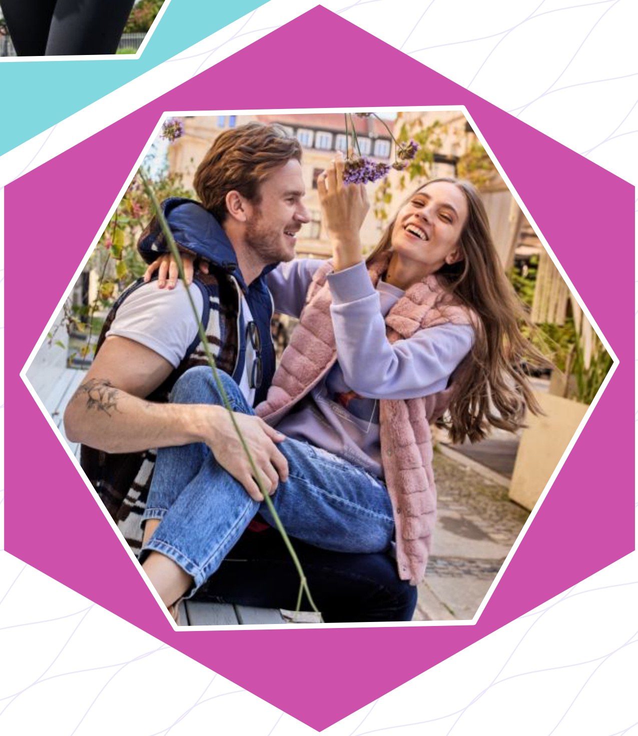
15th ANNUAL REPORT 2022-23



MONTE CARLO

It's the way you make me feel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MONTE CARLO
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MONTE CARLO FASHIONS LIMITED

REGISTERED OFFICE: B-XXIX-106, G.T. ROAD, SHERPUR, LUDHIANA-141003

investor@montecarlocorporate.com | www.montecarlocorporate.com | CIN: L51494PB2008PLC032059

BOARD OF DIRECTORS	
Sh. Jawahar Lal Oswal	Chairman & Managing Director
Sh. Sandeep Jain	Executive Director
Smt. Ruchika Oswal	Executive Director
Smt. Monica Oswal	Executive Director
Sh. Rishabh Oswal	Executive Director
Sh. Dinesh Gogna	Non-Executive Director
Sh. Alok Kumar Misra	Independent Director
Sh. Manikant Prasad Singh	Independent Director
Dr. Manisha Gupta	Independent Director
Dr. Suresh Kumar Singla	Independent Director
Sh. Roshan Lal Behl	Independent Director
Sh. Parvinder Singh Pruthi	Independent Director

CHIEF FINANCIAL OFFICER
Sh. Raj Kapoor Sharma

COMPANY SECRETARY
Sh. Ankur Gauba

STATUTORY AUDITORS
Deloitte Haskins & Sells
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II, Gurgaon
Haryana, India 122002

SECRETARIAL AUDITORS
P. S. Dua & Associates
Company Secretaries
5 SF, Sant Isher Nagar,
Pakhowal Road,
Ludhiana -141002, Punjab

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Private Limited

REGISTERED OFFICE:
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083

BANKERS
State Bank of India
Federal Bank Limited
ICICI Bank Limited
HDFC Bank Limited

WORKS
B-XXIX-106, G.T.Road, Sherpur, Ludhiana
231, Industrial Area-A, Ludhiana
Plot No-425 & 427, Near Textile Colony, Ludhiana
B-XXX-1781/784, Old C-12, Phase V, Focal Point, Ludhiana

15th ANNUAL GENERAL MEETING
DAY : Thursday
DATE : August 31, 2023
TIME : 11.00 A.M.

THROUGH VIDEO CONFERENCING (VC)/OTHER AUDIO VISUAL MEANS (OAVM)

CONTENTS

MONTE CARLO FASHIONS LIMITED

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

NOTICE

Notice is hereby given pursuant to Sections 96 and 101 that the Fifteenth Annual General Meeting ("AGM") of the Members of MONTE CARLO FASHIONS LIMITED will be held on Thursday, August 31, 2023 at 11:00 A.M. through electronic mode [video conference ("VC") or other audio visual means ("OAVM")] to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company along with the Reports of the Directors and Auditors thereon for the financial year ended on March 31, 2023 along with Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Consolidated Financial Statements of the Company along with the Reports of the Auditors thereon for the financial year ended on March 31, 2023 along with Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

3. To declare dividend on Equity Shares of the Company for the Financial Year ended March 31, 2023 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT a Dividend at the rate of Rs. 20.00/- (Rupees Twenty only) per share on 2,07,32,064 Equity Shares of Rs. 10/- each as recommended by the Board of Directors be and is hereby declared for the financial year ended March 31, 2023 and the same be paid out of the profits of the Company."

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

   "RESOLVED THAT Sh. Dinesh Gogna (DIN: 00498670), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

5. To appoint a Director in place of Smt. Monica Oswal (DIN: 00566052), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible, offers herself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Smt. Monica Oswal (DIN: 00566052), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

Special Resolution

6. To re-appoint Sh. Rishabh Oswal (DIN: 03610853) as Executive Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and such other approvals as may be required and on recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent and approval of the Members of the Company be and is hereby accorded to re-appoint Sh. Rishabh Oswal (DIN: 03610853) as Executive Director of the Company for a term of 5 (five) years w.e.f June 1, 2023 on the terms and conditions including remuneration mentioned herein below:

REMUNERATION:

A. Basic Salary

Rs. 1,000,000/- (Rupees Ten Lakhs only) per month with such increase as may be decided by the Board (which includes a committee thereof) from time to time, but subject to maximum Basic Salary of Rs. 1,600,000/- (Rupees Sixteen Lakhs only) per month during the aforesaid term.

B. Perquisites and Allowances:

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

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

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

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

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

e. **Medical Allowance:**
One Month's Basic Salary per Year.

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

g. **Club Fees:**
Fees and expenses at clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

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

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

RESOLVED FURTHER THAT Sh. Rishabh Oswal (DIN: 03610853) being a member of Promoter/ Promoter Group of the Company, be paid remuneration as above, notwithstanding the aggregate annual remuneration payable to him may exceeds the limits as provided under Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 any time during his current tenure I.e. June 1, 2023 to May 31, 2028.

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee of the Board, if any, be and is hereby authorized to alter, amend, vary the terms and conditions of appointment including remuneration as may be agreed between the Board of Directors and Sh. Rishabh Oswal, subject to the limits prescribed in the Companies Act, 2013 read with Schedule V, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or subject to such approval as may be required and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution.

7. Authority to the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013 for borrowings upto the revised limit of Rs. 1000 crores and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT in supersession to the resolution passed at the Annual General Meeting of the company held on September 05, 2014 and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and as may be amended from time to time, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company authorized to borrow any sum of money from time to time from any one or more persons, firms, bodies corporate, banks or financial institutions whether by way of cash credit advances or deposits, loans or bills discounting or otherwise, as they may deem necessary or expedient for the purpose of business of the Company, upon such terms and conditions as the Board may in its absolute discretion thinks fit, notwithstanding the moneys to be borrowed together with the money already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, i.e. reserves not set apart for any specified purpose, provided however, that the total amount up to which the moneys be borrowed by the Board of Directors and outstanding at any time, shall not exceed the limit of Rs 1000 Crores (Rupees One Thousand Crores only) exclusive of interest.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

8. Authority to the Board of Directors under Section 180 (1) (a) of the Companies Act, 2013 for creation of charge upto the revised limit of Rs. 1000 crores and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT in supersession to the resolution passed at the Annual General Meeting of the company held on September 05, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and as may be amended from time to time, consent of the members of the company be and is hereby accorded to the the Board of Directors of the Company to create such charges, mortgages, lien, pledge and hypothecations in addition to the existing charges, mortgages, lien, pledge and hypothecations created by the Company, on such movable and immovable properties, stock in trade (including raw materials, stores, spare parts and components) and work in process, both present and future and/or on the whole or any part of the undertaking(s) of the Company and in such manner as the Board may deem fit, towards the total amount of Loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the agreements/ arrangements entered into/ to be entered into by the Company in respect of the said loans, not exceeding the limit of Rs 1000 Crores (Rupees One Thousand Crores only).

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, execute such documents as may be considered necessary, desirable or expedient for giving effect to this Resolution."

Place: Ludhiana
Date: 07.08.2023

By order of the Board
For Monte Carlo Fashions Limited

Ankur Gauba
(Company Secretary)
ICSI MEMBERSHIP NO. FCS-10577

NOTES:

1. Pursuant to General Circulars 20/2020, 19/2021, and 2/2022, the latest being 10/ 2022 dated 28th December, 2022, read with other circulars issued by the Ministry of Corporate Affairs (MCA) (collectively referred to as MCA Circulars), and in line with the Circulars issued by the Securities and Exchange Board of India (SEBI) from time to time, the Company is convening the AGM through VC/OAVM, without the physical presence of the Members. The deemed venue for the AGM will be the Registered Office of the Company.

   In compliance with the provisions of the Companies Act, 2013 ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and above referred MCA Circulars, the current AGM of the Company is being held through VC / OAVM on Thursday, August 31, 2023 at 11.00 a.m. (IST). The deemed venue for the meeting shall be registered office of the Company at B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003.

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts in respect of businesses to be transacted at the Annual General Meeting ("AGM") as set out under item no. 6 to 8 above and the relevant details of Directors as mentioned under item no. 4 to 5 above as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed as **Annexure -A.**

3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, route map and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. Members are permitted to join the AGM through VC/OAVM, Thirty (30) minutes before the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis.

5. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting. They are requested to send a certified copy of the Board Resolution of authorisation to the Scrutiniser by e-mail at cspsdua@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

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

7. Only bonafide members of the Company whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/ OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

8. As per the provisions of Clause 3.A.III of the General Circular No. 20/2020 dated 5th May 2020 issued by MCA, the matters of Special Businesses as appearing at Item Nos. 6 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

9. The Register of Directors and Key Managerial Personnels and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspect, may send their request through an email at **investor@montecarlocorporate.com** up to the date of AGM.

10. **Book Closure and Dividend:**

    i) Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42(5) of the Listing Regulations, the Share Transfer Books and Register of Members of the Company will remain closed from Friday, August 25, 2023 to Thursday, August 31, 2023 (both days inclusive).

    ii) The Board of directors of the Company at its meeting held on May 29, 2023 has recommended a dividend @200% i.e. Rs. 20 /- per Equity Share on the paid up equity share capital of the Company. The dividend, if declared at the Annual General Meeting, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable within a period of 30 days from the date of declaration to the members as under:

a) To all the Beneficial Owners as on Thursday, August 24, 2023 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/Registrar and Share Transfer Agent as on Thursday, August 24, 2023.

iii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

iv) The Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / Company's Registrars and Transfer Agents viz. Linkin time India Private Limited ("RTA") before Thursday, August 24, 2023 by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.

v) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to investor@montecarlocorporate.com by Thursday, August 24, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor@montecarlocorporate.com. The aforesaid declarations and documents need to be submitted by the shareholders by Thursday, August 24, 2023. For detailed instructions and formats of the Forms and documents to be submitted, please visit www.montecarlocorporate.com.

vi) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form and not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents viz. Linkin time India Private Limited ("RTA"), so that it reaches to them latest by Thursday, August 24, 2023 :

a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

- Name and Branch of Bank and Bank Account type;
- Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
- 11 digit IFSC Code.

b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

c. self-attested copy of the PAN Card; and

d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in dematerialized form may note that bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend and therefore, members are requested to update with their respective Depository Participants ("DP"), their bank account details (account number, 9 digit MICR and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Company's Registrars and Transfer Agents viz. Linkin time India Private Limited ("RTA"), before Thursday, August 24, 2023 by quoting the

Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.

vii) Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

viii) Members are requested to note that, pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund. The Company requests the Members to claim the unclaimed dividends within the prescribed period and contact Link Intime India Private Limited, Registrar and Share Transfer Agent (RTA) for claiming the unclaimed dividends standing to the credit in their account. The details of the unclaimed dividends are also available on the Company's website at **http://www.montecarlocorporate.com/details-of-unclaimed-amounts.php** and Ministry of Corporate Affairs at **www.iepf.gov.in/.**

11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s Linkin time India Private Limited for assistance in this regard.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to M/s Link In time India Private Limited in case the shares are held in physical form, quoting their folio no.

13. i) Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investor@montecarlocorporate.com by mentioning their DP ID & Client ID/ Physical Folio Number.

    ii) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 24, 2023 through email on investor@montecarlocorporate.com. The same will be replied by the Company suitably.

14. In Compliance with the Relevant Circulars of Ministry of Corporate affairs ("MCA"), the Notice of the 15th AGM along with the Annual Report 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.montecarlocorporate.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the same may also be accessed by the members from the website of CDSL i.e. www.evotingindia.com. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: investor@montecarlocorporate.com.

15. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s Linkin time India Private Limited in case the shares are held by them in physical form.

16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

17. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read together with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 (the "SEBI Circulars") has mandated for furnishing/ updating PAN, KYC details (Address, Mobile No., E-mail ID, Bank Details) and Nomination details by all the holders of physical securities in listed company in the prescribed forms i.e. ISR-1, ISR-2, SH-13/ISR-3/SH-14. In Compliance thereof, the Company has already sent the communication alongwith prescribed forms to all the Physical Shareholders at their registered address. Members are requested to forward the duly filled in Forms along with the related proofs to the Company at its Registered Office. The aforesaid forms can be downloaded from the website of the Company i.e. www. montecarlocorporate.com.

18. SEBI has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January, 2022, any service requests or complaints received from the Member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1st October, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s) the said folios shall be frozen by RTA and the said folios shall be restored to normal status only after furnishing by the holders of Physical securities all the completed documents/details as stated. Further, those folios that were frozen on or after 1st October, 2023 and continues to remain frozen till 31st December, 2023 post that such securities will be referred by RTA/Company to the administering authority under Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering.

19. Process for those Members whose email Ids are not registered:

i) **For Members holding Shares in the physical form -** Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card by email to the Company: investor@montecarlocorporate.com

ii) **For Members holding Shares in Demat form** - Please provide Demat account details (CDSL- 16 digit beneficiary ID or NSDL-16 digit DPID + Client ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the Company: investor@montecarlocorporate.com on or before **Thursday, August 24, 2023.**

iii) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

20. Remote e-Voting before/during the AGM:

a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.

b) Members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. Thursday, August 24, 2023 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, August 24, 2023, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com.

c) THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

i) The remote e-Voting period commences on Monday, August 28, 2023 at 9.00 a.m. (IST) and ends on Wednesday, August 30, 2023 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, August 24, 2023.

ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii) Pursuant to SEBI Circular No. SEBI/HO/FD/ CMD/CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations; listed companies are required to provide remote e-voting facility to its shareholders in respect of all shareholders resolutions. However, it has been observed that the participation by the public non-institutional members / retail members is at a negligible level. Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

iv) In view of the aforesaid SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to the aforesaid SEBI Circular dated December 9, 2020, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of shareholders	Login Method
Individual Members holding securities in Demat mode with **CDSL**	a) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. b) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. c) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration d) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members securities in demat mode with **NSDL Depository**	a) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting ser vices and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	b) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4867000 and 022-24997000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for e-Voting and joining virtual meeting for Physical shareholders and shareholders other than individual holding in Demat form.

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

b) Click on "Shareholders" module.

c) Now enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

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

f) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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.

vi. After entering these details appropriately, click on "SUBMIT" tab.

vii. Members holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

ix. Click on the EVSN for MONTE CARLO FASHIONS LIMITED on which you choose to vote.

x. 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.

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

xii. 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.

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

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

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

xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@montecarlocorporate.com, if they

have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

ix. All grievances connected with the facility for voting by electronic means may be addressed to Sh. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

xx. 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. Thursday, August 24, 2023 may follow the same instructions as mentioned above for e-Voting.

d) INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING DURING AGM ARE AS UNDER:

i) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.

ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

iii) Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

iv) Members are encouraged to join the Meeting through Laptops / IPads for better experience.

v) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vii) Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at the Company's email Id: investor@montecarlocorporate.com. Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

viii) The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the AGM mentioning their name, demat account number/ folio number, email id, mobile number at the Company's email Id investor@montecarlocorporate.com. These queries will be replied to by the Company suitably by email.

ix) Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

x) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

21. Other Instructions:

i) Sh. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934), have been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/ OAVM but have not cast their votes by availing the remote e-Voting facility.

iii) The persons who have acquired shares and become members after the dispatch of the notice may send a request to the Company Secretary via e-mail at investor@montecarlocorporate.com for a copy of the Annual Report. The Annual Report is also available on the website of the Company.

iv) The Company has designated an exclusive e-mail ID i.e. investor@montecarlocorporate.com to enable the investors to register their complaints / send correspondence, if any.

22. Declaration Of Results:

i) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.

ii) Based on the scrutinizer's report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.

iii) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at www.montecarlocorporate.com and on the website of CDSL at www.evotingindia.com , immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

iv) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. Thursday, August 31, 2023.

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

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 6 to 8 of the accompanying Notice convening the Fifteenth Annual General Meeting to be held on Thursday, August 31, 2023

ITEM NO. 6

The Members of the company at the Annual General Meeting of the Company held on September 27, 2018 had appointed Sh. Rishabh Oswal as Executive Director of the Company for a period of five years with effect from June 1, 2018 under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the present term of Sh. Rishabh Oswal as Executive Director comes to an end on May 31, 2023.

Therefore, the Board of Directors of the Company at its meeting held on May 29, 2023 has, subject to the approval of members re-appointed Sh. Rishabh Oswal as Executive Director of the Company for a period of Five years with effect from June 1, 2023 on the terms and conditions as recommended by the Nomination and Remuneration Committee of the Board and approved by Board. It is proposed to seek member's approval for the re-appointment and remuneration payable to Sh. Rishabh Oswal as Executive Director of the Company.

Sh. Rishabh Oswal, aged 31 Years, completed his B.A. Hons. in Management Studies from University of Nottingham, UK in 2013 and thereafter he completed PGP MFAB, Executive MBA from the prestigious Indian School of Business, Hyderabad. He joined Monte Carlo Fashions Limited in 2015 and has more than 10 years of experience in the field of manufacturing, e-commerce and administration. He also serves as Director of various other Group Companies.

Keeping in view the invaluable contribution made by Sh. Rishabh Oswal through his knowledge and experience, more particularly in the field of manufacturing, e-commerce and administration, it will be in the interest of the Company to retain him in the present role as Executive Director of the company for another term of five years.

Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits (calculated as per section 198 of the Companies Act, 2013) of the listed entity. Sh. Rishabh Oswal belongs to the Promoter Group of the Company. Accordingly, the Board, on the recommendation of Nomination and Remuneration Committee, Audit Committee has sought approval of the members by way of Special Resolution for payment of remuneration to Sh. Rishabh Oswal, being a promoter/ member of the promoter group of the Company, even if the aggregate annual remuneration payable to him may exceeds the limit as provided under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f June 1, 2023 to May 31, 2028 i.e till the completion of his present tenure.

Sh. Rishabh Oswal has also furnished the consents/declarations for his re-appointment as required under the Act, Rules and SEBI Listing Regulations. He satisfies all the conditions set out in Part-I of Schedule V to the Act and is not disqualified under sub-section (3) of Section 196 read with Section 164 of the Act for being appointed as such. Further, In compliance with Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India, other details of Sh. Rishabh Oswal whose appointment is proposed at Item No. 6 is provided in the “Annexure-A” to the Notice.

Except Sh. Rishabh Oswal, the appointee, Sh. Jawahar Lal Oswal, Smt. Ruchika Oswal, Smt. Monica Oswal and Sh. Sandeep Jain are related to Sh. Rishabh Oswal and therefore deemed to be interested in the resolution proposed in regards to his re-appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out at Item No. 6 of the notice with regard to his re-appointment.

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

ITEM NO. 7 AND 8

Authority to the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013 for borrowings upto the revised limit of Rs. 1000 crores and Authority to the Board of Directors under Section 180 (1) (a) of the Companies Act, 2013 for creation of charge upto the revised limit of Rs. 1000 crores.

At the Annual General Meeting (“AGM”) of the Company held on September 05, 2014, the members of the Company had accorded their consent to the Board of Directors of the Company (“Board”) for borrowing monies (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) upto Rs. 500 Crores under Section 180(1)(c) of the Companies Act, 2013. The members of the Company at the said AGM had also accorded their consent to the Board to create charge on properties or assets of the Company to secure borrowings upto Rs. 500 crores under Section 180(1)(a) of the Companies Act, 2013.

In view of the increase in business activities, keeping in view the future plans of the Company and to fulfill long term strategic and business objectives, the Board of Directors at its meeting held on May 29, 2023 proposed and approved increase in the borrowing limit from Rs. 500 Crores to Rs. 1000 Crores (Rupees One Thousand Crores) pursuant to Section 180 (1)(c) of the Companies Act, 2013 and accordingly, increase the limit for creation of charge to secure the indebtedness upto the aggregate limit of Rs. 1000 Crores (Rupees One Thousand Crores) pursuant to Section 180 (1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow money, where the money to be borrowed, together the monies already borrowed by the company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Shareholders of the Company by way of Special Resolution. Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution. In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company’s undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders of the Company for increasing the existing limits to Rs.

1000 Crores. Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company upto Rs. 1000 Crores as stated in the resolutions. The Board of Directors therefore recommends the resolutions as set out in Item Nos. 7 and 8 of the Notice for approval of members of the Company by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolutions.

