) Others financial liabilities	1,685.49	1,532.57
iii) Lease liability [refer note 7]	7,038.90	-
b) Other non-current liabilities	117.15	131.07
c) Provisions	193.25	203.06
Total non-current liabilities	10,665.53	3,153.35
Current liabilities		
a) Financial liabilities		
i) Borrowings		
ii) Trade and other payables	1,544.47	3,174.06
-total outstanding dues of micro enterprises and small enterprises; and	147.01	230.91
-total outstanding dues of creditors other than micro enterprises and small enterprises	16,589.05	13,224.05
iii) Other financial liabilities	5,437.78	9,854.36
iv) Lease liability [refer note 7]	999.66	-
b) Other current liabilities	917.16	701.34
c) Provisions	225.73	123.92
Total current liabilities	25,860.86	27,308.64
TOTAL EQUITY AND LIABILITIES	91,043.75	78,834.15

[Handwritten signature]



2. Cash flow statement for the year ended 31 March 2020

Particulars	(& in Lakhs, unless otherwise stated)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities:	Audited	Audited
Profit before tax expenses	8,552.93	8,852.87
Add: Adjustment for non-cash and non-operating items		
Depreciation and amortisation expense		
Finance costs	3,340.38	1,910.01
Interest income	1,701.01	894.61
Profit on sale of investments (net)	(368.11)	(469.07)
Profit on sale of property, plant and equipment (net)	(41.92)	(2.40)
Advances written back	(3.01)	17.99
Fair valuation of investments through profit and loss	(71.40)	-
Provision for credit impaired receivables	(635.18)	(908.49)
Bad debts	51.85	-
Amounts written off	27.00	-
Operating profit before working capital changes		116.86
Adjustments for movement in:	12,553.54	10,412.38
Changes in trade receivables	(3,310.28)	(3,105.44)
Changes in inventories	(2,502.42)	(1,762.14)
Changes in loans (non-current)	23.31	(56.00)
Changes in loans (current)	62.55	(68.35)
Changes in other current assets	(54.22)	(385.70)
Changes in other non-current assets	(68.00)	(23.78)
Changes in trade and other payables	3,281.10	2,438.01
Changes in other financial liabilities (non-current)	152.92	191.34
Changes in other financial liabilities (current)	(4,427.08)	7,425.23
Changes in other current liabilities	287.22	(18.84)
Changes in other non-current liabilities	(13.92)	(15.57)
Changes in short-term provisions	(0.04)	(119.62)
Changes in long-term provisions	(9.81)	52.41
Cash flow used in operating activities before taxes	5,974.85	14,963.93
Direct taxes paid (net of refunds and demands)	(2,319.45)	(2,413.44)
Net cash generated from operating activities (A)	3,655.40	12,550.49
B. Cash flow from investing activities:		
Purchase of property, plant and equipment (including capital advances and creditors for capital goods)	(2,745.87)	(1,171.68)
Proceeds from sale of property, plant and equipment	20.79	34.78
Purchase of investments	(300.00)	(900.00)
Proceeds from sale of investments	1,365.09	890.78
Bank balances not considered as cash and cash equivalents		
-Placed	(1,946.12)	(233.97)
-Matured	225.36	1,659.80
Interest received	346.31	675.45
Net cash (used in)/generated from investing activities (B)	(3,034.45)	955.16
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	950.21	314.70
Repayment of long-term borrowings	(437.04)	(264.36)
Changes in current borrowings (net)	(1,629.59)	(859.49)
Payment of lease liabilities	(1,466.89)	-
Dividend paid (including dividend distribution tax)	-	(3,143.90)
Reduction in equity capital	-	(100.00)
Reduction in other equity due to buy back of shares (including buy back related expenses)	(47.60)	(5,444.57)
Finance cost paid	(1,121.16)	(894.72)
Net cash used in financing activities (C)	(3,752.06)	(10,392.34)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(3,131.11)	3,113.31
Cash and cash equivalents at the beginning of the year	3,265.54	152.23
Closing cash and cash equivalents	134.43	3,265.54
Cash and cash equivalents include:		
Cash in hand (including stamps)	31.54	45.58
Balance with banks	37.13	26.96
Deposits with original maturity of less than three months	65.76	3,193.00
Cash and cash equivalents	134.43	3,265.54



[Handwritten signature]

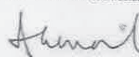


Notes:

3. The above financial results have been audited by the statutory auditors of the Company and reviewed by the Audit Committee and taken on record by the Board of Directors in their respective meetings held on 24 June 2020.
4. The above financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standard) Rules, 2016 as specified under section 133 of the Companies Act, 2013.
5. In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, the plant and offices of the Company has been under lock-down, resulting thereto, the operations for the month of March 2020 have been impacted. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future developments which cannot be reliably predicted. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations as allowed in keeping with Government advisories. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.
6. The Company's primary business segment is reflected based on principal business activities carried on by the Company. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker (CODM) and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit. Therefore, there are no separate reportable business segments as per Ind AS 108- Operating Segments. The Company operates in one reportable business segment i.e., manufacturing and trading of textile garments and is primarily operating in India and hence, considered as single geographical segment. The sale of Company's products is seasonal.
7. Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability. Accordingly, comparatives for the quarter and year ended 31 March 2019 have not been retrospectively adjusted. This has resulted in recognizing a ROU asset and a corresponding Lease Liability of ₹ 6,742.02 lakhs as at 1 April 2019. With this adjustment, other expenses is lower by Rs. 1,466.88 lacs and depreciation and amortisation expense and finance cost is higher by Rs. 1,285.06 lacs and Rs. 634.65 lacs respectively and profit before tax is lower by Rs. 452.83 lacs.
8. The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has remeasured its deferred tax asset on the basis of the rate prescribed in the said section resulting in reversal of its deferred tax asset to the extent of Rs. 200.64 lacs by splitting the impact over the year. The impact of the tax rate revision taken in the above financial results amounts to Rs. 66.88 lacs.
9. The Board of Directors have recommended a final dividend of 50% (Rs. 5 per equity share of Rs. 10 each), subject to the approval of shareholders in ensuing Annual General Meeting.
10. Figures for the quarter ended 31 March 2020 and 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

Place: Ludhiana
Date: 24 June 2020

For and on behalf of Board of Directors



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



Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

B-406A, 4th floor
L&T Elante office Building,
Industrial Area, Phase I,
Chandigarh -160 002
India

T +91 172 433 8000
F +91 172 433 8005

Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Monte Carlo Fashions Limited

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of Monte Carlo Fashions Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandio & Co LLP

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Uncertainties related to Covid-19

4. We draw attention to Note 5 to the accompanying financial results, which describes the uncertainties due to the outbreak of COVID - 19 pandemic and management's assessment of the impact on the financial results of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.



Walker Chandio & Co LLP

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Walker Chandio & Co LLP

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Sandeep Mehta
Partner

Membership No. 099410

UDIN: 20099410AAAABH2256



Place: Mohali

Date: 24 June 2020