By order of the Board
For Monte Carlo Fashions Limited

Place: Ludhiana
Date: 07.08.2023

Ankur Gauba
(Company Secretary)
ICSI MEMBERSHIP No. FCS-10577

Annexure-A

Details of the Directors pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, as applicable

Names	**Sh. Rishabh Oswal**
Designation	Executive Director
Date of birth/ age	13.01.1992 / 31 Years
Date of appointment	01.06.2018
Qualification	B.A. (Hons.) in Management Studies from University of Nottingham, UK and PGP MFAB, Executive MBA from the prestigious Indian School of Business, Hyderabad.
Experience	More than 10 years of experience in the field of manufacturing, e-commerce and administration.
Terms of appointment	Five years
Remuneration for the Financial Year 2022-23	Rs. 157 Lakhs
Disclosure of relationship	Sh. Rishabh Oswal is Grandson of Sh. Jawahar Lal Oswal, Chairman & Managing Director and Nephew of Smt. Ruchika Oswal and Smt. Monica Oswal, Executive Directors of the Company. He is not related to any of the other Director and Key Managerial Personnel of the Company.
Shareholding	10,500 Equity Shares
No. of Board Meetings attended during the year	3
Directorships in other Listed Companies as on March 31, 2023	NIL
Chairman/ Member of Committees of other Listed Companies as on March 31, 2023	NIL

Names	Sh. Dinesh Gogna	Smt. Monica Oswal
Designation	Non-Executive Director	Executive Director
Date of birth/ age	07.07.1953/ 70 Years	25.02.1972/ 52 Years
Date of appointment	01.07.2008	10.08.2021
Qualification	Bachelor's Degree in Law, Completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance.	Bachelor's Degree in Commerce
Experience	More than 39 years of experience in the field of Corporate Finance and Taxation.	More than 23 years of experience in the field of Retail Marketing, Designing and Branding.
Terms of appointment	Liable to retire by rotation	Liable to retire by rotation
Remuneration for the Financial Year 2022-23	1.00 Lakhs (Sitting Fees for Board Meetings attended)	Rs. 101.00 Lakhs
Disclosure of relationship	Sh. Dinesh Gogna is not related to any Director(s) and Key Managerial Personnel of the Company	Smt. Monica Oswal is Daughter of Sh. Jawahar Lal Oswal, Chairman & Managing Director and Sister of Smt. Ruchika Oswal and Aunt of Sh. Rishabh Oswal, Executive Directors of the Company. She is not related to any of the other Director and Key Managerial Personnel of the Company.
Shareholding	2,000 Equity Shares	5,15,837 Equity Shares
No. of Board Meetings attended during the year	4	3
Directorships in other Listed Companies as on March 31, 2023	Nahar Spinning Mills Limited, Nahar Industrial Enterprises Limited, Nahar Capital and Financial Services Limited, Nahar Poly Films Limited and Oswal Leasing Limited	Nil

Membership/ Chairmanship of Committees of other Listed Companies as on March 31, 2023	**Name of the Company**	**Name of the Committee**	**Designation**	**Name of the Company**	**Name of the Committee**	**Designation**
	Nahar Spinning Mills Limited	Audit	Member	Oswal Leasing imited	Audit	Member
		Share Transfer	Member		Stakeholders Relationship	Member
		Corporate Social Responsibility	Member		Nomination and Remuneration	Member
					Share Transfer	Member
	Nahar Industrial Enterprises Limited	Audit	Member		Risk Management	Member
		Share Transfer	Chairman			
		Corporate Social Responsibility	Member			
	Nahar Poly Films Limited	Stakeholders Relationship	Chairman		Internal Complaints	Presiding Officer / Chair-Person
		Corporate Social Responsibility	Member			
		Audit	Member			

By order of the Board
For Monte Carlo Fashions Limited

Place: Ludhiana
Date: 07.08.2023

Ankur Gauba
(Company Secretary)
ICSI MEMBERSHIP No. FCS-10577

Directors' Report

Dear Members,

Your Directors are pleased to present the Fifteenth (15th) Annual Report of the business and operations of the Company along with the Audited Financial Statements for the financial year ended on March 31, 2023.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2023 is summarized below:

(Rs. In Lakhs)

	For the Year ended 31st March 2023		For the Year ended 31st March 2022	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from operations	1,11,771	1,11,771	90,432	90,432
Other Income	2,083	2,083	2,520	2,520
Total Revenue from operations & other income	1,13,854	1,13,854	92,952	92,952
Earnings before Interest, Depreciation & Tax (EBIDTA)	23,865	23,843	20,551	20,542
Depreciation & Amortization	4,177	4,177	3,725	3,725
Finance Cost	2,445	2,445	1,568	1,569
Profit before Tax (PBT)	17,243	17,221	15,258	15,248
Tax Expenses/ Adjustment				
1. Current Tax	5,163	5,163	4,244	4,244
2. Deferred Tax	(693)	(693)	(390)	(390)
Profit after Tax (PAT)	13,274	13,252	11,404	11,394
Other Comprehensive Income (net of tax)	(189)	(189)	33	33
Total Comprehensive Income	13,085	13,063	11,437	11,427
Earnings Per Share (Rs.) – Basic	64.03	63.92	55.00	54.95
Earnings Per Share (Rs.) – Diluted	64.03	63.92	55.00	54.95

Note

A. As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2023 has been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of Companies Act, 2013 and other relevant provisions of the Act. The estimates and judgements relating to the Financial Statements are made on a prudent basis, to reflect in a true and fair manner, including profits and cash flows for the year ended March 31, 2023. The Notes to the Financial Statements adequately explain the Audited Statements.

B. In accordance with the Companies Act, 2013 & Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements' read with Ind AS 111 on 'Joint Arrangements' and Ind AS 112 on 'Disclosure of Interest in other entities', the Audited Consolidated Financial Statements are also provided in the Annual Report.

2. PERFORMANCE REVIEW

- **BUSINESS OUTLOOK**

"Monte Carlo Fashions" has diversified presence across various segments. It has created a comprehensive range of wool and cotton, cotton blended, knitted and woven apparels and home furnishing under umbrella brand name "Monte Carlo" such as Luxuria, Denim, Alpha and Tweens, Rock.It etc. In the cotton segment, we produce T-shirt, Shirts, Denims, Trousers, Suits, and different other garments, apart from that we also produce jackets and coats. The Company's ability to tap various segments of the market provides the Company tremendous opportunities for growth for coming years. The Company's key strength is wide and growing its distribution network with a diversified presence across India with 350+ Exclusive Brand Outlets, 2500+ Multi Brand Outlet & distributors, 800+ National Chain Stores and, 300+ Shop-in-Shop stores. The Company also has online presence through its own portal as well as various online platforms such as Ajio, Amazon, Flipkart, Myntra, Jabong, and Kapsons. Your Company continues to enjoy a comfortable net cash position, and with adequate banking limits in place, its ability to service debts and financing obligations on time remains unaffected. The Company continues to invest in brand building, and various marketing initiatives and also continues to enjoy the best customer response across all portals.

The Company has pan-India presence, and we are also looking to aggressively increase our presence in the western and southern regions of India. With the strong business deliverables and brand presence in the current financial year, the Company aims to further expand its business in Jammu & Kashmir (J&K) to meet the demands of the market. The Company is well positioned for sustainable growth for the near future.

- **PRODUCTION AND SALES REVIEW**

During the year under review, your company has witnessed a increase in revenue of around 23.60%. The production of the company has been increased to 45,76,514 pcs from 38,12,123 pcs during the year 2022-23, showing an increase of 20.05%, due to increase in production capacity of cotton section. The revenue from operations stood at Rs 1,11,771 Lakhs as compared to Rs 90,432 Lakhs achieved last year.

- **PROFITABLITY**

The Company's earnings before depreciation, interest and tax for the current year is Rs 23,865 Lakhs as against Rs 20,551 Lakhs achieved last year. After providing for deprecation of Rs 4,177 Lakhs (previous year Rs 3,725 Lakhs), finance cost of Rs 2,445 Lakhs (previous year Rs 1,568 Lakhs), provision for current tax of Rs 5,163 Lakhs (previous year Rs 4,244 Lakhs), provision for deferred tax (Rs 693) Lakhs (previous year (Rs 390 Lakhs), the Net Profit from the operations increased to Rs 13,274 Lakhs as compared to Rs 11,404 Lakhs achieved last year. The other income of the Company for the said Financial Year stood at Rs 2,083 Lakhs and Last year stood at Rs 2,520 Lakhs.

- **RESOURCES UTILISATION**

A) Fixed assets

The Net Block as at March 31, 2023 was at Rs 17,478 Lakhs as compared to Rs 15,432 Lakhs in the previous year.

B) Current assets

The current assets as on March 31, 2023 were at Rs. 1,06,154 Lakhs as against Rs. 80,134 Lakhs in the previous year.

- **FINANCIAL CONDITION & LIQUDITY**

The Company enjoys a rating of "(CRISIL) AA- (pronounced double A minus)" from CRISIL Limited (CRISIL) for long term borrowings and "(CRISIL) A1+ (pronounced CRISIL A one plus)" for short term borrowings. Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements.

The position of liquidity and capital resources of the company is given below:-

(Rs. In Lakhs)

PARTICULARS	2022-23	2021-22
Cash and Cash Equivalents		
Beginning of the year	32	44
End of the year	60	32
Net Cash generated (used) by:-		
Operating activities	(512)	7,065
Investing activities	(4,752)	(4,839)
Financial activities	5,292	(2,238)

3. SHARE CAPITAL

The Authorized Share Capital of your Company as at March 31, 2023 stands at Rs. 25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs. 10/- each. As at March 31, 2023, the Issued, Subscribed and Paid-up Equity Share Capital of the Company stood at Rs. 20,73,20,640 divided into 2,07,32,064 Equity Shares of Rs. 10/- each.

There was neither any issue of Equity shares with differential rights as to dividend, voting or otherwise nor grant of any stock options or sweat equity under any scheme during the year under review. As on March 31, 2023, none of the Directors of the Company was holding any instrument convertible into Equity Shares of the Company.

4. DIVIDEND

Based on the Company's performance, wherein, it has earned a Net Profit of Rs. 13,274 Lakhs, your Board recommends a dividend of Rs. 20/- per Equity Share of Rs. 10/- each (i.e. 200%) for the approval of the members at the ensuing Annual General Meeting. The final dividend on Equity Shares, if declared by the members would involve a cash outflow of around Rs. 4146.41 Lakhs.

The dividend once approved by the Shareholders will be payable to those members whose name appear in the Register of members as on the record date. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 25, 2023 to Thursday, August 31, 2023 (both days inclusive) and the record date will be Thursday, August 24, 2023 for the purpose of payment of dividend for the financial year 2022-2023.

DIVIDEND DISTRIBUTION POLICY:

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board has formulated and adopted the Dividend Distribution Policy. The Policy is available on the website of the Company at **https://www.montecarlocorporate.com/investor-relation/policies-code.**

5. TRANSFER TO RESERVES

The General Reserve of the Company stood at Rs 38,087 Lakhs as at March 31, 2023.

6. SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company does not have any Joint Ventures or Associate Company. The company has one unlisted subsidiary named" Monte Carlo Home Textiles Limited".

7. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT:-

There are no material changes or commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2023 and the date of this report.

8. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/ or Board under Section 143(12) of Act and Rules framed thereunder.

9. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNELS

As on March 31, 2023, The Board of Directors presently consists of 12 (Twelve) Directors including a Chairman & Managing Director, 4 (Four) Executive Directors, 1 (One) Non Executive Non Independent Director and 6 (Six) Independent Directors.

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

Directors:

There were no changes in the directors for the year under review.

Declaration of independence from Independent Directors

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs, Manesar.
- In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. In terms of Regulation 25(9) of the Listing Regulations, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the Listing Regulations by the Independent Directors of the Company.

b) Women Directors:

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

c) Re-appointment of Executive Director

At the 10th AGM of the Company, Sh. Rishabh Oswal was appointed as Executive Director of the Company for a period of five years w.e.f June 1, 2018. Considering his valuable contribution to the growth of the Company during his tenure, the Nomination and Remuneration Committee and the Board of Directors had recommended his re-appointment as Executive Director, for a period of five years with effect from June 1, 2023, subject to the approval of the members in the ensuing Annual General Meeting (AGM).

d) Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Sh. Dinesh Gogna (DIN: 00498670), Director and Smt. Monica Oswal (DIN: 00566052), Executive Director of the Company, being longest in the office since their last appointments/ re-appointments, shall retire at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment, on the same terms and conditions on which they were appointed/ re-appointed.

In compliance with Regulation 36 of Listing Regulations and Secretarial Standard-2 on General Meetings, brief resumes of all the Directors proposed to be appointed / re-appointed are attached along with the Notice calling the ensuing Annual General Meeting.

e) Details of Familiarisation Programme:

The details of the programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at **https://www.montecarlocorporate.com/Pdfs/familarization%20program%202022231682334362.pdf**

f) Key Managerial Personnel (KMP's)

The following persons are the Key Managerial Personnel (KMP's) of the Company as on March 31, 2023 in terms of provisions of Section 203 of the Companies Act, 2013 and rules made thereunder:

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. Rishabh Oswal	Executive Director
Sh. Raj Kapoor Sharma	Chief Financial Officer
Sh. Ankur Gauba	Company Secretary

10. NUMBER OF BOARD MEETINGS HELD

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

During the Financial Year 2022-2023, the Board met on 4 (Four) occasions viz. May 30, 2022; August 03, 2022; November 08, 2022 and February 06, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

11. COMMITTEES OF THE BOARD

The Company has constituted the following committees in compliance with the Companies Act, 2013 and the Listing Regulations.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Share Transfer Committee and
6. Risk Management Committee.

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

12. ANNUAL BOARD EVALUATION

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of the Directors individually, of the Chairman and of the Board as a whole. The performance of the Directors was evaluated through a separate meeting of the Independent Directors. The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, after taking feedback from the Directors and committee members.

A separate meeting of Independent Directors was held on November 08, 2022, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors. The performance of the Independent Directors was evaluated by the entire Board except the person who is being evaluated, in their meeting held on February 06, 2023.

13. PUBLIC DEPOSIT

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

14. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has an adequate system of internal financial control commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

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

15. BUSINESS RISK MANAGEMENT

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

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Board has constituted a CSR Committee under Section 135 of the Companies Act, 2013. As per the adopted CSR policy, the Company is committed to certain CSR initiatives in the fields of Medical Relief and Research, Environmental Sustainability, Education and Social Upliftment etc., in collaboration with its Group Companies through the Implementing Agency i.e Oswal Foundation. The said policy is available at website of the company at link: **https://www.montecarlocorporate.com/investor-relation/policies-code.**

The Company carries on its CSR activities through Oswal Foundation along with the other group companies. The Company discharges its CSR liability by either contributing the amount to the said foundation or making a provision by way of CSR reserve.

The Company was required to spend Rs. 218.84 Lakhs on account of its liability towards Corporate Social Responsibility (CSR) for the Financial year 2022-23 and the Company has fulfilled its entire CSR obligation by donating Rs. 218.84 Lakhs to Oswal Foundation, thus complying with the provisions of section 135 of the Companies Act, 2013.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 including a brief outline of the Company's CSR Policy is annexed as **Annexure-A** hereto and forms part of this report.

17. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy adopted by the Company lays down a framework in relation to selection, appointment/ reappointment of Directors, Key Managerial Personnel and Senior Management alongwith their remuneration. It also lays down criteria for determining qualifications, positive attributes, independence of director(s) and other matters provided under sub section (3) of section 178 of the Companies Act, 2013. The said Policy is available on the website of the Company at following link: **https://www.montecarlocorporate.com/investor-relation/policies-code**

As mandated by proviso to Section 178(4) of the Companies Act, 2013, salient features of Nomination and Remuneration Policy is annexed as **Annexure- B** hereto and forms part of this report.

18. RELATED PARTY TRANSACTIONS

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

Prior approval of the Audit Committee was also obtained for all the transactions entered into during the year 2022-23 by the Company with its Group Companies. The details of all the related party transactions were placed before the Audit Committee and Board for its consideration and ratification on quarterly basis.

The details of the transactions entered with Related Parties during the year are provided in the Company's Financial Statements at Note No. 43 of the Notes to Accounts in accordance with the relevant Accounting Standard.

Your Company has framed a Policy on Related Party Transactions for purpose of identification and monitoring of such transactions in line with the requirements of the Companies Act, 2013 and Listing Regulations and the said policy is available at website of the company at link: https://www.montecarlocorporate.com/investor-relation/policies-code.

19. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The Company has not granted any loans, or provided any guarantee or security that are covered under the provisions of Section 185 of the Companies Act, 2013. In respect of loans given and investments made by the Company during the year, the Company has complied with the provisions of Section 186 of the Companies Act, 2013. The Company had granted loans to wholly-owned subsidiary company- M/s Monte Carlo Home Textiles Limited amount to Rs 557 Lakhs, which has been fully repaid along with interest by the wholly-owned subsidiary company during the year. The detail of investments made by the Company is given in the notes to the Financial Statements.

20. EXTRACTS OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2022-23 is available on the website of the Company and can be accessed under section "Annual Returns" at link: https://www.montecarlocorporate.com/investor-relation/shareholding-information

21. INSURANCE

Your Company has taken adequate comprehensive insurance policy for its assets against foreseeable perils like fire, flood, public liability, marine, etc. The Company has also taken Directors and Officers Liability insurance policy.

22. INTERNAL CONTROL SYSTEM & ITS ADEQUACY

Your Company has developed a well defined Internal Control System commensurate with the size, scale and complexity of its operations. The internal audit function is entrusted to M/s Gupta Vigg & Co., Chartered Accountants, who were appointed as Internal Auditors by the Board in terms of Section 138 of the Companies Act, 2013 and rules made thereunder. The Internal Auditors monitors and evaluates adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations are addressed to the Audit Committee and the Committee thereafter reviews the adequacy and effectiveness of the internal control systems and suggests various measures to improve and strengthen the same.

23. CORPORATE GOVERNANCE

The Company is committed to follow the best Corporate Governance practices, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same from time to time. The Company has duly complied with the Corporate Governance requirements. Further a separate section on Corporate Governance in compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of the said regulations alongwith a Certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of the Annual Report.

24. AUDITORS

Statutory Auditors & Auditor's Report

The Members of the company in the 14th Annual General Meeting (AGM) held on September 28, 2022 has appointed M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N) as Statutory Auditors for a period of 5 years, i.e. to hold office from the conclusion of the 14th AGM of the company till the conclusion of the 19th AGM of the company.

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

Cost Auditor

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

Secretarial Auditor

The Board upon recommendation of the Audit Committee, has appointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2022-23, in terms of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review. The Secretarial Audit Report is annexed as A**nnexure-D** hereto and forms part of this report.

25. LISTING OF EQUITY SHARES

The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the listing fees for the Financial Year 2023-2024 have been duly paid to both the Stock Exchanges.

26. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism / Whistle blower Policy to encourage employees to report matters about unethical behavior, actual or suspected fraud or violation of Company's code of conduct without the risk of subsequent victimisation and discrimination. The details of the same are explained in the Corporate Governance Report and the said policy is also available on the website of the Company at link: **https://www.montecarlocorporate.com/investor-relation/policies-code**

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

The Company has adopted a policy against sexual harassment and constituted an Internal Compliant Committee 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 2022-23 the Company has not received any complaints on the same and hence, no complaint was pending as at March 31, 2023.

28. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

As per SEBI LODR, Management Discussion and Analysis Report, Corporate Governance Report and Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

Pursuant to Regulation 34 of the SEBI LODR, the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report. As required under the provisions of the SEBI LODR, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31st March, 2023.

29. BUSINESS RESPONSIBILITY AND SUSTAINABLITY REPORT

SEBI, in May 2021 introduced new sustainability related reporting requirements to be reported in the specific format which is a notable departure from the existing Business Responsibility Report and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of environment, social and governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to Business Responsibility and Sustainability Reporting from the financial year 2022-23 onwards. In line with the above, the Business Responsibility and Sustainability Report is presented separately and is also available on the Company's website.

30. CORPORATE GOVERNANCE:

Your Company is committed to adhere to the best practices & highest standards of Corporate Governance. It is always ensured that the practices being followed by the Company are in alignment with its philosophy towards corporate governance. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter & spirit. Your Company proactively revisits its governance principles and practices as to meet the business and regulatory needs.

The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations. The Report on Corporate Governance in accordance with regulation 34(3) read with Para C of Schedule V of SEBI (LODR) Regulations, 2015 forms integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

31. NO DEFAULT

The Company has not defaulted in payment of interest and/ or repayment of loans to any of the financial institutions and/ or banks during the year under review.

32. DISCLOSURE OF REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY

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

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

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

34. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the year under review, your Company has duly complied with the applicable provisions of the Secretarial Standards.

35. HUMAN RESOURCE & INDUSTRIAL RELATIONS

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

36. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The shareholders whose dividends have been transferred to the IEPF Authority can claim their dividend from the authority.

The unclaimed or unpaid dividend relating to the financial year 2015-2016 is due for remittance in the month of November, 2023 to Investor Education and Protection Fund established by the Central Government. The Company has already sent email / notices in the month of July, 2022 to the members informing them to claim the Unclaimed Dividend / Shares before such transfer of dividend to the IEPF Authority. The details of these Unclaimed Dividend / Shares required to be transferred to the IEPF Authority are also provided on the website of the Company at www.montecarlocoporate.com.

During the year 2022-23, the unclaimed or unpaid dividend relating to the financial year 2014-2015 has been remitted to Investor Education and Protection Fund established by the Central Government. Further according to the Rules, the shares in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published requisite advertisement in the newspapers in this regard.

During the year under review the company has transferred to IEPF:-

Particulars	Details
Outstanding balance of Unclaimed Dividend 2014-15 refund account (in Rs)	2,95,440
Equity Shares (In Nos)	2,521

37. DIRECTOR'S RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the year ended March 31, 2023, 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.

38. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

1. 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.
2. Change in nature of Business of Company.
3. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable; and
4. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

39. ACKNOWLEDGEMENT & APPRECIATION

Your Board is grateful to express its deep sense of gratitude and appreciation to all the Shareholders, Customers, Vendors, Bankers, Financial Institutions and Business Associates of the Company for their continued support during the relevant financial year. Your Board acknowledges support and cooperation received from all the regulatory authorities of the Central Government and State Government respectively.

It also express its sincere appreciation of the employees at all levels for being encouraged to meet 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: 07.08.2023

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

ANNEXURE-A TO THE DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23:

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

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Jawahar Lal Oswal	Chairman	3	3
2.	Sh. Dinesh Gogna	Member	3	3
3.	Sh. Suresh Kumar Singla	Member	3	3

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

Composition of CSR committee	https://www.montecarlocorporate.com/Pdfs/Composition%20of%20commitee11656934985.pdf
CSR Policy	https://www.montecarlocorporate.com/Pdfs/CORPORATE-SOCIAL-RESPONSIBLITY-POLICY1574676509.pdf
CSR projects approved by the board	https://www.montecarlocorporate.com/Pdfs/Sr%20No%20(1)1691184715.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**
The Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)
NIL			

6. **Average net profit of the company as per section 135(5):** Rs 10,941.80 Lakhs

7. **(a) Two percent of average net profit of the company as per section 135(5):** Rs 218.84 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs 218.84 Lakhs

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
218.84 Lakhs	--	--	--	--	--

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number.
NOT APPLICABLE											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs Lakhs)	Mode of implemen-tation - Direct (Yes/ No)	Mode of implementation-Through implementing agency	
				State	District			Name	CSR Regn. Number
1.	Donation to Oswal Foundation	Preventive Health-care, Eradicating poverty & others	Yes	Punjab	Ludhiana	218.84	No	Oswal Foundation	CSR00000145

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs 218.84 lakhs

(g) **Excess amount for set off, if any**

Sr. No.	Particular	Amount (in Rs.)
	Two percent of average net profit of the company as per section 135(5)	NIL
	Total amount spent for the Financial Year	
	Excess amount spent for the financial year [(ii)-(i)]	
	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (In Rs)	Date of Transfer	
1.	2021-2022	--	--	--	--	--	--
2.	2020-2021	--	--	--	--	--	--
3.	2019-2020	--	--	--	--	--	--

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing
NOT APPLICABLE								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

ANNEXURE-B TO THE DIRECTORS REPORT

SALIENT FEATURES OF THE NOMINATION AND REMUNERATION POLICY [As per proviso to Section 178(4) of the Companies Act, 2013]

APPLICABILITY

This Policy is applicable to:

a. Directors (Executive, Non-Executive and Independent)
b. Key Managerial Personnel (KMP)
c. Senior Management Personnel
d. Other employees as may be decided by the Committee ("NRC")

OBJECTIVE

The Policy provides criteria for:

1. Determining qualifications, positive attributes and independence of a Director;
2. Performance evaluation of Independent Directors, Non-Independent Directors, Chairman and the Board;
3. Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees, as may be decided by the Committee;

PROVISIONS RELATING TO REMUNERATION OF MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The following are the guiding factors:

- The scope of duties, the role and nature of responsibilities;
- The level of skill, knowledge, experience, local factors and expectations of individual;
- The Company's performance, long term strategy and availability of resources;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully; and
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark;

PROVISIONS RELATING TO REMUNERATION OF NON-EXECUTIVE / INDEPENDENT DIRECTOR(S)

The following are the guiding factors:

- The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and as decided by the Board from time to time.
- The Non-Executive/ Independent Director(s) may also receive remuneration / compensation / commission etc as per criteria/limit thereof prescribed under Companies Act, 2013 and rules made thereunder.
- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders', as may be applicable.

EVALUATION

The evaluation will be done on following parameters:

1. Role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
2. Attendance and contribution at Board and Committee meetings;
3. Subject expertise, skills, behavior, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;

4. Ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
5. Vision on Corporate Governance and Corporate Social Responsibility;
6. Ability to create a performance culture that drives value creation and a high quality of discussions;
7. Effective decision making ability to respond positively and constructively to implement the same to encourage more transparency;
8. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity;
9. Contribution to enhance overall brand image of the Company.

ANNEXURE-C TO THE DIRECTORS REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

During the Financial Year 2022-23, the Company had not entered into any contract/ arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length.

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

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

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

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

For and on behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

ANNEXURE-D TO THE DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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. Punjab.
(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, 2023 (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, 2023 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;

- There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as per the information provided to us.

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

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

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018-Not applicable to the Company during the period under review.

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021) - Not Applicable to the Company during the Review Period.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 16th August, 2021) and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) - Not Applicable to the Company during the Review Period.

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client - Not applicable to the Company during the period under review.

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 9th June 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June 2021)- Not Applicable to the Company during the period under review.

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the period under review.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally 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 and the Payment of Wages (Amendment) Act, 2017;
3. The Payment of Bonus Act,1965 and the Payment of Bonus (Amendment) Act, 2015;
4. The Payment of Gratuity Act, 1972;
5. The 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. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
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 were 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.

For P.S. Dua & Associates

(Company Secretaries)

P.S. Dua
Proprietor
(Membership No.: FCS 4552)
(Certificate of Practice No.: 3934)
Peer Review Certificate No. 1296/2021
UDIN: F004552E000755236

Place: - Ludhiana
Date: - 07.08.2023

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, Punjab
(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 the 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 Secretaries)

P.S. Dua
Proprietor
(Membership No.: FCS 4552)
(Certificate of Practice No.: 3934)
Peer Review Certificate No. 1296/2021
UDIN: F004552E000755236

Place: - Ludhiana
Date: - 07.08.2023

ANNEXURE-E TO THE DIRECTORS 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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sr. No.	Name & Designation of Director/KMP	Remuneration for F.Y. 2022-23 (Rs. in Lacs)	% Age increase in the remuneration in the F.Y. 2022-23	Ratio of Remuneration to each director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal Chairman & Managing Director	680	3.62	380.76
2.	Sh. Sandeep Jain Executive Director	239	12.40	134.14
3.	Smt. Ruchika Oswal Executive Director	89	-7.36	49.60
4.	Smt. Monica Oswal Executive Director	101	5.67	56.58
5.	Sh. Rishabh Oswal Executive Director	157	14.17	87.89
6.	Sh. Dinesh Gogna Non-Executive Director	1	$	0.59
7.	Dr. Suresh Kumar Singla Independent Director	1	$	0.59
8.	Dr. Manisha Gupta Independent Director	1	$	0.59
9.	Sh. Alok Kumar Misra Independent Director	1	$	0.59
10.	Sh. Roshan Lal Behl Independent Director	1	$	0.30
11.	Sh. Manikant Prasad Singh Independent Director	1	$	0.59
12.	Sh. Parvinder Singh Pruthi Independent Director	1	$	0.59
13.	Sh. Raj Kapoor Sharma Chief Financial Officer	29	14.12	16.04
14.	Sh. Ankur Gauba Company Secretary	11	10.00	6.20

$ Details not given as the sitting fees has remained constant at Rs. 25,000/- per Board Meeting.

2. The median remuneration of employees of the Company during the financial year was at Rs.1.78 Lakhs.
3. In the financial year, there was a increase of 6.58% in the median remuneration of employees.
4. There were 1,942 permanent employees on the rolls of Company as on March 31, 2023.
5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2022-23 was 3.74%, whereas increase in the managerial remuneration for the same financial year was 5.85% .
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

STATEMENT OF PARTICULARS OF EMPLOYEES UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2023.

A. DETAILS OF THE PERSONS EMPLOYED THROUGHOUT THE YEAR, WHO WERE IN RECEIPT OF REMUNERATION WHICH IN AGGREGATE WAS NOT LESS THAT RS 102 LAKHS PER ANNUM AND RS 8.50 LAKHS PER MONTH IS AS FOLLOWS:-

Name of Employees	Age in years	Desig-nation	Quali-fication	Nature of Employ-ment	Experi-ence in Years	Date of Commence-ment of Em-ployment	Remunera-tion (in Rs. Lakhs)	Last Em-ployment Held
Sh. Jawahar Lal Oswal	80	Managing Director	Graduate	Full-time	59	01.07.2008	680	Oswal Woollen Mills Ltd.
Sh. Sandeep Jain	52	Executive Director	Graduate	Full-time	29	01.08.2012	239	Oswal Woollen Mills Ltd.
Sh. Rishabh Oswal	31	Executive Director	B.A.(Hons.), Executive MBA	Full-time	10	01.01.2015	157	Cotton County Retail Ltd.

B. STATEMENT SHOWING NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR IS AS FOLLOWS:-

Name of Employees	Age in years	Designation	Qualifica-tion	Nature of Employ-ment	Experi-ence in Years	Date of Com-mencement of Employ-ment	Remuner-ation (in Rs. Lakhs)	Last Employ-ment Held
Sh. Jawahar Lal Oswal	80	Managing Director	Graduate	Full-time	59	01.07.2008	680	Oswal Woollen Mills Ltd.
Sh. Sandeep Jain	52	Executive Director	Graduate	Full-time	29	01.08.2012	239	Oswal Woollen Mills Ltd.
Sh. Rishabh Oswal	31	Executive Director	B.A.(Hons.), Executive MBA	Full-time	10	01.01.2015	157	Cotton County Retail Ltd.
Smt. Ruchika Oswal	52	Executive Director	Graduate	Full-time	22	10.08.2011	89	Oswal Woollen Mills Ltd.
Smt. Monica Oswal	52	Executive Director	Graduate	Full-time	22	10.08.2011	101	Oswal Woollen Mills Ltd.
Sh. Sumit Agrawal	45	Head-Production/ Non-Woolen)	Graduate	Full-time	25	20.12.2015	34	Creative Line International Pvt. Ltd.
Sh. Manish Chopra	45	Head-Production/ (Non-Woolen)	Graduate	Full-time	25	01.04.2011	33	Oswal Woollen Mills Ltd.
Sh. Vikas Jain	51	Head-Production/ (Woolen)	B.Com (Hons.), MBA	Full-time	23	01.04.2011	30	Oswal Woollen Mills Ltd.
Sh. Alok Jain	51	Head-Production/ (C&D)	B.Com (Hons.), MBA	Full-time	29	04.02.2013	29	Duke Fashions (India) Ltd.
Sh. Raj Kapoor Sharma	55	Chief Financial Officer	B.Com (Hons.), C.A.	Full-time	29	01.07.2017	29	Vardhman Polytex Ltd.

NOTES:

1. Sh. Jawahar Lal is father of Smt. Ruchika Oswal and Smt. Monica Oswal and grandfather of Sh. Rishabh Oswal and father-in-law of Sh. Sandeep Jain and Smt. Ruchika Oswal is spouse of Sh. Sandeep Jain.
2. Except as stated in Note No. 1, none of the other above mentioned persons are related to any Director and Key Managerial Personnel of the Company.
3. The remuneration as shown above includes, inter-alia, House Rent Allowance, Company's contribution to Provident Fund, incentives and other perquisites as per the Company's policy.
4. None of the employee has drawn in excess of remuneration drawn by MD/ WTD and holds alongwith spouse and dependent children not less than 2% of the Equity Shares of the Company as on March 31, 2023.

For and on behalf of Board of Directors

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

Place: Ludhiana
Date : 07.08.2023

ANNEXURE-F TO THE DIRECTOR REPORT

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

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy;

- Installation of energy efficient LED lights by replacing all conventional lights
- Regular Supervision and control are being maintained in areas where steps have already been taken for the conservation of energy.
- Replaced the previous air cooled ac system with the water cooled chiller plant which is 15% to 20% more efficient as compared to old one.

(ii) The steps taken by the company for utilizing alternative source of energy;

In addition to the existing solar system installed at the Registered Office, the Company has installed 188kw solar plant at Unit-1 and 240 Kw solar plant at Unit-2 of the company.

(iii) The capital investment on energy conservation equipment: Nil

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption;

The Company has been continuously improving on resource use efficiencies, especially that of common resources such as water, fuel and energy. The Company follows series of environmental performance indicators for monitoring natural resources consumption on per case basis and continual improvement is being achieved and sustained.

(ii) The benefits derived as result of the above efforts:

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

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

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.

(iv) The expenditure incurred on Research & Development: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(Amount in Rs.)

	2022-2023	2021-2022
i) Total Foreign Exchange outgo	36,06,89,351.00	72,70,08,555.10
ii) Total Foreign Exchange earned	Nil	Nil

For and on behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

REPORT ON CORPORATE GOVERNANCE

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE REPORT

Corporate Governance is a reflection of the principles embedded in its values, policies and day-to-day business practices, leading to sustainable and value-driven growth for the Company. Monte Carlo Fashions Limited (MCFL/Company) is committed to maintain the highest standards of corporate governance, disclosure practices, professionalism, transparency and accountability in all its dealings which leads to increased operational efficiencies and growth as well as enhancing investor confidence. Beyond mere compliance, we are committed towards taking initiative to enhance investor's wealth in the long run. This is reflected in the well balanced and independent structure of Company's eminent and well represented Board of Directors ("Board"). The Company considers it absolutely essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials, performance and operations of the Company.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st March, 2023. A certificate from the Managing Director to this effect is attached to this Report. The Code has been displayed on the Company's website at https://www.montecarlocorporate.com/investor-relation/policies-code

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company Secretary acts as the Compliance Officer.

The Code of Conduct is applicable to Promoter(s), Director(s), Key Managerial Personnel ("KMP"), specified employees and other Connected Person of the Company who are expected to have access to Unpublished Price Sensitive Information (UPSI) relating to the Company. All of them have duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. These Codes are displayed on the website of the Company. The Directors and senior employees have given affirmation for the compliance under this code.

The Company is in compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for Corporate governance.

1. BOARD OF DIRECTORS

The Company has a diversified Board, constituted in compliance with the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the best practices of Corporate Governance. The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. The Company is managed by the Board of Directors in co-ordination with the Senior Management. The Board of Directors meets at least once in every quarter and also as and when required.

During the year under review, the Board met on 4 (Four) occasions viz. May 30, 2022, August 03, 2022, November 08, 2022 and February 06, 2023. The maximum gap between any two Board meetings was less than one hundred and twenty days.

A. The following table describes the composition and category of each director on the Board, their status, their attendance at the Board Meetings and the last Annual General Meeting ("AGM") together with the details of number of other directorships and Committee Membership(s)/ Chairmanship(s) of each Director as at March 31, 2023:

Name of the Director	Category of Director	No. of Board Meetings Attended	Attendance at AGM held on 28.09.2022	No. of Directorship[1]	No. of Committees[2] in which Chairman/ Member	
					Chairman	Member[3]
Sh. Jawahar Lal Oswal[4]	Promoter, Chairman & Managing Director	4 of 4	Not Present	9	-	-
Sh. Sandeep Jain[4]	Executive Director	4 of 4	Present	4	-	-
Smt. Ruchika Oswal[4]	Promoter, Executive Director	3 of 4	Present	3	-	-
Smt. Monica Oswal[4]	Promoter, Executive Director	3 of 4	Present	5	-	2
Sh. Rishabh Oswal[4]	Executive Director	3 of 4	Present	8	-	-
Sh. Dinesh Gogna	Non-Executive, Non Independent Director	4 of 4	Present	8	1	7
Dr. Suresh Kumar Singla	Non-Executive Independent Director	4 of 4	Present	2	1	7
Dr. Manisha Gupta	Non-Executive Independent Director	4 of 4	Present	7	1	6
Sh. Alok Kumar Misra	Non-Executive Independent Director	4 of 4	Present	3	-	2
Dr. Roshan Lal Behl	Non-Executive Independent Director	4 of 4	Present	7	5	7
Sh. Manikant Prasad Singh	Non-Executive Independent Director	4 of 4	Present	-	-	-
Sh. Parvinder Singh Pruthi	Non-Executive Independent Director	4 of 4	Present	1	-	-

1. *The number of directorships excludes directorship of Monte Carlo Fashions Limited, Private Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.*
2. *Chairmanship/ Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than Monte Carlo Fashions Limited.*
3. *Number of memberships in Committees are inclusive of Chairmanship.*
4. *Smt. Ruchika Oswal and Smt. Monica Oswal are Daughters of Sh. Jawahar Lal Oswal, Sh. Sandeep Jain is related to Sh. Jawahar Lal Oswal being husband of Smt. Ruchika Oswal and Sh. Rishabh Oswal is grandson of Sh. Jawahar Lal Oswal.*

B. The following table gives the names of the listed entities where the Directors of the Company are Directors and the Category of their respective directorship as on 31.03.2023:-

Name of the Director	Name of the listed companies in which the Director of the Company is a Director	Category of Directorship in the listed companies
Sh. Jawahar Lal Oswal	Nahar Industrial Enterprises Limited	Non-Executive Director
	Nahar Poly Films Limited	Non-Executive Director
	Nahar Spinning Mills Limited	Non-Executive Director
	Nahar Capital & Financial Services Limited	Non-Executive Director
Smt. Monica Oswal	Oswal Leasing Limited	Non-Executive Director

Sh. Dinesh Gogna	Nahar Industrial Enterprises Limited	Non-Executive Director
	Nahar Poly Films Limited	Non-Executive Director
	Nahar Spinning Mills Limited	Non-Executive Director
	Nahar Capital & Financial Services Limited	Non-Executive Director
	Oswal Leasing Limited	Non-Executive Director
Dr. Suresh Kumar Singla	Nahar Industrial Enterprises Limited	Independent Director
	Kovalam Investment And Trading Company Limited	Independent Director
Dr. Manisha Gupta	Nahar Poly Films Limited	Independent Director
	Nahar Industrial Enterprises Limited	Independent Director
	Nahar Spinning Mills Limited	Independent Director
	Oswal Leasing Limited	Independent Director
	Nahar Capital & Financial Services Limited	Independent Director
Sh. Alok Kumar Misra	The Investment Trust of India Limited	Independent Director
	Mrs. Bectors Food Specialties Limited	Independent Director
Dr. Roshan Lal Behl	Nahar Industrial Enterprises Limited	Independent Director
	Nahar Spinning Mills Limited	Independent Director
	Nahar Capital & Financial Services Limited	Independent Director
	Nahar Poly Films Limited	Independent Director
	Oswal Leasing Limited	Independent Director
Sh. Parvinder Singh Pruthi	Nahar Industrial Enterprises Limited	Independent Director

C. SHAREHOLDING DETAILS OF DIRECTORS AS ON March 31, 2023:

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

Name of Directors*	No. of Shares
Sh. Jawahar Lal Oswal	115059
Smt. Ruchika Oswal	515838
Smt. Monica Oswal	515837
Sh. Rishabh Oswal	10500
Sh. Dinesh Gogna	2000

*None of the other Directors holds any share of the Company.

D. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company on appointment of an Independent Director, issues a formal Letter of Appointment setting out the terms of appointment, duties and responsibilities. The Company in terms of Regulation 25(7) of Listing Regulations, has also put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company and the ongoing events relating to the Company. It aims to provide the Independent Directors an insight into the Company's functioning and to help them to understand its business in depth, so as to enable them to contribute significantly during the deliberations at the Board and Committee meetings. The details of Familiarization Programme imparted to Independent Directors during the year can also be accessed from the company's website at link: https://www.montecarlocorporate.com/Pdfs/familarization%20program%202022-231682334362.pdf

E. CORE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD MEMBERS

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Business Dynamics, Research & Development and Innovation
- Strategy and planning
- Leadership / Operational experience
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

While all the Board members possess the skills identified, their area of core expertise is given below:

Name of Director	Area of Expertise
Sh. Jawahar Lal Oswal	Business Dynamics, Research & Development and Innovation Strategy and planning Leadership / Operational experience Financial, Regulatory / Legal & Risk Management Corporate Governance
Sh. Sandeep Jain	Business Dynamics, Research & Development and Innovation Strategy and planning Leadership / Operational experience Corporate Governance
Smt. Ruchika Oswal	Business Dynamics, Research & Development and Innovation Strategy and planning
Smt. Monica Oswal	Business Dynamics, Research & Development and Innovation Strategy and planning
Sh. Rishabh Oswal	Business Dynamics, Research & Development and Innovation Strategy and planning Leadership / Operational experience Financial, Regulatory / Legal & Risk Management
Sh. Dinesh Gogna	Strategy and planning Financial, Regulatory / Legal & Risk Management Corporate Governance
Dr. Suresh Kumar Singla	Financial, Regulatory / Legal & Risk Management Corporate Governance
Sh. Alok Kumar Misra	Strategy and Planning Leadership / Operational experience Financial, Regulatory / Legal & Risk Management
Dr. Manisha Gupta	Financial, Regulatory / Legal & Risk Management Corporate Governance
Dr. Roshan Lal Behl	Financial, Regulatory / Legal & Risk Management Corporate Governance
Sh. Manikant Prasad Singh	Financial, Regulatory / Legal & Risk Management Corporate Governance
Sh. Parvinder Singh Pruthi	Business Dynamics, Research & Development and Innovation Strategy and planning Financial, Regulatory / Legal & Risk Management

F. INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

G. RESIGNATION OF INDEPENDENT DIRECTOR

During the year under review, No Independent Director have resigned from the company.

H. DIRECTORS' DIRECTORSHIPS/COMMITTEE MEMBERSHIPS

The number of Directorships and Committee positions held by the Directors are in conformity with the limits laid down inthe Companies Act, 2013 and Listing Regulations, as on 31st March, 2023. As per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the directors were a member in more than ten committees or a chairman in more than five committees across all companies.

Further, As per Regulation 17A of the Listing Regulations, Independent Directors (IDs) of the Company do not serve as ID in more than seven listed companies. Further, the Managing Director of the Company does not serve as an ID in any listed entity.

I. BOARD MEETING PROCEDURES

The Board is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to thiseffect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The required information as enumerated in Part A of Schedule II of the Listing Regulations are regularly madeavailable to the Board of Directors for discussion and consideration at Board Meetings.

J. INFORMATION SUPPLIED TO THE BOARD

Regular presentations are made to the Board of Directors covering Business Operations, Finance, Sales, Accounts, Marketing, Compliances and other important business issues. The Annual Operating and Capital Budget(s) are approved by the Board of Directors. The Board spends considerable time in reviewing the actual performance of the Company vis-à-vis the approved budget.

2. COMMITTEES OF THE BOARD:

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

(A) Audit Committee:

The Audit Committee comprises of 5 (Five) members with the Chairman of the Committee being an Independent Director. During the year under review, the Audit Committee met on 4 (four) occasions viz. May 30, 2022, August 03, 2022, November 08, 2022 and February 06, 2023 to deliberate on various matters. Not more than 120 days lapsed between any two consecutive meetings of the Audit Committee during the year. The necessary quorum waspresent at all the Meetings.

The composition of the Audit Committee as at March 31, 2023 and particulars of meetings attended by the members during the financial year 2022-23 are given hereunder:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Dr. Suresh Kumar Singla	Chairman	Non-Executive Independent	4
2.	Sh. Dinesh Gogna	Member	Non-Executive	4
3.	Dr. Manisha Gupta	Member	Non-Executive Independent	4
4.	Dr. Alok Kumar Misra	Member	Non-Executive Independent	4
5.	Dr. Roshan Lal Behl	Member	Non-Executive Independent	4

All the members of the Audit Committee have the requisite qualifications for appointment on the Committee and possesssound knowledge of accounting practices, taxation, financial and Internal controls.

The Head of Finance department, the representative(s) of Internal Auditors and the Statutory Auditors are permanent invitees in the meetings of the Committee and they have attended all the Audit committee meetings held during the year where the financial results are considered. The Company Secretary acts as the Secretary of the Committee.

The Chairman of the Audit committee was present through Video- Conferencing mode at the last Annual General Meeting of the Company held on September 28, 2022 for addressing shareholders queries.

Terms of Reference

The terms of reference of the Audit Committee are in line with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and rules made thereunder. The brief description of the terms of reference of the Committee is described below:

Power of the Audit Committee:

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

Role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - **a.** Matters required to be included in the Director's Responsibility Statement to be included in the Board's report interms 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 offerdocument / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower Policy / Vigil Mechanism;
19. Approval of appointment of Chief Financial Officer CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(B) Nomination and Remuneration Committee

- The Nomination and Remuneration Committee comprises of 3 (three) members (all are Non-Executive Directors) and the Chairman of the Committee is an Independent Director. During the year under review, the Committee met once on May 30, 2022. The necessary quorum was present at the meeting. The Company Secretary acts as the Secretary of the Committee.
- Dr. Suresh Kumar Singla, Chairman of the Audit Committee and Nomination and Remuneration Committee was present through video conferencing mode at the last Annual General Meeting of the Company for addressing shareholders queries.
- The composition of the Nomination and Remuneration Committee as at March 31, 2023 and particulars of meetings attended by the members during the financial year 2022-23 are given hereunder:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Dr. Suresh Kumar Singla	Chairman	Non-Executive Independent	1
2.	Sh. Dinesh Gogna	Member	Non-Executive	1
3.	Dr. Roshan Lal Behl	Member	Non-Executive Independent	1

TERMS OF REFERENCE:

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

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

PERFORMANCE EVALUATION:

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the listing regulations, the Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the non- executive directors and executive directors. The evaluation of the Independent Directors was carried out by the Board excluding the director being evaluated and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The performance was reviewed on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The Directors express their satisfaction over the entire evaluation process.

REMUNERATION TO DIRECTORS:

The remuneration paid to Executive Directors is determined by the Nomination and Remuneration Committee subject to approval of Board that is subject to the limits laid down under Section 197 and Schedule V of the Companies Act, 2013 and in accordance with the terms of Appointment approved by the members of the Company. The Non-Executive Directors have not been paid any remuneration except sitting fees for attending the Board Meetings. The details of remuneration paid to Directors during the Financial Year ended March 31, 2023 are as follows:

(Amount in Rs. Lacs)

Name of the Director	Salaries, perquisites and Allowances	Commission	Sitting fees	Total
Sh. Jawahar Lal Oswal	336.00	344.00	-	680.00
Sh. Sandeep Jain	239.0	-	-	249.00
Smt. Ruchika Oswal	89.00	-	-	89.00
Smt. Monica Oswal	101.00	-	-	101.00
Sh. Rishabh Oswal	157.00	-	-	157.00
Sh. Dinesh Gogna	-	-	1.00	1.00
Sh. Manikant Prasad Singh	-	-	1.00	1.00
Dr. Suresh Kumar Singla	-	-	1.00	1.00
Dr. Manisha Gupta	-	-	1.00	1.00
Sh. Parvinder Singh Pruthi	-	-	1.00	1.75
Sh. Alok Kumar Misra	-	-	1.00	1.00
Dr. Roshan Lal Behl	-	-	1.00	1.00

DIRECTORS WITH PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTION WITH THE COMPANY:

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

CRITERIA FOR MAKING PAYMENTS TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

(C) Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of 3 (Three) members and the Chairman of the Committee is Sh. Dinesh Gogna, Non-Executive Director of the Company. During the year under review, Committee met on 4 (Four) occasions viz. May 30, 2022, August 03, 2022, November 08, 2022 and February 06, 2023. The necessary quorum was present at all the meetings. The Company Secretary of the Company acts as the Secretary of the Committee.

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

The composition of the Stakeholders Relationship Committee as at March 31, 2023 and particulars of meetings attended by the members during the financial year 2022-23 are given hereunder:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Sh. Dinesh Gogna	Chairman	Non-Executive	4
2.	Sh. Sandeep Jain	Member	Executive	4
3.	Dr. Roshan Lal Behl	Member	Non-Executive Independent	4

Terms of Reference

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stockexchanges 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:

There were zero (0) Complaints/ Queries pending as at March 31, 2023 and during the financial year 2022-23, 5 (Five) Complaints/ Queries were received and all were disposed off to the satisfaction of the Shareholders. No complaints remained unattended/ pending for more than thirty days. The Company has no share transfers/ transmission pending as on 31st March, 2023. Further, 2 (two) Complaints/ Queries were received and all were disposed off to the satisfaction of the Shareholders under 'SCORES' during the Financial Year 2022-23.

(D) Corporate Social Responsibility Committee:

The Board has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act 2013, comprising Sh. Jawahar Lal Oswal as Chairman, Sh. Dinesh Gogna and Dr. Suresh Kumar Singla as members. The Committee met Thrice during the year viz., May 30, 2022; August 03, 2022 and November 08, 2022 and all the members of the Committee were present on these occasions.

Terms of Reference:

The Board has clearly defined terms of reference for the Corporate Social Responsibility (CSR) Committee, which areas 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) Share Transfer Committee:

Share Transfer Committee has been constituted to expedite and streamline the process of transfer / transmission/ dematerialization/ re-materialization etc. of the Equity Shares of the Company. The Committee comprises of Sh. Jawahar Lal Oswal as Chairman, Sh. Sandeep Jain and Sh. Dinesh Gogna as members. During the year under review, committee met only once viz. August 03, 2022

Terms of Reference

- To approve/register transfer or transmission of shares;
- Dematerialization / Rematerialization of shares;
- Issue of duplicate/split/consolidated share certificates;
- Review of cases for refusal of transfer/transmission of shares;
- To affix or authorize affixation of Common Seal of the Company on the share certificates of the Company;
- To issue share certificates in place of those which are damaged or in which the pages are completely exhausted provided the original certificates are surrendered to the company;

Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.

The table below highlights the composition and attendance of the Members of the Committee as on March 31, 2023

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

(F) Risk Management Committee:

As per the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereof, the Company falls under the top 1000 list of listed entities determined on the basis of market capitalization as at the end of immediate financial year. Accordingly, in compliance of the said Listing Regulations, the company has constituted a Risk Management Committee to frame, implement and monitor the risk management plans for the Company. The Committee comprises of Sh. Sandeep Jain as Chairman, Sh. Dinesh Gogna and Sh. Suresh Kumar Singla as members. During the year under review, committee met Twice viz. November 08, 2022 and February 06, 2023.

Terms of Reference

- To review and monitor the risks associated with Company's business.
- To suggest measures for mitigation of the same as per Company's Risk Management Policy.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

The table below highlights the composition and attendance of the Members of the Committee as on March 31, 2023

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Sh. Sandeep Jain	Chairman	Executive	2
2.	Sh. Dinesh Gogna	Member	Non-Executive	2
3.	Sh. Suresh Kumar Singla	Member	Non-Executive Independent	2

(G) Independent Directors' Meeting :

During the year under review, a separate meeting of Independent Directors was held on November 08, 2022 interalia:-

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

All the Independent Directors were present at the meeting.

H. Senior management:

During the year under review There is no change in the Senior management since the close of the previous financial year. The Details of Senior Management are as follows:

Sr. No.	Name	Position
1.	Sh. Sumit Aggarwal	Head- Production (Non-Woollen)
2.	Sh. Manish Chopra	Head- Production(Non-Woollen)
3.	Sh. Vikas Jain	Head- Production (Woollen)
4.	Sh. Alok Jain	Head- Production (C&D)
5.	Sh. Devinderjeet Singh	Head- Operations and Administration
6.	Sh. Gurinder Singh Boprai	Head- Marketing
7.	Sh. Amit Maini	Head- Marketing
8.	Sh. Pankaj Kumar	Head- Marketing
9.	Sh. Harminder Pal Singh	Head- Marketing
10.	Sh. Rahul Prabhakar	Head- Marketing
11.	Sh. Jagjit Singh Ahluwalia	Head- HR
12.	Sh. Raj Kapoor Sharma	Chief Financial officer
13	Sh. Vikas Sethi	Head- IT
14.	Sh. Ankur Gauba	Company Secretary and Compliance officer

3. SUBSIDIARY COMPANIES

The Company has not any materially non-listed subsidiary. However, the company has one wholly owned subsidiary namely "Monte Carlo Home Textiles Limited".

4. GENERAL BODY MEETINGS:

A. 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
2021-2022	Wednesday, September 28, 2022	11:00 A.M.	Meeting was transacted through Electronic Mode. Deemed Venue:- Registered Office of the Company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	2
2020-21	Friday, September 24, 2021	11.00 A.M.	Meeting was transacted through Electronic Mode. Deemed Venue:- Registered Office of the Company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	3
2019-20	Monday, September 28, 2020	11.00 A.M.	Meeting was transacted through Electronic Mode. Deemed Venue:- Registered Office of the Company situated at B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003.	0

B. DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS

2021-2022: 1. Re-appointment of Sh. Sandeep Jain (DIN: 00565760) as Executive Director.
2. For making Contributions to Charitable Funds.

2020-21: 1. Re-appointment of Sh. Jawahar Lal Oswal as Chariman and Managing Director
2. Re-appointment of Smt. Ruchika Oswal as Executive Director
3. Re-appointment of Smt. Monica Oswal as Executive Director

2019-20: No Special Resolution Passed.

C. POSTAL BALLOT/ EXTRA-ORDINARY GENERAL MEETING

No Postal Ballot/ Extra-ordinary General Meeting has been done by company during the Financial Year 2022-23.

5. MEANS OF COMMUNICATION:

a) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

b) The approved financial results are sent to the Stock Exchanges forthwith and published in 'Business Standard (English newspaper), Desh Sewak/ Punjabi Jagran (local language Punjabi newspaper), within forty-eight hours of approval thereof.

c) The Company's financial results and official press releases are displayed on the Company's Website i.e. www.montecarlocorporate.com.

d) 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 www.montecarlocorporate.com.

e) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.

f) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. Bombay Stock Exchange Limited ["BSE Limited"] and National Stock Exchange of India Limited ["NSE Limited"] ["Stock Exchanges"] are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

g) A separate dedicated section under "Investors Relation" on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors/public.

h) SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Throught this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

i) The Company has designated an exclusive email-id for investor services i.e. investor@montecarlocorporate.com and the same is prominently displayed on the Company's website I.e.www.montecarlocorporate.com.

6. GENERAL SHAREHOLDER INFORMATION

15th Annual General Meeting	:	Thursday, August 31, 2023 at 11:00 A.M. through VC/OAVM Deemed Venue for meeting : Registered Office : B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003
Financial Year	:	April 1, 2022 to March 31, 2023
Date of Book Closure	:	August 25, 2023 to August 31, 2023
Dividend Payment Date	:	The Dividend if declared at AGM, will be paid within stipulated time
Listing on Stock Exchanges	:	The Equity Shares of the Company are listed on the following Stock Exchanges:

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051.
ISIN : INE950M01013
Stock Code/Symbol : BSE- 538836, NSE- MONTECARLO

Listing Fee / Annual Custody Fee:
The Annual Listing Fee has been paid to BSE and NSE for the financial year 2023-2024. 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 2023-24.

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund (IEPF)
Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') Unclaimed share application money/ dividends not encashed/ claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). In accordance with the said IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Thereafter, the shares of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

The Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years up to the financial year 2014-15. The unclaimed or unpaid dividend relating to the Financial Year 2015-16 is due for remittance by the November, 2023 to IEPF.

The details of unclaimed dividend/ shares transferred to IEPF within statutory timelines during FY 2022-23 are as follows:

Particulars	Details
Outstanding balance of Unclaimed Dividend 2014-15 refund account (in Rs.)	2,95,440
Equity Shares (In Nos)	2,521

The Members whose application money due for refund/dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the Authority by following the required procedure. Members are requested to get in touch with the Nodal Officer/ Compliance Officer for further details on the subject at investor@ montecarlocorporate.com.

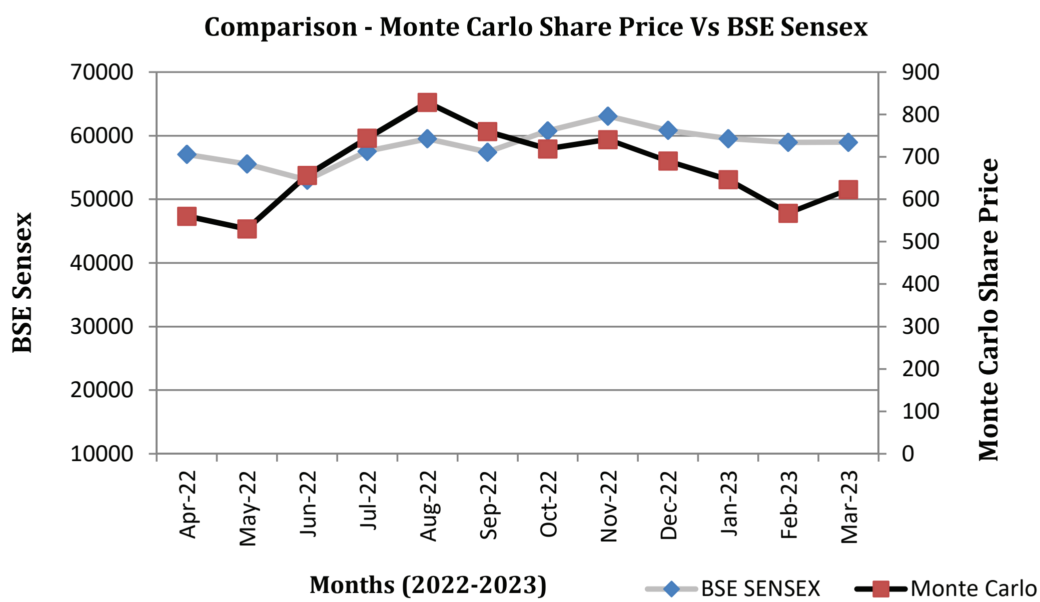
Market Price Data:
Market Price Data of Company's Equity Shares traded on BSE Limited, during the period April 01, 2022 to March 31, 2023

	Share Price BSE			Volume	BSE SENSEX		
Month	High (Rs.)	Low (Rs.)	Closing (Rs.)	No. of Shares	High	Low	Closing
Apr-22	625.3	485.75	560.55	177217	60845.1	56009.07	57060.87
May-22	574.05	424.9	530.2	103960	57184.21	52632.48	55566.41
Jun-22	706	529.45	656.85	221117	56432.65	50921.22	53018.94
Jul-22	843	652.9	744.4	494039	57619.27	52094.25	57570.25
Aug-22	887.7	714.9	828.8	313014	60411.2	57367.47	59537.07
Sep-22	907.55	710.05	760	269283	60676.12	56147.23	57426.92
Oct-22	782.3	694.5	719.15	182717	60786.7	56683.4	60746.59

Nov-22	764.2	665.15	741	117115	63303.01	60425.47	63099.65
Dec-22	768.2	610.5	690.4	85535	63583.07	59754.1	60840.74
Jan-23	730.7	610	646.35	50071	61343.96	58699.2	59549.9
Feb-23	680	557	567.5	43241	61682.25	58795.97	58962.12
Mar-23	667.1	530.5	623.1	61308	60498.48	57084.91	58991.52

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

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

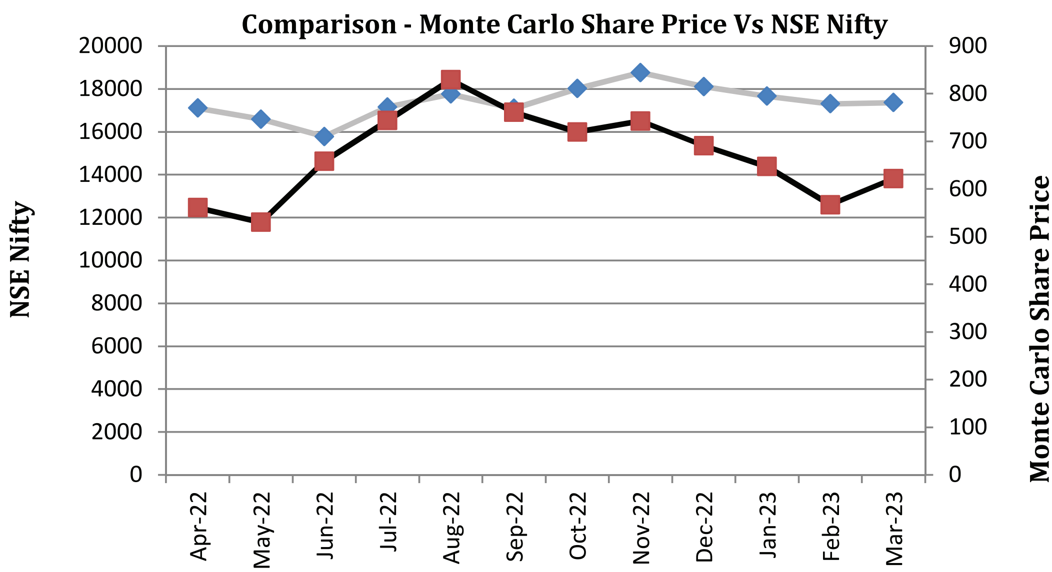


Market Price Data of Company's Equity Shares traded on National Stock Exchange of India Limited, during the period April 1, 2022 to March 31, 2023:

	Share Price NSE			Volume	NSE NIFTY		
Month	**High (Rs.)**	**Low (Rs.)**	**Closing (Rs.)**	**No. of Shares**	**High (Rs.)**	**Low (Rs.)**	**Closing (Rs.)**
Apr-22	653.7	482.55	560.75	1,628,021	18,114.65	16,824.70	17102.55
May-22	575.15	449.45	530	1169564	17,132.85	15,735.75	16584.55
Jun-22	706.2	528.6	658.05	4181193	16,793.85	15,183.40	15780.25
Jul-22	842	651.7	743.5	6529236	17,172.80	15,511.05	17158.25
Aug-22	888	713.1	829.25	2809816	17,992.20	17,154.80	17759.3
Sep-22	908	710.05	760.65	1756333	18,096.15	16,747.70	17094.35
Oct-22	788	694.4	719.45	820768	18,022.80	16,855.55	18012.2
Nov-22	766	657.95	742.55	1371603	18,816.05	17,959.20	18758.35
Dec-22	770	609.05	690.85	960684	18,887.60	17,774.25	18105.3
Jan-23	730.65	609.95	646.95	813463	18,251.95	17,405.55	17662.15
Feb-23	680	556.3	566.85	743841	18,134.75	17,299.00	17303.95
Mar-23	665.7	530	621.75	1756395	17,799.95	16,828.35	17359.75

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

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



During the financial year ended 31 March, 2023, securities of the Company have not been suspended from trading on any of the stock exchanges where they are listed.

Registrar & Share Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED (DELHI OFFICE)
UNIT: MONTE CARLO FASHIONS LIMITED
Noble Heights, 1st floor, Plot No NH-2,C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058
PH: 011-41410592, Fax: 011-41410591, Email: delhi@linkintime.co.in

Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2023. The ratings given by CRISIL Limited for short-term borrowings is (CRISIL) A1+ (pronounced CRISIL A one plus) and long-term borrowings of the Company is (CRISIL) AA- (pronounced double A minus) respectively. There was no revision in the said ratings during the year under review.

Dematerialization of Equity Shares and Liquidity:

About 99.98% of the total equity share capital of the Company (20,728,461 Equity Shares) were held in dematerialised form. The Company has entered into agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares through Link Intime India Private Limited, Registrar & Transfer Agent (RTA) of the Company. The Company's shares are liquid and actively traded on both the Stock Exchanges i.e. NSE and BSE.

Share Transfer System:
In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

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

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

Distribution of Shareholding as on March 31, 2023:

S. No.	Distribution of No. of Shares	No. of Shareholders	% age of No. of Shareholders	No. of Shares held	% age of shares held
1.	1-1000	30379	98.32	1738688	8.38
2.	1001-5000	379	1.23	829304	4.00
3.	5001-10000	64	0.21	468826	2.26
4.	10001 & Above	74	0.24	17695246	85.35
	Total	**30896**	**100.00**	**20732064**	**100.00**

Shareholding pattern as on March 31, 2023:

Category	No. of Shares	% age
Promoters & PromotersGroup	15169619	73.17
Bodies Corporate, Mutual Fund, Public and Others	5562445	26.83

Reconciliation of Share Capital Audit:

As stipulated by SEBI under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 a Company Secretary in whole time practice carries out Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's Shares are listed. The audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

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

Plant Locations:

The manufacturing plants of the company located at:

1. B-XXIX-106, G.T. Road, Sherpur-Ludhiana
2. 231, Industrial Area-A-Ludhiana
3. Plot No-425 & 427, Near Textile Colony-Ludhiana
4. B-XXX-1781/784, Old C-12, Phase V, Focal Point, Ludhiana

Address for Correspondence:

Company	Link Intime India Private Limited (RTA)
The Company Secretary Monte Carlo Fashions Limited B-XXIX-106, G. T. Road, Sherpur, Ludhiana-141003 Tel-0161-5066628 Fax-0161-2542509 Email- investor@montecarlocorporate.com Website: www.montecarlocorporate.com	**DELHI OFFICE:** **UNIT: MONTE CARLO FASHIONS LIMITED** Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058 Email: delhi@linkintime.co.in PH: 011-41410592 Fax: 011-41410591 Email: delhi@linkintime.co.in

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

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

Further, 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 any change related to Address, Bank details or any other related matter.

7. CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted a Code of Business Conduct & Ethics for all employees and for members of the Board and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders and to avoid practices like bribery, corruption and anti – competitive practices.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2022-23. The declaration to this effect signed by Mr. Jawahar Lal Oswal, Chairman and Managing Director of the Company is annexed to this report as Annexure 'A.' The Code of Conduct for employees and the Board and Senior Management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

OTHER DISCLOSURES

Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:

- All the transactions entered during the financial year with the related parties as defined under Companies Act, 2013and Listing Regulations are disclosed in detail in Note No. 43 in "Notes forming part of the Accounts" annexed to the Financial Statements for the year ended 31st March, 2023. All the related party transactions were in the ordinary course of business and on 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.**
- The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and SEBI guidelines. Consequently, there were no strictures or penalties imposed either by SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.
- **Vigil Mechanism / Whistle Blower Policy**
- Pursuant to Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy / Vigil Mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. Further the Audit Committee reviews and ensures the adequacy of the system laid down by the Company for the said purpose and no concern was reported during the Financial Year ended March 31, 2023. The said policy is also available on the website of the company at link: https://www.montecarlocorporate.com/investor-relation/policies-code
- **Weblink where policy for determining 'material' subsidiaries is disclosed:**
- As on March 31, 2023, your Company does not have any material Subsidiary.

- **Web link where policy on dealing with related party transactions:**
- Your Company has also framed a Policy on Related Party Transactions for purpose of identification and monitoring of such transactions in line with the requirements of the Companies Act, 2013 and Listing Regulations which is available on the website of the company at link: https://www.montecarlocorporate.com/investor-relation/policies-code
- **Other policies:**
- Your Company has also framed the Policies (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is available on the website of Company at https://www.montecarlocorporate.com/investor-relation/policies-code
- **Disclosure of Commodity price risk and commodity hedging activities:** Not Applicable
- **Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations**
- The Company has not raised funds through preferential allotment or qualified institutional placement.
- **Recommendations of Committees of the Board**

There were no instances during the financial year 2022-23, wherein the Board had not accepted recommendations made by any committee of the Board.

Total fees paid to Statutory Auditors of the Company

Total fees of Rs. 43,48,419 (Rupees Forty Three Lakhs Forty Eight Thousand Four Hundred Ninteen only) for financial year 2022-23 for all services was paid by the Company on a consolidated basis to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR– 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The same has been submitted to the stock exchange within time.

CEO/CFO Certification

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2022-23 signed by Mr. Jawahar Lal Oswal, Chairman and Managing Director and Mr. Raj Kapoor Sharma, Chief Financial officer was placed before the Board of Directors of the Company at their meeting held on August 7, 2023 and is annexed to this Report as **Annexure 'A'**. The said certificate forms part of this report.

Certificate From Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Shri P.S. Dua of M/s P.S. Dua & Associates (C.P. 3934), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on August 7, 2023 and is annexed to this Report as **Annexure 'B'**. The said certificate forms part of this report

Compliance Certificate On Corporate Governance

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Report as **Annexure 'C.'** The said certificate forms part of this report.

Disclosure of Loans and Advances

The Company and it's Subsidiary has not given any Loans and Advances (in the nature of Loan) provided by the Company to firms/companies in which its Directors are interested.

Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2022-23 are as under:

a. Number of complaints filed during the financial year: NIL

b. Number of complaints disposed of during the financial year: NIL

c. Number of complaints pending as on end of the financial year: NIL

Details of material subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company has only wholly owned subsidiary, Monte Carlo Home Textiles Limited and there is no material subsidiaries.

Appointment of Nodal Officer

In accordance with IEPF Rules, the Board of Directors have appointed Mr. Ankur Gauba, Company Secretary of the Company as the Nodal Officer for the purposes of verification of claims and coordination with IEPF Authority. The Details of the Nodal Officer are available at the website of the Company at https://www.montecarlocorporate.com/ investor-relation/shareholding-information.

Details of Adoption of Non-Mandatory (Discretionary) Requirements

The status of compliance with the non-mandatory requirements under Regulation 27 of the Listing Regulations are as under:

The Board

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

Shareholders rights

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

Modified opinion(s) in audit report

There is no modified opinion in the audit report.

Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal audit reports submitted on quarterly basis are reviewed by the Audit Committee and suggestion / directions, if any, are given for necessary action.

Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015:

Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:

- Board of Directors
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Vigil Mechanism

- Related Party Transactions
- Corporate governance requirements with respect to subsidiary of Company - Not Applicable
- Obligations with respect to Independent Directors
- Obligations with respect to Directors and senior management
- Other Corporate governance requirements as stipulated under the Regulations
- Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).
- the Board of Directors have formulated the Risk Management Committee.
- **Non-compliance of any requirement of corporate governance report with reasons thereof**
- The Company has complied with all the requirements of Corporate Governance Report from sub-paras (2) to (10)of Part C of Schedule V of SEBI LODR Regulations, 2015.
- **Disclosure with respect to demat suspense account/unclaimed suspense account**
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **Nil**
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: **Nil**
- Number of shareholders to whom shares were transferred from suspense account during the year: **Nil**
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **Nil**
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **Not Applicable**
- All the shares of the Company has already been allotted to the eligible allottees, hence there is no demat suspense account/unclaimed suspense account.

Disclosure of certain types of agreements binding listed entities(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.

During the year under review, the company has not entered into any such kind of agreements.

For and on behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

Annexure A to Report on Corporate Governance for the financial year ended March 31, 2023
DECLARATION REGARDING COMPLIANCE WITH CODE OF BUSINESS CONDUCT & ETHICS

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Monte Carlo Fashions Limited Code of Business Conduct and Ethics for the year ended March 31, 2023.

For and on behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

CEO / CFO CERTIFICATION

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We hereby confirm that there were no:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year that requires any disclosure in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Monte Carlo Fashions Limited

Jawahar Lal Oswal
Chairman & Managing Director

For Monte Carlo Fashions Limited

Raj Kapoor Sharma
Chief Financial Officer

Place : Ludhiana
Date : 07.08.2023

Annexure B to Report on Corporate Governance for the financial year ended March 31, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
THE MEMBERS
MONTE CARLO FASHIONS LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Monte Carlo Fashions Limited, having CIN: L51494PB2008PLC032059 (hereinafter referred to as 'the Company') and having registered office at B-XXIX-106 G.T. Road, Sherpur, Ludhiana-141003, Punjab, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below and who were on the Board of Directors of the Company as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointmentin company*
1	Sh. Jawahar Lal Oswal	00463866	01/07/2008
2	Sh. Sandeep Jain	00565760	01/07/2008
3	Smt. Ruchika Oswal	00565979	30/10/2010
4	Smt. Monica Oswal	00566052	30/10/2010
5	Sh. Rishabh Oswal	03610853	25/05/2018
6	Sh. Dinesh Gogna	00498670	01/07/2008
7	Sh. Alok Kumar Misra	00163959	09/08/2016
8	Sh. Suresh Kumar Singla	00403423	27/06/2014
9	Smt. Manisha Gupta	06910242	27/06/2014
10	Sh. Roshan Lal Behl	06443747	05/08/2021
11	Sh. Manikant Prasad Singh	01790672	01/02/2022
12	Sh. Parvinder Singh Pruthi	07481899	01/02/2022

**the date of appointment is as per the MCA Portal.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate 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.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
Proprietor
(Membership No. FCS 4552)
(Certificate of Practice No. 3934)
Peer Review Certificate No. 1296/2021
UDIN: F004552E000755170

Place: Ludhiana
Date : 07.08.2023

Annexure C to Report on Corporate Governance for the financial year ended March 31, 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

1. We have been approached by Monte Carlo Fashions Limited ("Company") to examine the compliance with the conditions of corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year ended on 31st March, 2023.
2. **Management's Responsibility**
The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.
3. **Our Responsibility**
Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.
4. **Opinion**
In our opinion and to the best of our information and according to the explanations given to us, and 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 the SEBI Listing Regulations for the year ended on 31st March 2023.
5. **Disclaimer**
5.1 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5.2 The report 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.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
Proprietor
(Membership No. FCS 4552)
(Certificate of Practice No. 3934)
Peer Review Certificate No. 1296/2021
UDIN: F004552E000755093

Place: Ludhiana
Date : 07.08.2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

In 2022, the global economy faced a series of turbulent challenges. High inflation rates, the most significant in several decades, led to tightened financial conditions in most regions. Additionally, Russia's invasion of Ukraine had a lasting impact on economic activity. The rapid spread of COVID-19 in China also hampered growth during the year.[2] However, the recent reopening of economies has paved the way for a rapid recovery.

Global governing bodies have undertaken various initiatives to mitigate existing economic risks. Monetary policies are anticipated to focus on restoring price stability, while fiscal policies aim to alleviate cost pressures while maintaining a suitably tight stance. In addition, structural reforms can play a crucial role in lowering inflation by enhancing productivity and addressing supply-side constraints.[2] These collective measures are expected to support economic stability and reduce the impact of prevailing risks.

As per the latest International Monetary Fund (IMF) estimates published in January'23, the global economy is projected to grow at 2.9% in 2023 (vs estimated 3.4% in 2022) and 3.1% in 2024.[1] In 2022, Middle East and Central Asia have been the highest contributor to the global real GDP, while Emerging and Developing Asia are expected to be the highest contributors in 2024. Euro area is estimated to grow at 1.6% in 2024, whereas United States and Latin America are expected to grow at 1.0% and 2.1% respectively in 2024.[3]

INDIAN ECONOMY

The Indian economy has staged a full recovery, ahead of many nations and has positioned itself to ascend to the pre-pandemic growth path in FY23. However, India must also cope with the challenge of controlling inflation. Fortunately, actions taken by the government and RBI along with decline in global commodity prices has led retail inflation levels reaching to 5.7% in December'22 and 5.66% in March'23, which are within the RBI upper tolerance target of 6%.[4]

As per IMF, India's real GDP grew at 6.8% in 2022 (estimates)[5] and expected to grow at 5.9% in 2023 and 6.3% in 2024, with resilient domestic demand despite external headwinds. As per CEIC, India's per capita GDP reached $2,301 in March'22, an all-time high resulting in a significant increase in demand driven by consumption.[7] Industrial production also increased supported by persistent demand conditions. For the first half of FY23, the Industrial Sector's overall Gross Value Added (GVA) increased by 3.7%, above the 2.8% average growth seen in the first half of the previous decade.[9]

In 2023, nearly 15% of the world's growth is forecasted to come from India.[5] These growth projections are partially based on the economy's resiliency, which can be observed in how quickly private consumption rebounded, while the government's capital expenditure, which surged by 63.4% in the first eight months of FY23 was also a major contributor.[9] India will also be able to maintain a positive growth-interest rate differential owing to the government's policy of capital expenditure led growth, which will result in a sustainable debt to GDP over the long term.

The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher Capital Expenditure, increasing spending on contact based services, such as restaurants, hotels, shopping malls and cinemas, the strengthening of the balance sheets of the Corporates, a well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector, to name the major ones.

To connect India to international supply chains, the Production Linked Incentive (PLI) programmes were created with an expected investment of 4 lakh crore during FY22–27.[6] As per the Indian Brand Equity Foundation (IBEF) In FY22, investments under PLI programmes totalled ₹47,500 crore, which reached 106% of the year's set objective.[10] Due to PLI initiatives, production/sales of 3.85 lakh crore and the creation of 3.0 lakh jobs have been

Sources:

1https://www.imf.org/en/Publications/WEO

2https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022

3https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023

4https://www.livemint.com/economy/retail-inflation-drops-to-5-66-in-march-from-6-44-in-feb-11681306477940.html

5https://www.thehindu.com/business/Economy/india-remains-a-bright-spot-to-contribute-15-of-global-growth-in-2023-imfmd/article66540985.ece#:~:text=For%20FY%202023%2F24%20(April,growth%20rate%20among%20major%20economies registered.[10] The Indian economy has also begun to prosper from more formalisation, greater financial inclusion, and economic possibilities brought forth by technologically driven economic reforms.

GLOBAL TEXTILE & APPAREL INDUSTRY

The global textile market size was valued at USD 1,695.13 Bn in 2022 and is anticipated to grow at a CAGR of 7.6% in terms of revenue from 2023 to 2030. India has a 4% share of the global trade in textiles and apparel. The ever-increasing apparel demand from the fashion industry, coupled with the meteoric growth of e-commerce platforms is expected to drive market growth.

The global apparel market is expected to grow steadily in the coming years driven by factors such as growing young population, increase in disposable income and per capita apparel expenditure in emerging economies and growing penetration of e-commerce along with increasing cross-border e-commerce. The global apparel retail market is expected to grow from USD 1.7 Tn in 2022 to USD 2.4 Tn by 2030. In 2022, US constituted 15% share of world retail apparel market making it the largest market. However, by CY2025, China is expected to become the largest retail apparel market, followed by US.

A strong presence of China in the entire textiles value chain slows down the erosion of shares. Moreover, brands across the world are adopting the China +1 strategy by developing alternate suppliers as they seek to reduce cost of procurement and de-risk themselves.[11]

INDIAN TEXTILE & FASHION APPAREL INDUSTRY

The textile and apparel industry in India is spread across the length and breadth of the country. India is the second largest producer of textiles and garments exporter in the world. India enjoys a comparative advantage in terms of skilled manpower and in cost of production, relative to major textile producers.

India's fashion and apparel industry is a significant contributor to the country's economy, accounting for 2.3% of the GDP. The industry is projected to experience strong growth in the coming years, with a projected CAGR of 10% and is expected to reach USD 190 Bn by 2025-26. Piyush Goyal, Union Minister for Textiles has expressed his ambition to increase the entire domestic textiles market to USD 300 Bn by 2047, up from its current size of nearly USD 22 Bn.

India is one of the largest the producer of cotton in the world. Cotton production in India is projected to reach 7.2 Mn tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. The fundamental strength of India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

According to report from IBEF, the Indian textile industry plays a crucial role in the country's economy, contributing approximately 15% to its export earnings. India's textile and apparel exports (including handicrafts and cotton accessories) stood at USD 44.4 bn in FY 22, a 41% increase YoY. The government of India has set an ambitious target of taking textile and apparel (T&A) exports to $100 Bn in FY 2028 from $44 bn in FY 2022.

Textiles are one of the few industries to throw huge employment opportunities to both the skilled and unskilled workforce. Over 45 Mn direct jobs and another 100 Mn opportunities in allied sectors.

Branded apparel, which constituted 25 percent of the market five years ago, now represents 30 percent. This change in consumer desire has contributed to the growth of the branded segment with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

Sources:

6https://www.ibef.org/economy/indian-economy-overview

7https://www.ceicdata.com/en/indicator/india/gdp-per-capita

8https://www.livemint.com/news/india/indian-economy-to-contribute-15-of-global-growth-in-2023-imf-md-kristalina-georgieva-11677062849103.html

9pib.gov.in/PressReleaseIframePage.aspx?PRID=1894918

10Economic Survey 2023: PLI schemes to create 60 lakh jobs, textile & auto in focus (moneycontrol.com)

11https://www.dsij.in/productAttachment/premarketreports/Textiles%20-%20Sector%20Report%20-%20Sharekhan.pdf

https://www.ibef.org/industry/textiles

Indian textile industry: The silent cash cow, Retail News, ET Retail (indiatimes.com)

Apparel Report 2023 | Statista

Apparel Industry in India: Trends, Challenges & Solutions in 2023 (unicommerce.com)

The apparel industry is constantly evolving with new trends emerging each season. The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand.

COMPANY OVERVIEW

Monte Carlo Fashion Limited is one of the leading apparel brands in India in woollen and cotton category across men, women and kids wear and also has a presence in home textiles. Besides the leading brand "Monte Carlo", the company has also established brands like Rock.it, Cloak & Decker, Luxuria, Tweens catering across all customer categories. It is considered to be India's first organized lifestyle apparel brand and Leading winter wear brand and Super Brand for Woollen knitted apparel PAN India.

The products are sold over a strong pan India presence through a wide network of EBO's, MBO's, Shops in Shops, distributors, National Chain Stores along with easy availability across major E-Commerce platforms like Amazon, Flipkart, Myntra etc. Their distribution network covers 21 states and 4 union territories.

Monte Carlo has a strong in-house design team of 26+ who design around 900 SKU's each month that offer a diverse range of products for men, women, and kids including T-Shirts, Shirts, Linen Shirts, Denim, Trousers, Dresses, Shorts, Tunics Sportswear keeping up with fast changing fashion.

Ensuring consistent quality and meeting buyer expectations are top priorities for Monte Carlo Fashions. They achieve this by maintaining dedicated R&D divisions equipped with the latest technology and employing highly qualified technocrats who ensure adherence to timely schedules.

BUSINESS OVERVIEW

Overview of Product Categories

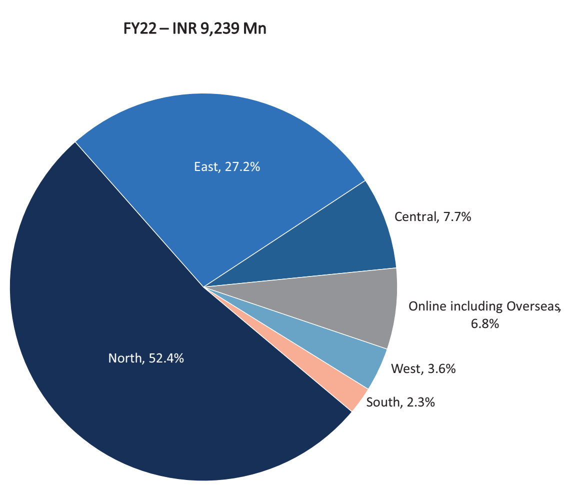
The Company has a Range of Products under the "Monte Carlo" brand:

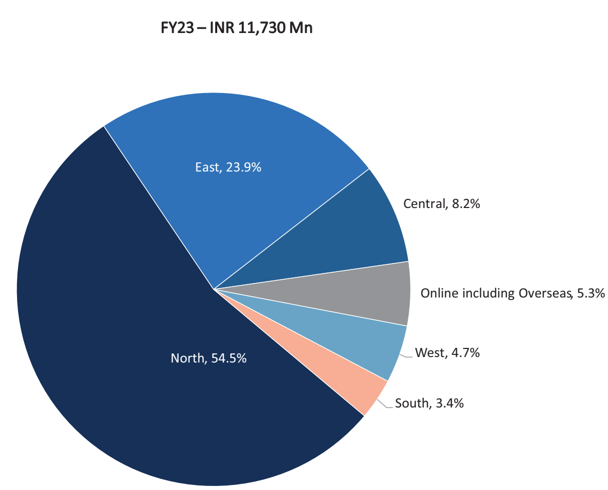
- 'Luxuria' is the premium range for Menswear.
- 'Denim' is an exclusive range of denim apparel.
- 'Alpha' is the exclusive range of Womenswear.
- 'Tweens' is an exclusive range of Kidswear.
- 'Cloak & Decker' is the economy range for Menswear.
- 'Rock.it' is the premium range for Sports & Fitness wear.

REGION & CHANNEL WISE REVENUE BREAKUP

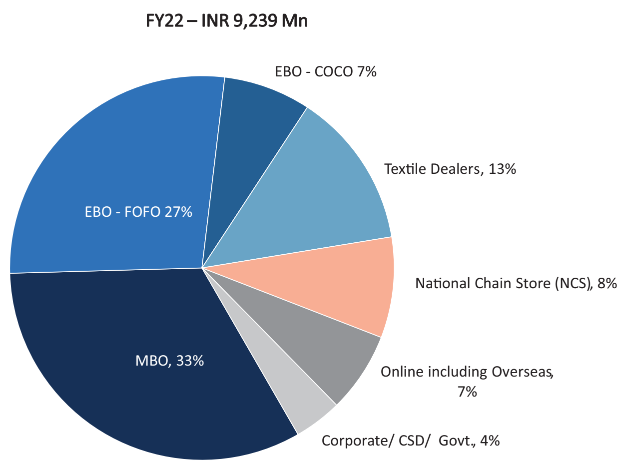
The Company has a well-diversified presence across various categories such as Cotton, Woollens, Home Furnishings and Kids etc. Currently cotton wears contribute around ~56% of the Company's total revenues. Historically, the Company's presence has been strong in the Northern and Eastern regions of India.

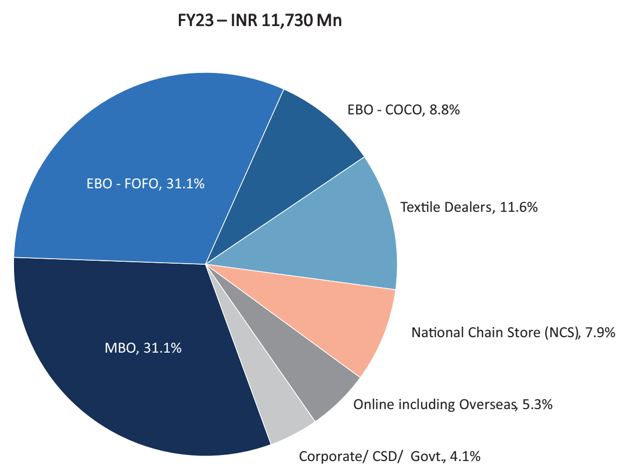
REGION WISE BREAKUP





CHANNEL WISE BREAKUP





THE MONTE CARLO ADVANTAGE

- **Marketing Initiatives**

  Monte Carlo has implemented various strategic marketing initiatives to enhance its brand presence and reach. In addition to establishing partnerships with airlines and multiplexes namely PVR Cinemas, INOX, Indigo, Vistara, AirAsia and many more. The company also has successfully collaborated with the film and entertainment industry as a clothing partner for movies and reality shows. Digital reach has through NDTV, Book My Show, TATA Play, and so on. To connect to the youth, there has been on-going association with number of bloggers and influencers on social media platforms. The strategic decision of in-house marketing team has empowered the company with enhanced control, flexibility, and cost efficiencies, resulting in more impactful and responsive marketing campaigns. These marketing initiatives demonstrate Monte Carlo's commitment to expanding its customer base and reinforcing its position as a leading fashion and lifestyle brand.

- **Distribution Centres**

  A major strength of the company lies in its extensive and expanding distribution network that is spread across India. The company has a presence in approximately 2,500 Multi-Brand Outlets (MBOs), 356 Exclusive Brand Outlets (EBOs), and over 1,100 NCS & SIS model outlets. In the 2023 financial year, Monte Carlo opened a total of 47 exclusive brand outlets, surpassing its target for the year of 40 to 45. Presence across NCS's include likes of Shoppers Stop, Pantaloons, Trends, Lifestyle, Globus and many more. The revenue generated by the company is significantly contributed by MBOs and franchise EBOs, where the company primarily operates on a pre-ordered outright basis. This business model helps mitigate inventory risks and protects the company from typical challenges in the branded apparel industry.

- **Online Presence**

  The youth is moving towards online shopping and hence, Monte Carlo has prioritized selling through its own online portals namely Monte Carlo and Rock It while also making its products available on popular e-commerce platforms such as Amazon, Flipkart, Myntra, Jabong, and Kapsons. There is also a strong demand of overseas online sales. The company continues to witness encouraging trends through its online channels and witnessed sales of INR 6,128 Lakh, accounting for approximately 5% of total revenues.

- **Technology Upgradation**

  In order to stay up-to-date with technological advancements and modernize its operations, the company has introduced an advanced automatic whole-garment manufacturing facility at its existing unit in Ludhiana. This state-of-the-art technology allows for the seamless knitting of entire garments, providing a level of comfort and fit that surpasses traditional knitwear. By utilizing this technology, the company eliminates the need for multiple manufacturing processes, resulting in reduced waste and improved efficiency. Currently, the company has a team of 30 professionals dedicated to closely monitoring global fashion trends.

OPPORTUNITIES

- **Increasing brand awareness and scaling-up potential**

  With the increasing frequency of purchases, particularly in the fast fashion realm, there is a growing sense of fashion and brand consciousness among consumers, rendering them more aspirational and discerning. We prioritize creating products that align with evolving trends to foster brand loyalty and connect with consumers. By expanding product offerings that resonates with the price-sensitive Indian consumer, Monte Carlo aims to capture a larger market share and establish a strong presence in the value fashion segment. This initiative aligns with the company's objective of meeting the evolving needs and preferences of customers while further expanding their brand's reach and scaling-up potential in the Indian fashion industry.

- **Diversification across various Product Categories**

  Monte Carlo Fashions has successfully diversified its product portfolio to include Cottons, Woollens, Kids and Home Furnishing categories. Their offerings encompass both woollen and cotton/cotton blended apparel, available at various price points, allowing them to serve the economy, mid-premium, and premium market segments effectively.

- **Changing consumer preferences**

  With ever changing consumer needs and demands, today consumers are looking for a complete package with good quality product and design. Additionally, with rising income and urbanization, increases consumer's purchasing power where lies the huge growth potential for comprehensive range that Monte Carlo offers to its diversified audience, spanning different age groups and segments.

RISKS & CONCERNS

Risk Management is an ongoing process within the organisation. Your Company has a robust risk management framework to identify, monitor and minimise risks. The Board has a policy to oversee the risk mitigation performed by the executive management which includes identification, assessment, monitoring and reporting of risks.

- **Regulatory risk Legal and tax compliance**

  Changes in the regulatory and tax environment can lead to increased costs, erosion of margins & cash flows and potential fines or reputational damage. However, your Company has a zero-tolerance approach towards compliance with all regulatory requirements— the Company closely monitor upcoming regulations to prepare itself well in advance and avoid business disruptions.

- **Discounts**

  All the leading brands, both Indian and International, are going for early discounts/sales. People are getting used to the discounting trend both online and offline. In such a scenario, to keep the walk-ins intact, every brand has to offer a discount and no brand can survive without discounts. The company expects that going forward also the discounting sales will continue in the same fashion or may rise.

- **Seasonal nature of business**

  Woollen knitted garments contribute around one-third of total sales. This leads to the highly seasonal nature of the business, with most of the yearly turnover accruing during the third quarter of the financial year. However, the Company has been focusing 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 reduce over the coming years.

- **Input cost risk**

  The company's profitability and cost effectiveness are vulnerable to the impact of fluctuating prices in raw materials, power, and other input costs. These external factors can significantly influence the company's production expenses, potentially leading to increased operational costs and reduced profit margins. It is crucial for the company to closely monitor and manage these cost drivers, implementing effective procurement strategies, exploring alternative suppliers, and optimizing operational processes to mitigate the potential risks and maintain a competitive position in the market.

- **Competition risk**

  The entry of foreign brands in the Indian market has led to intensified competition and increased costs for our company in maintaining market visibility. Continuous product innovation is crucial in the branded apparel industry to stay ahead of fashion trends and changing consumer preferences. However, it is important to manage inventory effectively and closely monitor consumer tastes to mitigate the risk of potential unsold inventory or markdowns that could impact the value of our stocks.

STRONG POLICY SUPPORT

India aims to increase its share in the global textile and hence the Indian government with multiple initiatives in place will boost the apparel and textile market in the coming years.

Foreign Trade Agreements (FTAs): With an aim to improve the country's exports, Indian government is actively pursuing the bilateral trade agreements with potential countries. India currently has a duty-free access to Japan, recently signed the Economic Cooperation and Trade Agreement with Australia and is in the process of negotiating FTAs with the European Union (EU), United Kingdom (UK), Canada, Israel, and other countries/regions. Foreign Direct Investment (FDI) brought investment of USD 1522.23 Mn in the textile sector from 2017-2022.

Production-Linked Incentive (PLI) Scheme: Under this scheme, incentives will be provided to manufacture and export specific textile products made of man-made fibres. The government approved Rs. 10,683 crore ($1.44 billion) for man-made fibre and technical textiles. This is expected to enable India's textile sector to achieve size and scale and to become competitive.

Foreign direct investment (FDI): FDI of upto 100% is allowed in the textile sector through the automatic route.

Rebate of State and Central Taxes and Levies (RoSCTL): Under this scheme, garment exporters get rebate on Central and State taxes on their outward shipments. The scheme of RoSCTL, that was effective from March 2019, has been extended till March 31, 2024 for exports of apparel/garments and made-ups in order to make the Indian textile sector competitive in the international market.

Mega Integrated Textile Region and Apparel (MITRA) Parks Scheme: The government approved setting up of Seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks in greenfield/ brownfield sites with an outlay of INR 4,445 crore for seven years up to FY 2028. These parks will enable the Indian textile industry to become globally competitive, attract large investment and boost employment generation. In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.

Scheme for Integrated Textiles Parks (SITP): The scheme provides support for creation of world-class infrastructure facilities for setting up of textile units.

National Technical Textiles Mission: The government has approved the creation of National Technical Textiles Mission for 4 years (FY 2021 to FY 2024), with an outlay of INR 14.8 Bn. Focus of the mission is use of technical textiles in agriculture, aquaculture, dairy, poultry, etc.

Textiles Technology Development Scheme (TTDS): The Indian government is planning to introduce a new scheme called TTDS replacing the earlier scheme of Technology Upgradation Fund Scheme (TUFS). The scheme aims to promote integrated manufacturing facilities and technology adoption in a big way in the country and plans to allocate INR 16,635 Crs over five years.

SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries): The Ministry of Textile and Union Ministry of Power have jointly launched a scheme called SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries). Under this initiative, Small and Medium Power loom units will be provided with energy efficient power looms, motors and rapier kits at no advance costs by Energy Efficiency Services Limited (EESL).

Sources:

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https://www.fibre2fashion.com/news/textile-news/budget-2023-24-shows-govt-s-priorities-for-indian-textiles-sector-285534-newsdetails.htm

https://www.ibef.org/industry/textiles

Budget Allocation: The new budget for 2023-24 contains a sizeable increase in grants for the textile industry with a total allocation of INR 4,390 Crs. The total allocation for the sector is an impressive 22.6% higher than the previous year's budget and shows the government's commitment to aiding the growth of the sector.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A properly designed and consistently enforced system of operational and financial control helps the Company's Board of Directors and management to safeguard the resources, produce reliable financial reports, and comply with laws and regulations. Effective internal control also reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur. The internal Auditors regularly monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems and accounting procedures, and ensures that the internal control systems are properly followed by all concerned departments of the Company. Significant audit observations and corrective actions are taken thereon and are presented to the Audit Committee of the Board.

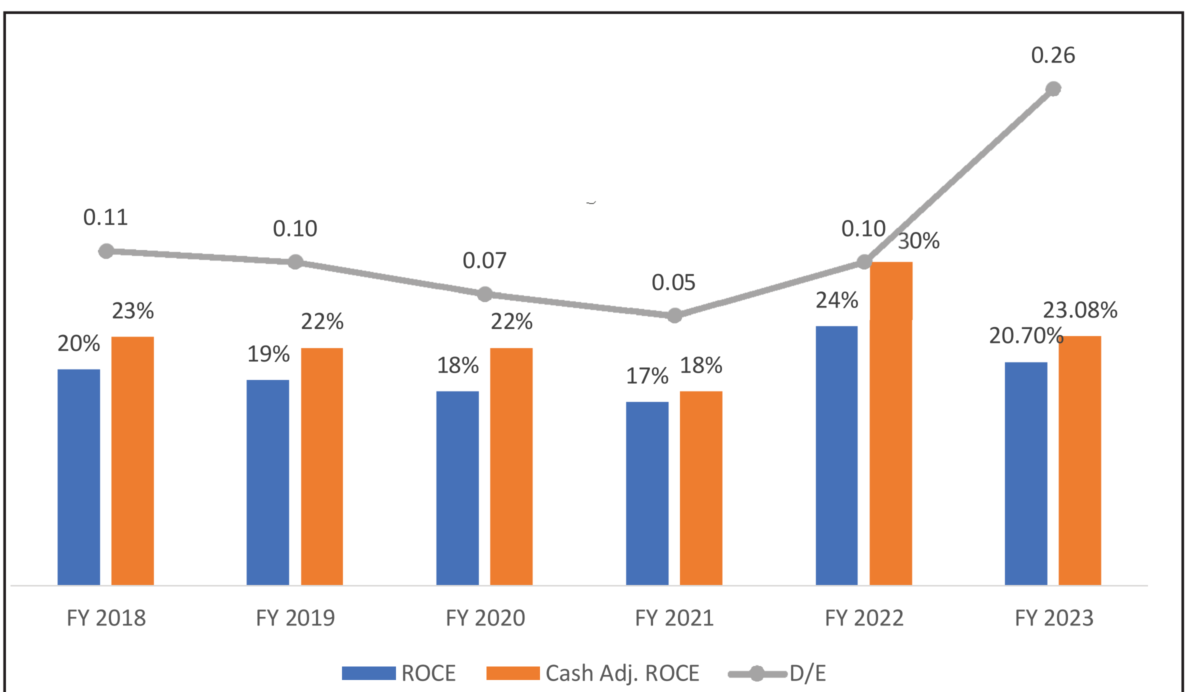
HUMAN RESOURCE & INDUSTRIAL RELATIONS

The Company has an excellent track record of cordial and harmonious industrial relations, and over the years not a single man-day was lost on account of labour unrest. In view of its aggressive growth plans, the Company enhanced its focus on improving human resource productivity and efficiency. The Company is of the firm belief that human resource is the driving force that propels a Company towards progress and success. The Company is committed to the development of its people. The total permanent employee strength of the Company was 1942 As of March 31, 2023. The Industrial relations were cordial and satisfactory.

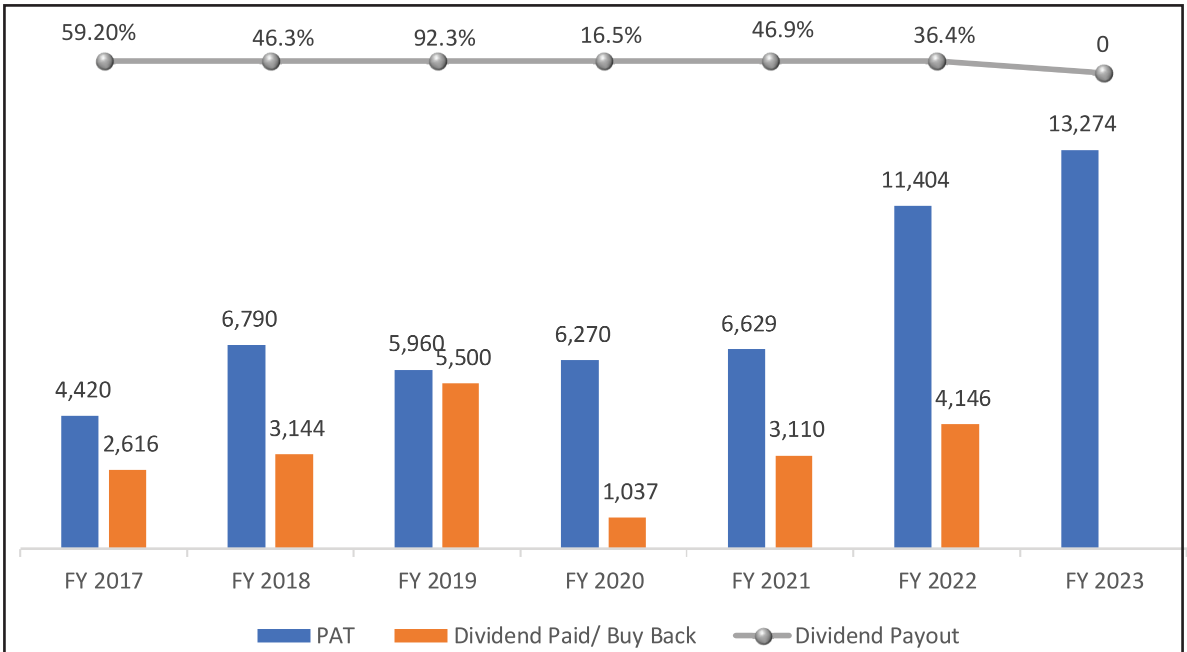
OPERATIONAL PERFORMANCE & FINANCIAL REVIEW

Company reported revenue of INR 1,11,771 Lakh as against INR 90,432 Lakh in FY 2022, which reflects your Company's strong business model and execution skills. The gross margin stood at 46.96% in FY 2023 as against 46.19% in FY 2022. EBITDA for FY 2023 19.47% stood at INR 21,760 Lakh against INR 18,022 Lakh in FY 2022. PAT for the year stood at INR 13,252 Lakh as against INR 11,394 Lakh in FY 2022.

On the Balance Sheet front, the Company has a cash balance of INR 25,680 Lakh which comprises cash and bank balance along with current and non-current investments. Long-term borrowing is at INR 270 Lakh compared to INR 833 Lakh in FY 2022 which shows our efficiency in servicing debt. The net debt-to-equity ratio is 0.26 for FY 2023. ROCE and Cash Adjusted ROCE are 20.7% and 23.08% for the year.



The Company has strong track record and proven expertise to generate healthy, predictable and sustainable returns for its stakeholders. The Company is committed to wealth creation for all its stakeholders. The Company aims to maintain a consistency in giving dividend to its stakeholders and aims to ensure sustainable and consistent returns to stakeholders. Since 2016 the Company has been committed to paying 100% dividend and in 2019 the Company did a buyback as well.



FY2019* Company did buyback

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant changes (change of 25% or more as compared to immediately previous year) in key financial ratios. Accordingly, the Company has identified the following ratios as key financial ratios:

Ratio	Unit	FY 2022-23	FY 2021-22	% Change
Debtors Turnover	Times	3.49	3.7	-5.50%
Inventory Turnover	Times	1.58	1.98	-20.26%
Interest Coverage Ratio	Times	8.9	12.35	-27.92%
Current Ratio	Times	1.95	2.49	-21.74%
Debt Equity ratio	Times	0.26	0.1	161.20%
Operating Margin	%	19.51%	21.46%	-9.08%
Net Margin	%	11.88%	12.61%	-5.79%
Return on Net Worth	%	17.09%	16.59%	3.01%

The Reason for significant change:

i. **Debt-Equity ratio:** Increase in Debt Equity ratio is due to increase in short term borrowings requirements.

ii. **Interest Coverage Ratio:** Reduction in interest coverage ratio is due to increase in short term borrowings requirements.

FUTURE OUTLOOK

The future outlook for the company is promising as they strategically shift their focus towards cotton and cotton blended products catering to all season's offerings. With a strong foothold in the northern and eastern regions of the country, they now aim to expand their presence in the southern and western regions. Despite having a pan India presence, the company recognizes the untapped potential in these regions and seeks to capitalize on the emerging opportunities.

In line with the evolving consumer behavior, the company is actively enhancing its online presence and channels. They are placing significant emphasis on their own website, leveraging it as a key platform to connect with customers and drive sales. By prioritizing online channels, they aim to reach a wider audience and provide a seamless shopping experience.

To cater to the diverse needs of the population, the company has introduced several brands, each tailored to specific segments. This strategic approach allows them to effectively target and capture different market segments, ensuring customer satisfaction and loyalty. Additionally, the company has ventured into the home textile segment, setting up a dedicated plant to expand their product offerings and cater to the growing demand in this sector.

As a strategic move, the company has brought its entire online team in-house, which was previously outsourced. This decision enables them to have better control over online operations, ensuring efficient execution and improved customer experience. Moreover, the company has shifted its focus from offline channels to online advertising, recognizing the growing importance of digital marketing in reaching and engaging with their target audience effectively.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Monte Carlo Fashions, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Monte Carlo Fashions Limited for the financial year ended March 31, 2023.

For and on behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

1. Details of the listed entity:

1.	Corporate Identity Number (CIN) of the Listed Entity	L51494PB2008PLC032059
2.	Name of the Listed Entity	Monte Carlo Fashions Limited
3.	Year of Incorporation	2008
4.	Registered Office Address	B-XXIX-106, G.T. Road, Sherpur, Ludhiana, PB- 141003.
5.	Corporate Office Address	B-XXIX-106, G.T. Road, Sherpur, Ludhiana, PB- 141003.
6.	E-mail Id	csmcfl@owmnahar.com
7.	Telephone	0161-5048610
8.	Website	www.montecarlocorporate.com
9.	Financial Year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd & National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 2,073.21 Lakhs
12.	Name and Contact Details (telephone and E-mail address) of the person who may be Contacted in case of any queries on the BRSR report	Mr. Ankur Gauba Company Secretary and Compliance Officer Telephone No. :0161-5066628 E-mail id:companysecretary@montecarlocorporate.com
13.	Reporting Boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and for all the entities which form a part of its consolidated financial statements, taken together).	Disclosures under this report are made on a standalone basis.

II. Products/services:

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Garments and Textiles	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of Total Turnover Contributed
1.	Garments and Textiles	18101	100

III. Operations :

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	No. of Plants	No. of Offices	Total
National	4	3	7
International	0	0	0

17. **Markets served by the entity:**

a. **Number of locations**

Location	Number
National (No. of States)	21 states and 4 UTs
International (No. of Countries)	0

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

The contribution of exports as a percentage of the total turnover of the entity is zero.

c. **A brief on types of customers:**

The Company manufactures, markets and retails readymade garments, apparels, home textiles and accessories across the country. The Company caters to its various customers through its retail stores, large format stores, national chain stores, shop-in-shop and through online modes across age groups and price segments, that appeal to a wide section of the society.

IV. Employees

18. **Details as at the end of Financial Year:**

a. **Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
			Employees			
1.	**Permanent (D)**	843	773	91.70	70	8.30
2.	**Other Than Permanent (E)**	--	--	--	--	--
3.	**Total Employees (D+E)**	843	773	91.70	70	8.30
			Workers			
4.	**Permanent (F)**	1099	810	73.70	289	26.30
5.	**Other Than Permanent (G)**	--	--	--	--	--
6.	**Total Workers (F+G)**	1099	810	73.70	289	26.30

b. **Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Differently Abled Employees				
1.	**Permanent (D)**	--	--	--	--	--
2.	**Other Than Permanent (E)**	--	--	--	--	--
3.	**Total differently abled employees (D+E)**	--	--	--	--	--
		Differently Abled Workers				
4.	**Permanent (F)**	--	--	--	--	--
5.	**Other Than Permanent (G)**	--	--	--	--	--
6.	**Total differently abled workers (F+G)**	--	--	--	--	--

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12	3	25
Key Management Personnel	7	2	28.571

20. Turnover rate for permanent employees:
(Disclose trends for the past 3 years)

	FY 2022-2023			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.44	31.43	11.27	9.43	17.65	10.16	9.13	12.31	9.40
Permanent Workers	3.73	3.95	3.11	5.92	8.43	6.55	9.32	8.30	8.88

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures:

Sr. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/JointVenture	% of shares held bylisted entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Monte Carlo Home Textiles Limited	Subsidiary	100%	No, as the company has yet to start it's operations.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover - Rs. 111,771 Lakhs

Net worth - Rs. 77,676.80 Lakhs

VII. Transparency and Disclosures Compliances:

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism inPlace (Yes/No)	FY 2022-2023			FY 2021-2022		
	(If Yes,then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes www. montecarlocorporate. com/investor-relation/ policies-code	Nil	Nil	--	Nil	Nil	--
Investors (other than shareholders)	Not Applicable						

Shareholders	Yes www. montecarlocorporate. com/investor-relation/ policies-code	Nil	Nil	--	Nil	Nil	--
Employees and workers	Yes www. montecarlocorporate. com/investor-relation/ policies-code	Nil	Nil	--	Nil	Nil	--
Customers	Yes www. montecarlocorporate. com/investor-relation/ policies-code	Nil	Nil	--	Nil	Nil	--
Value Chain Partners	Yes www. montecarlocorporate. com/investor-relation/ policies-code	Nil	Nil	--	Nil	Nil	--

24. Overview of the entity's material responsible business conduct issues

The material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as under:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Fashionable and Sustainable Products	Opportunity	Embracing Fashionable, sustainability and offering sustainable products enhances a Company's reputation and brand image. The Company's focus on fashionablity and sustainability attracts loyal customers, strengthen brand loyalty, and improve long term customer relationships	NA	Positive
2.	Responsible Procurement	Opportunity	By prioritising suppliers that align with ethical, social, and environmental standards, the Company can mitigate supply chain risks, reduce its environmental impact, support sustainable development goals, foster innovation and meet the expectations of stakeholders. Responsible procurement strengthens the overall sustainability and reputation of the Company.	NA	Positive
3..	Product Quality and Safety	Opportunity	Product quality and safety are closely linked to the Company's brand reputation. A strong reputation for producing safe and reliable products establishes trust among customers, suppliers and other stakeholders. Positive brand reputation can attract new customers, open doors to new markets and differentiate the Company from its competitors.	NA	Positive

4.	Clean Energy	Opportunity	To get uninterrupted and Clean Energy, the company is making use of Roof top Solar Power Plant to save on electricity cost.	NA	Positive
5.	Ethics and Compliance	Risk	Adherence to ethical standards and compliance with applicable laws and regulations are essential for the Company to operate within the boundaries of the law. Non-compliance can result in legal penalties, fines, litigation and damage to the Company's reputation. By prioritising ethics and compliance, the Company mitigates legal and regulatory risks and ensures responsible business practices.	1. Policies & procedures 2. Whistle blower policy 3. Legal compliances	Negative
6.	Environmental Risk Management	Risk	Environmental regulations are becoming increasingly stringent across the globe. Effective environmental risk management ensures compliance with these regulations, preventing legal issues, penalties, and reputational damage.	To mitigate environmental risks, the Company has in place a clearly articulated risk management framework, which enables us to identify, assess, categorise, address and mitigate all relevant risks through a well-formulated process with defined roles and responsibilities assigned at every stage. It is structured to ensure continuous mapping and categorisation of the risks, their regular monitoring, tracking, review and mitigation through a welll aid-out governance and process framework.	Negative
7.	Human rights	Risk	Human rights violations or non-compliance with statutory norms can lead to loss of reputation.	The principles of human rights are followed in all the company's manufacturing units. The company ensures that all those connected with company's workplace, supply chain and distribution chain are treated with respect, dignity and fairness.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	The policies of the company can be accessed through the link i.e. https://www.montecarlocorporate.com/investor-relation/policies-code.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications / labels/ standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the Policies has been made as per the National Guidelines on Responsible Business Conduct, 2019 released by the Ministry of Corporate Affairs. In addition, the company's policies are in line with the ISO certifications namely ISO 9001:2015 (Quality management System) & ISO 14001:2015 (Environmental Management Systems). The certification for ISO 45001:2018 (Occupational Health & Safety Management Systems) is in progress.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our strategies, business model and operations are based on environment protection, employee, and customer safety.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements: The Company is committed to integrating Environmental, Social and Governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves. The Company has taken measures to inculcate beneficial and fair business practices to the labour, human capital and to the community at large. It provides employees and workers with working conditions that are clean, healthy and safe.									

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Sandeep Jain Designation: Executive Director DIN: 00565760
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The company does not have any specified committee of the board. However the Board of Directors of the company is responsible for managing the sustainable issues of the company.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes. All principles reviewed by Board of Directors. Additionally, audit committee reviews the code of business principles.									Whenever there is change in the laws and policies and maximum one year.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board of Directors reviews the Statutory Compliances on applicable laws.									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										No independent assessment has been carried out.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable, since question (1) above is Yes								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves withintegrity, and in a manner that is Ethical, Transparent and Accountable.

We are committed to adopt the best Corporate Governance practices and endeavor to continuously implement the code of Corporate Governance in its true spirit.

Our philosophy in relation to Corporate Governance is to ensure transparency in all our operations, to make disclosures and enhance shareholders' value without any compromise in complying with laws and regulations. We believe that Corporate Governance is all about maintaining a valuable relationship and trust with the Stakeholders and hence we have a well defined policy framework for ethical conduct and business.

We promote ethical behavior in all our business activities and have a robust mechanism for reporting illegal or unethical behavior. We have also adopted the Whistle Blower Policy and have established the necessary Vigil Mechanism for employees and Directors to report concerns about any unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/ or laws applicable to the Company and seek redressal.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% age of persons in respective category by the awareness programs
Board of Directors	1	All Principles	100%
Key Managerial Personnel	1	All Principles	100%
Employees other than BoD and KMPs	Ongoing	Principles relevant to their work areas	100%
Workers	Ongoing	Principles relevant to their work areas	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website:

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been pref-erred? (Yes/No)
Penalty/ Fine	P1-P9	NA	Nil	NA	NA
Settlement	P1-P9	NA	Nil	NA	NA
Compounding fee	P1-P9	NA	Nil	NA	NA

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	P1-P9	Nil	No Case	NA
Punishment	P1-P9	Nil	No Case	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the re-enforcement agencies/ judicial institutions
NOT APPLICABLE	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our Company's code of conduct includes an anti-corruption and anti-bribery policy, which has been disseminated to our employees and workers through face-to-face training sessions to raise their awareness and assist them in evaluating scenarios and making responsible decisions.

Monte Carlo Fashions Limited is committed to ethical business practices and to acting with integrity in all aspects of its business. The Company's reputation for integrity is a vital business asset that depends upon the commitment of all the Company's Directors, officers, and employees everywhere to act in accordance with the Company's Code of Conduct and all applicable laws and regulations. All the policies are accessible at https://www.montecarlocorporate.com/investor-relation/policies-code.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors/KMPs/employees.

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A	Nil	N.A
Number of complaints received in relation to issues of Conflict of Interest of the KMP's	Nil	N.A	Nil	N.A

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company is developing a well-defined training programme for the value chain partners. This programme is aimed at inculcating the NGRBC Principles. We continuously engage with them through various mediums and facilitate capacity building workshops and awareness sessions for its key value chain partners. The Company emphasizes and ensures that suppliers strive to adhere to Company's Code of Conduct as well as Health, Safety and Sustainability initiatives.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)- If Yes, provide details of the same.

Yes, the Company has a Code of Conduct, which is explicitly also applicable to Directors, senior management and Independent Directors. It provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company.

The Company receives an annual declaration from its Board of Directors and senior management personnel on the entities they are interested in, and ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with each entities. The policy is available on the Company's website at https://www.montecarlocorporate.com/investor-relation/policies-code.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:

The Company is recognised as "Superbrand" for woollen Knitted apparels in edition(s) of Consumer Superbrands in India. The Company operates through a judicious mix of EBOs, MBOs and Shop in Shop, Distributors and National Chain Stores located in 21 states and four union territory with a strong online presence. The Company has a dedicated, experienced design team of comprising of over 30 professionals, closely tracking the trending global fashion.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively :** NIL

2. a. Does the entity have procedures in place for sustainable sourcing: Yes, Monte Carlo has proce dures in place for sustainable sourcing.

b. If yes, what percentage of inputs were sourced sustainably?

The Company is using sustainable fibres like cotton, jute, rayon, BCI cotton, recycled Polyester, liva (viscose), modal, tencil and bamboo fibre. We have consumed more than 40% sustainable fibre of the total fibre consumed.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- Plastic waste is sent to authorized recyclers, approved by the State Pollution Control Board.
- We have tie-ups with certified e-waste recyclers who specialize in safely dismantling and processing electronic devices. The recyclers extract valuable materials such as metals, plastics, and glass, which can be reused in the manufacturing of new products.
- Waste water is treated and recycled back into process for resource conservation.
- ETP sludge is being dried and sent to Ramky Enviro Engineers Limited (Unit – Punjab Waste Management Project) in notified place, at Village Ninbuva, Tehsil Derabassi, Distt. Mohali, Punjab for safe disposal of sludge.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The company is responsible for safe disposal of the waste generated during production process. For this purpose the company has signed agreement with the agencies approved by the State Pollution Control Board for disposal of ETP sludge and E waste. The plastic waste is also sold to buyers approved by the State Pollution Control Board.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?** No Life Cycle Assessment has been carried out for any product of the Company.
2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.** Not Applicable
3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)** Nil.
4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:** Not Applicable
5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:** Not Applicable

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

In a world where everything else is equal, human effort makes all the difference.

The Company places immense value on our workforce and consider it as the biggest, most valuable asset. It is our constant endeavour to provide a safe, productive and positive environment for our employees that is free from any form of discrimination, including but not limited to sexual harassment, thus supporting them, so that they can maintain a healthy work-life balance and develop their professional as well as personal skills.

The Company endeavours to provide equal opportunity to each individual by evaluating him/her on its performance and ensure that there is no discrimination amongst its employees based on caste, creed, religion, disability, gender, age, sexual orientation, race, colour, ancestry, marital status and medical background. The Company has received no complaints related to Sexual harassment, Discriminatory employment, child labour, forced labour or any form of involuntary work.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	773	Covered through ESI and some employees who are exempted from ESI are getting medical allowances		773	100	Covered through ESI		N.A.		Have creches in all units	
Female	70			70	100	Maternity Leave (with Full Salary) for 6 months)					
Total	843			843	100						
Other than Permanent employees											
Male	N.A.										
Female											
Total											

b. Details of measures for the well-being of employees:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	810	**Covered through ESI**		810	100	**Covered through ESI**		N.A.		**Have creches in all units**	
Female	289			289	100						
Total	1099			1099	100						
Other than Permanent employees											
Male	N.A.										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous FY.

Benefits	FY 2022-2023			FY 2021-2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	No. of employees covered as a % of total employees
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	30	96	Y	32	96	Y

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

All the premises / offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:**

   The Company has internal processes with respect to diversity, equity and inclusion with the intention of encouraging the employability abilities of disadvantaged sections of society, such as persons with disabilities

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

   Return to work and Retention rates of permanent employees and workers is 100%.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

	Yes/No (If Yes, then give details of the mechanism in brief): Yes
Permanent Employees/Workers	• The Whistle-Blower Policy has been formulated for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct policy. For this purpose the Company has a dedicated e-mail id i.e. whistleblower@owmnahar.com • The Company has zero tolerance for sexual harassment at the workplace and is compliant with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. • The Company is committed to redressing every grievance of its employees in a fair and just manner. • The Company provides various channels of grievance redressal and safeguards employees against any form of victimisation. • The company has also established Grievance Committee. The employees and workers can address their grievances to the committee.
Other than Permanent Employees/Workers	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-2023			FY 2021-2022		
	Total employees / workers in respective category (A)	No. of employees /workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees /workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D /C)
Total Permanent Employees	There is no such Association/Union					
- Male						
- Female						
Total Permanent Employees						
- Male						
- Female						

8. **Details of training given to employees and workers:**

   During the year under review, the Company has conducted various training programs, designed to meet the changing skill requirements of our employees/workers. These programs include:

- Fire Fighting Drills,
- First+ Aid Training,
- Health & Safety Training,
- Besides orientation programs for new employees and various programs for skill-enhancing are also conducted by the company. For mid-level and senior level executives management development program are also conducted to upgrade their knowledge and management skills.

9. **Details of performance and career development reviews of employees and workers:**

The company provides performance and career development reviews to all eligible employees and workers.

10. **Health and safety management system:**

A. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Keeping in view the nature of the industry, the company has well defined Occupational health and Safety Policy and supporting processes to ensure the safety and well being of its employees and workers. The company has Health and Safety Committee. The Meeting of the committee is held once in every 3 months by Elected Members, Management Representative and Workers for educating them on health and safety systems. Moreover workshops/training program conducted on skill development.

B. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company is engaged in the manufacturing of Readymade garments, Home- textiles, apparels and accessories. The company has risk management system in place. The companies identifies the occupational health and safety risks, for its business activities, processes, products or services and access the risk on routine basis.

C. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

The company periodically educating and providing training to workers regarding benefits of using PPE'S, Getting Annual Medical Checkup of workers working in sensitive areas. The company has reporting risk management system and all the workers can report all work-related incidents (which include accidents, unsafe conditions and unsafe acts). The company investigates and takes necessary corrective actions so that such incident would be eliminated.

D. **Does all the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No):**

The company recognizes the overall physical and mental well being of its employees and workers. The company undertakes several well-being programs for the mental health, physical health, safety at home, hospital services, occupational health services and organizes medical camps for their employees and workers.

11. **Details of safety related incidents, in the following format:**

Safety Incident/ Number	Category	FY 2022-23	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers		Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers		Nil
No. of fatalities	Employees	Nil	Nil
	Workers		Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers		

12. **Describe the measures taken by the entity to ensure a safe and healthy work place:**

The Company always make efforts to provide a safe, productive and positive environment for employees/ workers. The company has also taken several measures to prevent and mitigate significant occupational health & safety impacts which are given hereunder:

- Provision and maintenance of fire detection, alarm and suppression systems
- Regular site review, inspections and audits to assess safety preparedness
- Regular mock drills for fire as well as medical emergencies

- Employee engagement campaigns on health & safety topics such as fire safety, road safety, emergency evacuation etc.
- Regular meetings and training educating workers and employees regarding safety and healthy workplace.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	Nil	Nil	**N. A**	**Nil**	**Nil**	**N. A**
Health & Safety	Nil	Nil	**N. A**	**Nil**	**Nil**	**N. A**

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Safety at the workplace/ office premises is one of the highest priority of the company. The company has established systems to address safety related incidents, if any. Moreover the company is undertaking safety inspections including installation and checking of fire fighting equipments, educating and providing required PPE'S to workers, conducting St. John ambulance training programme for workers and educating them about using PPE's at regular intervals. The deviations/gap and findings, if any, are identified and corrective actions are taken to improve upon the systems.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):** Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.** The company educates the value chain partners so that they deduct statutory dues and deposit with the Authority as per applicable laws, rules and regulations. In case of any difficulty by the value chain partner they can approach the company for help.

3. **Provide the number of employees having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		**No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**	
	FY 2022-23	**FY 2021-22**	**FY 2022-23**	**FY 2021-22**
Employees	Nil		Nil	
Workers				

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?** (Yes/ No):

   The company has no transition assistance program. However the company's continued skill development and up gradation during their working career helps the employees/workers in their employment after retirement.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Significant risks/concerns, if any, related to health and safety practices and working conditions are evaluated during the assessments and no such significant risks/concerns were recorded.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by assessing their contribution towards day-to-day business activities. We have identified the key stakeholder's group and each stakeholder continues to contribute in their own way in creating a shared value. Our key stakeholders are our investors, customers, employees, shareholders, and value chain partners.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topic and concerns raised during such engagement
Shareholders/ Investors	No	Email, Post, Newspaper notices, Website, Meetings- like AGM, Postal ballot	Quarterly	• Statutory Communication
Investors	No	Meetings, Calls, One-on-one interactions.	Quarterly, Investor calls on ad-hoc basis	• Statutory Communication and company performance and reports.
Value Chain Suppliers	No	Meetings, Calls, One-on-one interactions	On ad-hoc basis.	• Company requirements and terms of trade.
Employees	No	Emails, Townhall, Sessions, Meetings, One-on-one interaction	On real-time basis	• Employee- matters.
Customer	No	Email, SMS, Newspaper campaigns, Website, Conferences	On ad-hoc basis.	• New products, Fashion Updates, Launches, Campaigns, to understand the Issues, Order Booking, etc

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The consultation with stakeholders on Economic, Environmental, and Social topics has been delegated in the organization to the departments who are responsible for engaging with stakeholders on continuous basis. The feedback of the department is shared with the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The consultation with the stakeholders always helps the company in devising company's policy on economic, environmental, and social topics.

3. **Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company tries to identify the disadvantaged, vulnerable and marginalized stakeholder groups through need assessment and engage with such marginalized communities through CSR Activities. The Company is committed to the welfare of disadvantaged, vulnerable and marginalized section of the society. The Company through self and in association with M/s Oswal Foundation has taken special initiatives for the benefit of local communities and other disadvantaged and marginalized stakeholders. The Company's endeavour is to help them in Healthcare, Education and Sustainable Livelihood etc. All the projects undertaken pursuant to CSR activities are based on the needs of the communities. The Company's vision, in a nutshell, epitomizes inclusive growth and dignifying the lives of the underprivileged.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company promotes a culture of fairness and inclusion. It is the policy and practice of the Company to provide equal employment opportunities to everyone. The Company's value system encourages dignity of labour. Its policies and managerial framework ensure that human rights of employees are fully protected.

Policies and processes like POSH, Whistleblower, Grievance Redressal, Equal Employment Opportunity, Code of Conduct etc. are in place to protect the human rights of employees. No complaints were received regarding human rights violation during the financial year under review.

The Company policies are well defined and are informed, trained, and disseminated through the proper medium.

Essential Indicators

1. **Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
			Employees			
Permanent	843	843	100	768	768	100
Other than Permanent	--	--	--	--	--	--
Total Employees	**843**	**843**	**100**	**768**	**768**	**100**
			Workers			
Permanent	1099	1099	100	1038	1038	100
Other than Permanent	--	--	--	--	--	--
Total Workers	**1099**	**1099**	**100**	**1038**	**1038**	**100**

2. **Details of minimum wages paid to employees in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					Employees					
Permanent	843	76	9	767	90.98	768	70	9.11	698	90.89

Male	773	70	9	764	98.84	700	63	9	637	91
Female	70	7	10	60	85.71	68	7	10.29	61	89.71
Other than Permanent										
Male	Nil									
Female										
Workers										
Permanent	1099	99	9	1000	91	1038	94	9	944	91
Male	810	73	9	737	91	777	70	9	768	91
Female	289	26	9	263	91	261	24	9	237	91
Other than Permanent										
Male	NIL									
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		**Female**	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
*Board of Directors (BoD)	9	1,00,000	3	88,55,909
**Key Managerial Personnel	5	1,01,00,474	2	94,78,192
Employees other than BoD and KMP (including workers)	1578	1,95,826	357	1,18,729

* Board of Directors Include Executive Directors, Non- Executive Director and Independent Directors and Independent Directors are being paid Rs. 25,000 for attending Board Meeting.

**Remuneration of Chairman and Managing Director and 3 Executive Directors, CFO and CS has been included in KMP.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)** Yes, the company has appointed Labour Welfare Officers who are responsible for addressing the human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its directors and employees/workers. Grievances related to Human rights impacts are addressed via the Whistle Blower reporting channels. Any such grievance or violation of policy can be reported through this medium.

6. **Number of Complaints on the following made by employees:**

	FY 2022-2023			**FY 2021-2022**		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	-	-	NA	-	-	NA

Discrimination at workplace	-	-	NA	-	-	NA
Child Labour	-	-	NA	-	-	NA
Forced Labour/Involuntary Labour	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Other human rights related issues	-	-	NA	-	-	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Vigil Mechanism Policy and the Policy on Prevention of Sexual Harassment provides the mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases. In Exceptional circumstances, the complainant can also approach to the Chairman of Audit Committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, The Company always advocates the supremacy of Human Rights.

9. Assessments for the year:

	% of your offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%. The company has internal system for monitoring compliance of all relevant laws and policies pertaining to these issues. The Company is in compliance with the laws, as applicable and no adverse observation was observed during the financial year 2022-23.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concern arising from the assessments at question 9 above: No significant risks were identified.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. Not applicable as no such modifications has been introduced in the current reporting year.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company's Human rights policy recognizes the following priority issues:

- Labour laws,
- Zero tolerance to the child, forced or compulsory labour in operations and supply chains,
- Equal opportunity for all employees,
- Provide opportunities for all employees to express concerns and seek redressal,
- Health and Safety of our employees/workers/staff.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All the offices and workplace are accessible to differently abled visitors as per the requirement of Rights of Persons with Disabilities Act, 2016.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	100
Discrimination at workplace	100
Child Labour	100
Forced Labour/ Involuntary Labour	100
Wages	100
Others- please specify	Nil

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:** Not applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

As a responsible corporate entity, company is fully aware of its obligation and responsibility to maintain highest standard of Environmental Management, as the climate changes and Global Warming are posing great threat to the global environment and to the Human kind. The company uses multiple energy sources in its daily operations and electricity being the primary source. The company has increased the share of renewable electricity (RE) over the years through Rooftop solar generation.

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) Own generation (Turbine + F.O) (Kwh)	98828	98056
Total fuel consumption (B) (M.Ton)	1928	1957
Energy consumption through other sources (C) (Electricity Board + Solar)	5367185	5049088
Total energy consumption (A+B+C)	**5467941**	**5149101**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.00048	0.00057
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	The independent assessment/ evaluation/Energy Audit has been carried out by Namdhari Eco Energy Private Limited	

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

As we are not an energy-intensive industry, our manufacturing units are not registered in PAT scheme.

3. **Provide details of the following disclosures related to water, in the following format:**

The company optimizes water consumption through conservation, sewage treatment, reuse and rainwater harvesting. All units have been designed for higher water efficiencies, recycling and treatment of sewage and rainwater harvesting. The detailed break up is given below:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	Nil	Nil

(ii) Groundwater	70304	69643
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**70304**	**69643**
Total volume of water consumption	**70304**	**69643**
Water intensity per lakh rupee of turnover (Water consumed / turnover)	0.63	0.77
Water intensity (optional) - the relevant metric may be selected by the entity	N.A.	N.A.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No independent assessment/ evaluation has been carried out by an external agency related to water consumption. However the company make assessment/ evaluation of water consumption internally.	

*The company is maintaining the records on the daily as well as monthly basis of water consumption, it is pertinent to mention here that as and when water is on higher side the company take necessary steps accordingly to reduce the water consumption.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage** and **implementation**.

The Company has sewage and affluent treatment plant. The discharged water of this plant is reused. The Company has installed 360 KLD Zero Liquid Discharge System. It's single stage system followed by the the R.O Membranes used for treating the ETP water. The treated water is reused in plant.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	**Please specify unit**	**FY 2022-23**	**FY 2021-22**
NOx	Nil		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others- Carbon Monoxide Percentage			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)	Not Applicable		

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	**Unit**	**FY 2022-23**	**FY 2021-22**
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available	Metric tonnes of CO2 equivalent	**Nil**	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			

Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

In addition to the existing solar system installed at the Registered Office, the Company has installed 188 KW solar plant at Unit-1 and 240KW solar plant at Unit-2 of the Company.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	175	186
E-waste **(B)**	482 Kg	_
Bio-medical waste **(C)**	_	_
Construction and demolition waste **(D)**	_	_
Battery waste **(E)**	_	_
Radioactive waste **(F)**	_	_
Other Hazardous waste. Please specify, if any. **(G)** M.Ton	1565	1400
Other Non-hazardous waste generated **(H)**. Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)- Textile Waste (M.Ton)	–	–
Total (A+B + C + D + E + F + G + H)	**2222**	**1586**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used M. Ton		
(iii) Other recovery operations		
Total (M. Ton)		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	_	_
(ii) Landfilling	_	_
(iii) Other disposal operations (Sold to local buyers)	595	606
Total (M. Ton)	595	606
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No independent assessment/ evaluation has been carried out by an external agency related to waste management. However the company makes assessment/ evaluation of waste management internally.	

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Hazardous waste is being kept in a separate room/ place as per guidelines of State Pollution Control Board. Such waste is disposed off only through the firms authorized by the State Pollution Control Board for the purpose.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)If no, the reasons thereof and corrective action taken, if any.
Not applicable, as no manuacturing unit of the company is situated in and around ecologically sensitive areas.		

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

The company is in compliance with the applicable environmental law / regulations / guidelines in India. No fine/penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/ guidelines.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	NIL	NIL
Total fuel consumption (B) (M.Ton)	NIL	NIL
Energy consumption through other sources (C)	605109	411208
Total energy consumed from renewable sources (A+B+C)	**605109**	**411208**
From non-renewable sources		
Total electricity consumption (D)	4762076	4637880

Total fuel consumption (E) (M.Ton)	121822	229093
Energy consumption through other sources (F)	NIL	NIL
Total energy consumed from non-renewable sources (D+E+F)	**4883898**	**4866973**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	The independent assessment/ evaluation/Energy Audit has been carried out by Namdhari Eco Energy Pvt. Ltd.	

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment	As per norms of respective SPCB	
(ii) To Groundwater	NIL	
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NIL	
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NIL	
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	12373	11919
- No treatment		
- With treatment – please specify level of treatment	As per norms of respective SPCB	
Total water discharged (in kilolitres)	**12373**	**11919**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No independent assessment/ evaluation has been carried out by an external agency related to water consumption. However the company makes assessment/ evaluation of water consumption internally.	

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:** All the garments manufacturing units have their own sewage treatment plants.

(ii) **Nature of operations:** The Company is engaged in manufacturing of Ready Made Garments, Home Textiles, Apparels and Accessories.

(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	--	--
(ii) Groundwater	70304	69643

(iii) Third party water	--	--
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres)	**70304**	**69643**
Total volume of water consumption(in kilolitres)	**70304**	**69643**
Water intensity per rupee of turnover (Water consumed / turnover)	**0.62**	**0.77**
Water intensity (optional)- the relevant metric may be selected by the entity	--	--
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NIL	NIL
- No treatment		
-With treatment - please specify level of treatment	As per norms of respective SPCB	
(ii) Into Groundwater		
- No treatment	As per norms of respective SPCB	
- With treatment - please specify level of treatment	NIL	
(iii) Into Seawater	NIL	
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties	NIL	
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	12373	11919
- No treatment		
- With treatment – please specify level of treatment	As per norms of respective SPCB	
Total water discharged (in kilolitres)	**12373**	**11919**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No independent assessment/ evaluation has been carried out by an external agency related to water consumption. However the company makes assessment/ evaluation of water consumption internally.	

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover		Nil	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   - In addition to the existing solar system installed at the Registered Office, the Company has installed 188 KW solar plant at Unit-1 and 240 KW solar plant at Unit-2 of the company.
   - The Company has also installed whole garment machines to increase efficiency, productivity and reduce wastage.

7. **Does the entity have a business continuity and disaster management plan?**

   The company does not have any such plans for the present. However, the company is in discussion for delibrating in house business continuity and disaster management plan.

   The company have standardized procedure to maintain business continuity and ensure effective management of incidents. A risk-based approach is followed to identify credible business risks and is reviewed regularly. In addition, to safeguard our data and IT systems, the company have a Data Recovery Capability Standard. The purpose of this Standard is to specify controls to ensure that our data, applications and systems can be recovered to meet business operational requirements following a disruptive cyber incident.

8. **Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No significant adverse impact envisaged from company's value chain.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** This is being done across all the value chain partners at the time of onboarding.

PRINCIPLE 7: BUSINESSES WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is a member of Two trade chamber /association. The Company appreciates the importance of trade chamber/ association. Trade associations provide a forum for information sharing and discussion with both trade association officials and representatives of various sectors.

   Management and the senior leadership team interact with various professional bodies and organisations to anticipate and understand the government regulations, economic scenario, industrial environment and advancement of public goods and services.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry [CII]	National
2	Apex chamber of commerce and industry (apex chamber)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity based on adverse orders from regulatory authorities.

   The Company has not engaged in any anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The company focuses on developing and maintaining partnerships with relevant government officials, business organizations, industry associations and community organizations for the purpose of developing mutually-beneficial partnerships.

S. No.	Public policy advocated	Method resorted for such advocacy available	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ others-please specify	Web link, if available
1.	The company is member of industry association and the Company's Policy on Responsible Advocacy provides the framework for necessary interface with Government/ Regulatory Authorities	The Company works with apex industry institutions that are engaged in policy advocacy Confederation of Indian Industry [CII and Apex chamber of commerce and industry (apex chamber) The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.	For more details, refer to 'Report of the Board of Directors & Management Discussion and Analysis' section forming part of Annual Report of the company 2023.	As and when required	_

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Monte Carlo believes that its business is built around strong social relevance of inclusive growth by supporting the common man in meeting their financial needs. Inclusive growth and business sustainability are the core of strategy and business practices.

As a responsible organisation, the Company is committed towards the above objective and is keen on developing a sustainable business model to ensure and activate future growth drivers.

Pursuant to the requirements detailed in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs ("MCA") the Company has developed its Corporate Social Responsibility ("CSR") policy. The key focus areas of the Company's CSR programs are the promotion of education, preventive healthcare, rural development, skill enhancement, environment protection and other areas as defined in Schedule VII of the Companies Act 2013.

In 2022-23, the Company spent ₹218.84 Lakhs as prescribed under Section 135 of the Companies Act, 2013. The details of the CSR initiatives undertaken by your Company are set out in Annexure A to the Directors' Report included in the Annual Report for the Financial Year 2022-23.

The Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.** No, requirement of Social Impact Assessments (SIA) of projects was not applicable to the Company in the FY 2022-23.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:** There was no project involving R&R during the FY 2021-22 or 2022-23.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   There are several mechanisms in place to receive grievances from the community such as access to e-mail ID of Company Secretary and Compliance officer, Website, Customer help-line/Toll-free number. The grievances from community are addressed by Customer Happiness Team, Company Secretary and Compliance officer along-with Stakeholders' Relationship Management Committee of the Board. Also, we conduct regular meetings with the community stakeholders to understand their needs and aspirations.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs / small producers	1%	1 %
Sourced directly from within the district and neighboring districts	This information is not available for the current year and the company is trying to change the system to make it available in the coming years.	

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):** Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Punjab	Ludhiana	218.84* Lakhs

*The company is undertaking CSR activities in collaboration with the group companies through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields and main focus on medical relief and research, Environment Protection / Sustainability, Promoting Education, Social Upliftment and / or any other activity as envisaged in the Companies Act, 2013. The CSR amount has been paid to Oswal Foundation.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   The company does not have any preferential procurement policy at present. However, we try to procure goods & services from MSME vendors and schedule there payments within stipulated period.

   (b) **From which marginalized /vulnerable groups do you procure?**

   Please refer to the above answer.

   (c) **What percentage of total procurement (by value) does it constitute?**

   Please refer to answer for Q.4 in Principle 8, Essential Indicators.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of Persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	To meet its CSR obligation under section 135 of the Companies Act, 2013 company is undertaking CSR activities in collaboration with the group companies through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. During the year the Company paid an amount of Rs. 218.84 Lakhs to Oswal Foundation for undertaking Health Care Projects as approved by the consortium of the Group Companies.	The whole community living in the state of Punjab. The most beneficial are the resident of Ludhiana district who are getting medical treatment at lower rate.	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

The Company's uncompromising commitment to providing High class products to customers is supported by its concern for the fashion and safety of its customers. The Company is committed to building trust, disclosing information truthfully and factually including the use of cautionary statements and transparent communication. Also, the Company ensures that it's marketing & advertising campaigns and other targeted communications do not confuse or mislead or violate any of the principles in these Guidelines.

The Company ensures that it's marketing & advertising campaigns and other targeted communications do not confuse or mislead or violate any of the principles in these Guidelines.

The Company fully complies with the laws of the land. The Company discloses all the information on the labels in compliance with the legal requirements and let customers make an informed decision.

We are committed to all our customers to keep bringing fashionable, newer and better products to serve them better.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms etc. All complaints are appropriately addressed and resolved. To understand the customers better, the Company adopts several procedures including customer surveys, customer audits and direct feedback. There is Customer Happiness team, which is dedicated to attend and address consumer feedback and queries.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company complies with disclosure requirements as per prevailing laws.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL		N.A.	NIL		N.A.
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

The company has not recalled its product on account of safety issues.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the same is available at https://www.montecarlocorporate.com/Pdfs/PRIVACY%20POLICY1691046161.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services: No such incident related to the mentioned topics has been reported.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):

The same is available at www.montecarlocorporate.com and www.montecarlo.in. In addition, the Company actively uses various social media and digital platforms to disseminate information on its products.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our product tags include instructions on how to use our products safely and responsibly, such as washing, drying, and ironing instructions. These instructions are printed on all our garments apparels and clothing solutions.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As the company is engaged in the manufacturing of Readymade Garments, Apparels and Accessories, no such mechanism is applicable to the company.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the product description is displayed on all the products as per the local law. The entity also carries out consumer surveys via an SMS link, which helps the consumer to provide feedback after the purchase of the product or services

5. **Provide the following information relating to data breaches :**

a. **Number of instances of data breaches along-with impact-** NIL

b. **Percentage of data breaches involving personally identifiable information of customers:** Not Applicable

For and on behalf of Board of Directors

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

Place: Ludhiana
Date: 07.08.2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Monte Carlo Fashions Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Monte Carlo Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Provision for Expected Sales return** - Refer to Notes 2.10, 2.23, 21 and 44 to the standalone financial statements Revenue from contracts with customers is recognised when control of the goods is transferred to the customer on satisfaction of performance obligations and is measured at the amount of transaction price (net of variable consideration and provision for sales returns) allocated to that performance obligation. The methodology and assumptions used to estimate expected sales return involves significant judgments by the Management. Such estimates are monitored and adjusted regularly in the light of contractual and legal obligations, historical trend and past experience. Once the uncertainty associated with the expected sales returns is resolved, revenue is adjusted accordingly.	**Principal audit procedures performed:-** • Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to expected sales returns by comparing with applicable accounting standards and other accounting principles generally accepted in India. • Obtained an understanding of the process followed by the Company for estimating the expected sale returns • Tested the design and implementation of controls that the Company has established for determining provision for sales returns and tested the operating effectiveness of such controls. • Evaluated the management estimates and judgements in determining the expected sales returns by verifying the past trend and assessed whether the methodology followed is consistent with the prior year.

	The Company has recognized provision for expected sales returns amounting to Rs. 10,234 Lakhs as at March 31, 2023. Considering the above, we have considered the estimations over expected sales returns as a key audit matter.	• Evaluated the contract terms for each type of contracts with customers to assess the reasonableness of the provision for expected sales returns and determine whether the same is in line with terms of the contract. • Traced the workings provided by the Company for provision for sales returns at the balance sheet date to underlying sales records to ensure the completeness of the sales considered for this purpose. • For selected samples, tested credit notes issued to customers and assessed the validity of claims with the underlying documents and appropriate approvals • Assessed the appropriateness of the presentation of such provision for sales return and the disclosures made in the standalone financial statements in respect of the same

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including Annexure to Director Report and Report on Corporate Governance but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including Annexure to Director Report and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 adequate internal financial controls with reference to standalone financial statements in place 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 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial statements of the Company for the year ended March 31, 2022 prepared in accordance with Ind AS included in these financial statements have been audited by the predecessor auditor. The report of the predecessor auditor dated May 30, 2022 on the comparative financial statements expressed an unmodified opinion.

Our report is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position - Refer Note 35 (A) to the standalone financial statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 35 (ii) to the standalone financial statements.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 46 (k) to the standalone financial statements.

    iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 46 (h) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 46 (i) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 41 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 23105546BGXMSL5524

Place: Gurugram

Date: May 29, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Monte Carlo Fashions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 23105546BGXMSL5524

Place: Gurugram

Date: May 29, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right-of-use assets.

The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

<table>
<tr><th rowspan="2">Description of property</th><th colspan="2">As at the Balance sheet date (Rs. In Lakhs)</th><th rowspan="2">Held in the name of</th><th rowspan="2">Whether promoter, director or their relative or employee</th><th rowspan="2">Period held</th><th rowspan="2">Reason for not being held in name of Company</th></tr>
<tr><th>Cost</th><th>Carrying value</th></tr>
<tr><td>Land - 160 Sq yds at G. T. Road, Sherpur, Ludhiana</td><td>33</td><td>33</td><td>Bachan Singh</td><td>Not applicable</td><td>10 years</td><td rowspan="2">Purchased through sales agreement, however mutation of title deeds in the name of the Company is pending</td></tr>
<tr><td>Land - 20 Sq yds at G. T. Road, Sherpur, Ludhiana</td><td>7</td><td>7</td><td>Kehar Singh</td><td>Not applicable</td><td>9 years</td></tr>
</table>

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods in transit and stock lying with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the revised quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters

(iii) (a) The Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in subsidiary company during the year. The Company has granted unsecured loans to subsidiary company and employees during the year, which are as follows:

Particulars	Loans (Rs. Lakhs)
A. Aggregate amount granted / provided during the year	
- Subsidiary	557
- Employees	148
B. Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	-
- Employees	60

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted provided by the Company to employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation. The Company has granted loans to subsidiary company which are repayable on demand. During the year, repayment of principal and payment of interest has been demanded by the Company and the same has been repaid by the subsidiary company. Accordingly, in our opinion, the repayments of principal amounts and receipts of interest are regular.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company had granted loans to subsidiary company which are repayable on demand, details of which are given below:

Particulars	Related Parties (Rs. Lakhs)
Aggregate of loans	
- Repayable on demand *	557
Percentage of loans	100%

* Loan has been fully repaid along with interest by the subsidiary company during the year.

(iv) According to the information and explanation given to us, the Company has not granted any loans, or provided any guarantee or security that are covered under the provisions of Section 185 of the Companies Act, 2013. In respect of loans given and investments made by the Company during the year, the Company has complied with the provisions of Section 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Sales Tax, Service Tax, duty of Excise and Value Added Tax are not applicable to the Company

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis, prima facie, not been used during the year for long-term purposes by the Company.

(e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent CSR amount for the year that are required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013, in compliance with second proviso to sub section 5 of Section 135 of the Companies Act, 2013.

(b) There are no ongoing projects of Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 23105546BGXMSL5524

Place: Gurugram
Date: May 29, 2023

Standalone Balance Sheet as at March 31, 2023
(All amounts in Rs. lakhs, unless stated otherwise)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	15,541	15,305
b) Right-of-use assets	4	11,813	7,842
c) Capital work-in-progress	5	1,937	127
d) Intangible assets	6	737	36
e) Intangible assets under development	7	-	183
f) Financial assets			
i) Investments	8	7,250	5,436
ii) Other financial assets	9	3,667	739
g) Income tax assets (net)	10	237	248
h) Deferred tax assets (net)	34	2,226	1,291
i) Other non-current assets	11	110	321
Total non-current assets		**43,518**	**31,528**
Current assets			
a) Inventories	12	46,042	28,908
b) Financial assets			
i) Investments	8	17,012	16,308
ii) Trade receivables	13	38,018	25,991
iii) Cash and cash equivalents	14	60	32
iv) Bank balances other than cash and cash equivalents	15	1,298	4,760
v) Loans	16	60	42
vi) Other financial assets	9	1,280	773
c) Other current assets	11	2,384	3,320
Total current assets		**106,154**	**80,134**
TOTAL ASSETS		**149,672**	**111,662**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	17	2,073	2,073
b) Other equity	18	75,603	66,663
Total equity		**77,676**	**68,736**

Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	19	270	833
ii) Lease liabilities	4	11,118	7,413
iii) Other financial liabilities	20	3,079	2,295
b) Other non-current liabilities	21	3,076	267
c) Provisions	22	89	-
Total non-current liabilities		**17,632**	**10,808**
Current liabilities			
a) Financial liabilities			
i) Borrowings	19	19,929	6,010
ii) Lease liabilities	4	1,827	1,315
iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	23	84	24
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	19,314	13,840
iv) Other financial liabilities	20	1,817	2,010
b) Other current liabilities	21	9,333	7,076
c) Current tax liabilities (net)	10	1,037	1,177
d) Provisions	22	1,023	666
Total current liabilities		**54,364**	**32,118**
TOTAL EQUITY AND LIABILITIES		**149,672**	**111,662**

The accompanying note forms an integral part of the standalone financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	Revenue from operations	24	111,771	90,432
II	Other income	25	2,083	2,520
III	**Total income (I+II)**		**113,854**	**92,952**
IV	**EXPENSES**			
	Cost of materials consumed	26	13,947	9,824
	Purchases of stock-in-trade	27	61,493	46,797
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(16,157)	(7,957)
	Employee benefits expense	29	9,657	8,118
	Finance costs	30	2,445	1,568
	Depreciation and amortisation expense	31	4,177	3,725
	Other expenses	32	21,049	15,619
	Total expenses		**96,611**	**77,694**
V	**Profit before tax (III-IV)**		**17,243**	**15,258**
VI	**Tax expense:**	33		
	- Current tax expense		5,163	4,244
	- Deferred tax expense/(credit)		(693)	(390)
	- Current tax adjustments related to earlier years		(323)	-
	- Deferred tax adjustments related to earlier years		(178)	-
	Total tax expense		**3,969**	**3,854**
VII	**Profit for the year (V-VI)**		**13,274**	**11,404**
VIII	**Other comprehensive income / (loss)**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gain / (loss) on defined benefit obligations		(229)	52
	- Income tax relating to these items		58	(13)
	- Net fair value loss on investment in perpetual bonds		(24)	(8)
	- Income tax relating to these items		6	2
	Other comprehensive income / (loss) for the year, net of tax		**(189)**	**33**
IX	**Total comprehensive income for the year**		**13,085**	**11,437**
X	Earnings per equity share (nominal value Rs. 10 each)	36		
	Basic (Rs.)		64.03	55.00
	Diluted (Rs.)		64.03	55.00

The accompanying note forms an integral part of the standalone financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Standalone Statement of Cash flows for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	As at March 31, 2023	As at March 31, 2022
A.	**Cash flow from operating activities:**		
	Profit before tax	17,243	15,258
	Add: Adjustment for non-cash and non-operating items		
	Depreciation and amortisation expense	4,177	3,725
	Finance costs	2,445	1,568
	Interest income	(1,185)	(608)
	Unrealised foreign exchange gain	-	(29)
	Profit on sale of investments	(12)	(138)
	Loss / (Profit) on sale of property, plant and equipment (net)	(2)	184
	Rent Concessions	-	(385)
	Provision for doubtful receivables	500	-
	Profit on derecognition / modification of lease contract	(193)	(203)
	Fair valuation gain on investments through profit and loss	(556)	(674)
	Amounts written off	21	29
	Operating profit before working capital changes	**22,438**	**18,727**
	Adjusted for movement in:		
	Increase in trade receivables	(12,349)	(3,593)
	Increase in inventories	(17,134)	(8,754)
	Increase in trade payables	5,534	900
	Increase in provisions	446	578
	Increase in other financial and non-financial assets	46	(1,147)
	Increase in other financial and non-financial liabilities	5,475	3,483
	Cash outflow from operating activities before taxes	**4,456**	**10,194**
	Direct taxes paid (net of refunds and demands)	(4,968)	(3,129)
	Net cash generated from / (used in) operating activities (A)	**(512)**	**7,065**
B.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment and Intangible assets (including capital advances, creditors for capital goods, Capital work-in-progress and Intangible assets under development)	(4,603)	(2,508)
	Proceeds from sale of property, plant and equipment	33	42
	Purchase of Mutual Funds, Bonds and Debentures	(5,370)	(2,656)
	Purchase of equity shares in subsidiary	(850)	(20)
	Proceeds from sale of investments	949	4,554
	Fixed Deposits not considered as cash and cash equivalents		
	-Placed	(5,267)	(8,810)
	-Matured	9,391	4,041
	Interest received	965	518
	Net cash generated from /(used in) investing activities (B)	**(4,752)**	**(4,839)**

C.	**Cash flow from financing activities:**		
	Repayment of long-term borrowings	(563)	(1,637)
	Proceeds from long-term borrowings	-	1,163
	Proceeds from short-term borrowings (net of repayments)	13,918	3,832
	Payment of principal of lease liabilities	(1,527)	(891)
	Payment of interest of lease liabilities	(945)	(771)
	Dividend paid	(4,146)	(3,110)
	Finance cost paid	(1,445)	(824)
	Net cash generated from /(used in) financing activities (C)	**5,292**	**(2,238)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	28	(12)
	Cash and cash equivalents at the beginning of the year	32	44
	Cash and cash equivalents at the end of the year	**60**	**32**
	Cash and cash equivalents (refer note 14) include:		
	Cash in hand	42	31
	Cheques in hand	18	-
	Balance with banks	0	1
	Total cash and cash equivalents	**60**	**32**

Notes :

i) The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on "Statements of Cashflows".

ii) Refer note 48, for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows.

The accompanying note forms an integral part of the standalone financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Standalone Statement of changes in equity for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

A. Equity share capital	Amount
Balance as at March 31, 2021	2,073
Add: Changes during the year	-
Balance as at March 31, 2022	**2,073**
Add: Changes during the year	**-**
Balance as at March 31, 2023	**2,073**

B. Other equity

Particulars	Reserves and Surplus					Other comprehensive income	Total
	Capital reserve *	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Debt instruments through OCI	
Balance as at March 31, 2021	**0**	**100**	**7,470**	**38,087**	**12,679**	**-**	**58,336**
Profit for the year	-	-	-	-	11,404	-	11,404
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	39	-	39
Fair valuation of investment in perpetual bonds (net of tax)	-	-	-	-	-	(6)	(6)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,443**	**(6)**	**11,437**
Dividends	-	-	-	-	(3,110)	-	(3,110)
Balance as at March 31, 2022	**0**	**100**	**7,470**	**38,087**	**21,012**	**(6)**	**66,663**
Profit for the year	-	-	-	-	13,274	-	13,274
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	(171)	-	(171)
Fair valuation of investment in perpetual bonds (net of tax)	-	-	-	-	-	(18)	(18)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**13,103**	**(18)**	**13,085**
Dividend	-	-	-	-	(4,145)	-	(4,145)
Balance as at March 31, 2023	**0**	**100**	**7,470**	**38,087**	**29,970**	**(24)**	**75,603**

* Balance as at March 31, 2021, March 31, 2022 and March 31, 2023 is less than Rs 1 Lakh, accordingly appearing as Nil.

The accompanying note forms an integral part of the standalone financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

1 General Information

Monte Carlo Fashions Limited (the "Company") is a public company limited by shares incorporated under the provisions of the Companies Act, 1956 on 1 July 2008 and is domiciled in India. The Company's registered office is at B-XXIX-106, G.T. Road, Sherpur, Ludhiana, Punjab. Its shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company is engaged in manufacturing of designer woolen/ cotton readymade apparels and trading of readymade apparels including blankets under its brand "MONTE CARLO" which has also been recognised as a "SUPERBRAND".

2 Significant Accounting Policies

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The board of directors have considered the financial position of the Company as at March 31, 2023 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements.

The standalone financial statements of the Company are presented in Indian Rupee ('INR') and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2. Basis of Preparation and Presentation

The standalone financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products 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 assets and liabilities.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

The principal accounting policies are set out below.

2.3. Use of Estimates and Judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

2.4. Inventory

Inventories are initially recognised at the lower of cost and net realisable value (NRV).

Cost incurred in bringing each product to its present location and condition are accumulated as follows:

- **Raw materials and stores and spares:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost method basis.
- **Work-in-progress:** Cost is determined at raw material cost plus conversion costs depending upon the stage of completion.
- **Manufactured finished goods:** Manufactured finished goods are stated at the lower of cost or market value. Cost is determined using actual cost method of valuation in which cost of inventories comprises costs of purchase, costs of conversion and other attributable costs incurred in bringing them to their respective present location and condition.
- **Traded finished goods:** Traded finished goods are 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.

  Initial cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items.

  Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.5. Property, plant and equipment

Recognition

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of property, plant and equipment that are not yet ready for their intended use at the reporting date. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 except for Plant and machinery used in factory.

The estimated useful life of Plant and machinery used in factory have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

The following useful life of assets has been taken by the Company:

Tangible assets	Useful life
Building	30 years
Plant and machinery – factory	9-10 years
Plant and machinery - Other than factory	15 years
Furniture and fixtures	10 years
Vehicles	8 years and 10 years
Office equipment	5 years
Computer equipment	3 years and 6 years

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

2.6. Intangible assets

Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation

Intangible assets are amortised on straight-line basis over the useful life as estimated by the management.

Intangible assets	Useful life
Software	5 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.7. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

2.8. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.9. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.10 Revenue recognition

Sale of goods:

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer on satisfaction of performance obligations. The Performance obligations as per contracts with customers are fulfilled at the time of dispatch or delivery of goods depending upon the terms agreed with customer.

The Company has concluded that revenue arrangements with its business partners/customers are on principal to principal basis.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration and provision for sales returns) allocated to that performance obligation.

Amounts disclosed as revenue are net of returns and trade discounts, rebates, incentives, etc. The Company collects goods and services tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Variable consideration includes trade discounts, rebates and incentives, etc. The Company uses its accumulated historical experience to estimate the variable consideration using the expected value method.

Under the Company's standard contract terms, customers have a right of return goods as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return; consequently, the Company recognises a right-to-returned-goods asset and a corresponding adjustment to change in inventory. The Company uses its accumulated historical experience to estimate the goods that will be returned using the expected value method because this method best predicts the amount of returns to which the Company will be entitled.

Interest income:

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

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Insurance and other claims

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

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.12 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost –** a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets carried at fair value through other comprehensive income (FVTOCI) -** A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

iii. **Financial assets carried at fair value through Profit or Loss (FVTPL) -** Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss.

Investment in Mutual funds – All Investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

Investments in equity instruments – The Company subsequently measures all equity investments (other than subsidiaries) at fair value (either through profit or loss or through other comprehensive income). Dividends from such investments are recognised in the Statement of Profit or Loss as other income when the Company's right to receive payments is established.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

Derivative liabilities - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.13 Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provident Fund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement (if any).

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

2.16 Leases

The Company's lease asset classes primarily consist of leases for showrooms taken on rent. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Company's operations; and the costs and business disruption required to replace the leased asset. The Company typically exercises its option to renew (or does not exercise its option to terminate) for the leases because there will be a negative effect on the sale of its products if a replacement is not readily available and also due to the cost of the leasehold improvements.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset,

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

2.17 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.18 Non-current assets or disposal group held for sale

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.19 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

2.20 Segment reporting

The Company's business operation comprises of single operating segment of manufacturing/trading of textile garments. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ('CODM').

2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.22 Cash dividend distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.23 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Board of Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of uncertainty

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Right to recover returned goods and refund liabilities

The methodology and assumptions used to estimate expected sales return involves significant judgments by the Management. Such estimates are monitored and adjusted regularly in the light of contractual and legal obligations, historical trend and past experience. Once the uncertainty associated with the expected sales returns is resolved, revenue is adjusted accordingly.

Provision for discount

At each balance sheet date, management estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Company on the basis of historical trend, past experience and discount policies.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of depreciable property, plant and equipment and intangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company.

Recoverability of advances/receivables

At each balance sheet date, management assess recoverability of advances/receivables based on ageing and credit risk to determine the adequacy of allowances for doubtful receivables / advances.

2.24 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its standalone financial statements.

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in Rs. lakhs, unless stated otherwise)

3 Property, plant and equipment

	As at March 31, 2023	As at March 31, 2022
Carrying amount of		
Freehold land	3,875	3,875
Buildings	7,074	6,570
Plant and equipment	3,763	4,179
Office equipment	170	132
Furniture and fixtures	286	264
Vehicles	373	285
	15,541	**15,305**

Particulars	Freehold land	Building	Plant and machinery	Office equip-ment	Furniture and fix-tures	Vehicles	Total
Cost / Deemed Cost							
Balance at March 31, 2021	3,875	10,615	9,007	409	746	705	25,357
Addition	-	160	2,317	86	51	56	2,670
Disposal	-	-	(411)	(2)	-	(9)	(422)
Balance as at March 31, 2022	**3,875**	**10,775**	**10,913**	**493**	**797**	**752**	**27,605**
Addition	-	1,152	741	110	106	211	2,320
Disposal	-	-	(34)	(11)	(26)	(37)	(108)
Balance as at March 31, 2023	**3,875**	**11,927**	**11,620**	**592**	**877**	**926**	**29,817**
Accumulated depreciation							
Balance at March 31, 2021	**-**	**3,562**	**5,762**	**307**	**457**	**359**	**10,447**
Depreciation expense	-	643	1,158	56	76	116	2,049
Disposal	-	-	(186)	(2)	-	(8)	(196)
Balance as at March 31, 2022	**-**	**4,205**	**6,734**	**361**	**533**	**467**	**12,300**
Depreciation expense	-	648	1,144	70	76	114	2,052
Disposal	-	-	(21)	(9)	(18)	(28)	(76)
Balance as at March 31, 2023	**-**	**4,853**	**7,857**	**422**	**591**	**553**	**14,276**
Carrying amount							
Balance at March 31, 2021	3,875	7,053	3,245	102	289	346	14,910
Addition	-	160	2,317	86	51	56	2,670
Disposal	-	-	(225)	-	-	(1)	(226)
Depreciation expense	-	(643)	(1,158)	(56)	(76)	(116)	(2,049)
Balance as at March 31, 2022	**3,875**	**6,570**	**4,179**	**132**	**264**	**285**	**15,305**
Addition	-	1,152	741	110	106	211	2,320
Disposal	-	-	(13)	(2)	(8)	(9)	(32)
Depreciation expense	-	(648)	(1,144)	(70)	(76)	(114)	(2,052)
Balance as at March 31, 2023	**3,875**	**7,074**	**3,763**	**170**	**286**	**373**	**15,541**

Notes:

i) Refer note 35 for disclosure of capital commitments for the acquisition of property, plant and equipment.

ii) Refer note 37 for disclosure of assets held as security.

iii) Details of immovable properties whose title deeds are not held in the name of the Company as at the balance sheet date.

Description of Item of Property	Carrying Value	Period held since	Reason for not being held in the name of the Company
Land - 160 Sq yds at G. T. Road, Sherpur, Ludhiana	33	10 years	Purchased through sales agreement, however mutation of title deeds in the name of the Company is pending.
Land - 20 Sq yds at G. T. Road, Sherpur, Ludhiana	7	9 years	

Except for above, the title deeds of all immovable properties are held in the name of the Company.

Right-of-use assets and lease liabilities

The Company has entered into various lease agreements for acquiring space for Exclusive Brand Stores. Such lease contracts include monthly fixed payments for rentals. The lease contracts are generally cancellable at the option of lessee during the lease tenure after the completion of non-cancellable period. There are no significant restrictions imposed under the lease contracts.

The following table presents the reconciliation of changes in the carrying value of Right-of-use assets (ROU) assets for the year ended March 31, 2023 and March 31, 2022:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	7,842	7,539
Addition for new leases	6,507	3,331
Modifications	129	(72)
Deletions for terminated leases	(576)	(1,301)
Depreciation expense (recognised in Statement of Profit and Loss)	(2,089)	(1,655)
Balance as at the year end	**11,813**	**7,842**

Right-of-use asset assets are amortised from the commencement date on a straight-line basis over the lease term. The aggregate depreciation expense on Right-of-use asset assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:-

	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Non-current lease liabilities	11,118	7,413
Current lease liabilities	1,827	1,315
	12,945	**8,728**

The following is the movement in lease liabilities :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	8,728	8,352
Addition for new leases	6,391	3,230
Lease modifications	70	(75)
Impact of lease derecognised	(717)	(1,503)
Interest expense on lease liabilities (recognised in Statement of Profit and Loss)	945	771
Payment of lease liabilities (Cash outflow for leases)	(2,472)	(1,662)
Lease waivers	-	(385)
Balance as at the year end	**12,945**	**8,728**

Rent expense recorded towards short term and variable lease payments amounts to Rs. 327 lakhs (Previous year: Rs. 390 Lakhs)

The maturity analysis of lease liabilities is presented in Note 40

5. Capital work-in-progress

(a) Capital work-in-progress ageing schedule

Projects in progress	Amounts in Capital work-in-progress for a periods of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2023	1,937	-	-	-	1,937
As at March 31, 2022	127	-	-	-	127

(b) There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended as at March 31, 2023 and March 31, 2022.

Notes:

i) Refer note 37 for disclosure of assets held as security.

6 Intangible assets

	Software	Total
Cost / Deemed Cost		
Balance as at March 31, 2021	240	240
Addition	21	21
Disposal	-	-
Balance as at March 31, 2022	**261**	**261**
Addition	737	737
Disposal	-	-
Balance as at March 31, 2023	**998**	**998**
Accumulated depreciation		
Balance as at March 31, 2021	204	204
Depreciation expense	21	21
Disposal	-	-
Balance as at March 31, 2022	**225**	**225**
Depreciation expense	36	36
Disposal	-	-
Balance as at March 31, 2023	**261**	**261**
Carrying amount		
Balance as at March 31, 2021	36	36
Addition	21	21
Disposal	-	-
Depreciation expense	(21)	(21)
Balance as at March 31, 2022	**36**	**36**
Addition	737	737
Disposal	-	-
Depreciation expense	(36)	(36)
Balance as at March 31, 2023	**737**	**737**

7. Intangible assets under development

(a) Intangible assets under development ageing schedule

Projects in progress	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
As at March 31, 2023	-	-	-	-	-
As at March 31, 2022	67	9	107	-	183

(b) There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended as at March 31, 2023 and March 31, 2022.

8. Non-current investments

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
Category-wise investments						
Investment in equity instruments			870	-	20	-
Investment in debentures/bonds			6,380	1,658	2,691	-
Investment in mutual funds			-	13,629	-	14,008
Investment in Fixed deposits with Non Banking Financial Companies			-	1,725	2,725	2,300
			7,250	**17,012**	**5,436**	**16,308**

8.1 Investment in equity instruments carried at cost

Investment in Subsidiary - Unquoted						
Monte Carlo Home Textiles Limited	8,700,000	200,000	870	-	20	-
			870	**-**	**20**	**-**

8.2 Investments in debentures/bonds
Investments carried at fair value through other comprehensive income (FVTOCI) - Quoted

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
Bank of Baroda ASR XVI 8.15 BD Perpetual having Face Value of Rs. 10 Lakhs each	10	10	102	-	100	-
Canara Bank SRIII 8.50 BD Perpetual having Face Value of Rs. 10 Lakhs each	10	10	100	-	100	-
Indian Bank SR IV 8.44 LOA Perpetual having Face Value of Rs. 10 Lakhs each	10	10	99	-	100	-
National Highways Authority of India SRI 7.26 BD 10 AG38 having Face Value of Rs. 10 Lakhs each	30	30	301	-	309	-
Punjab National Bank SR XIV 8.50 LOA Perpetual having Face Value of Rs. 1 crore each	2	2	200	-	200	-
State Bank of India SRI 7.72 BD Perpetual having Face Value of Rs. 1 crore each	6	6	599	-	612	-
State Bank of India SR II 7.73 BD Perpetual having Face Value of Rs. 10 Lakhs each	30	30	282	-	320	-
Debentures						
Tata International Limited 9.10 LOA having Face Value of Rs. 10 Lakhs each	100	-	1,000	-	-	-
Tata Motors Finance Limited SR B 10 NCD 29MR29 having Face Value of Rs. 10 Lakhs each	40	40	442	-	400	-
			3,125	**-**	**2,141**	**-**

Investments carried at amortised cost - Quoted						
Bonds						
Government of India 11007 GOI 05DC30 8.97 having Face Value of Rs. 100 each	229,000	-	250	-	-	-
National Bank for agriculture and rural development SR-IIA 7.35 BD 23MR31 having Face Value of Rs. 1,000 each	20,000	-	223	-	-	-
Punjab National Bank SR XV, 8.75% LOA Perpetual having Face Value of Rs. 1 crore each	2	-	200	-	-	-
U.P. Power Corporation Limited SR I STRPP D 9.70 BD 31MR28 having Face Value of Rs. 10 Lakhs each	20	-	200	-	-	-
Debentures						
Piramal Enterprises Limited BR NCD 28JU23 having Face Value of Rs. 10 Lakhs each	20	20	-	201	214	-
Piramal Enterprises Limited SR 01 BR NCD 27MR24 having Face Value of Rs. 10 Lakhs each	50	-	-	547	-	-
Incred Financial Services Limited SR 7 BR NCD 28JL23 having Face Value of Rs. 10 Lakhs each	50	-	-	601	-	-
Shriram Finance Limited SR XXIII TR 1 BR NCD 17MY23 having Face Value of Rs. 10 Lakhs each	30	30	-	309	336	-
Adani Enterprises Limited SR B BR NCD 25AP24 having Face Value of Rs. 10 Lakhs each	30	-	299	-	-	-
A.K. Capital Finance Limited SR 1 BR NCD 26MY24 having Face Value of Rs. 10 Lakhs each	20	-	200	-	-	-
TMF Holdings Limited SR B 7.3029 NCD Perpetual having Face Value of Rs. 10 Lakhs each	50	-	478	-	-	-
Tata Capital Financial Services Limited SR A FY22-23 OPT II 7.65 NCD 29AP32 having Face Value of Rs. 10 Lakhs each	30	-	301	-	-	-
LIC Housing Finance Limited TR 421 7.90 NCD 23JU27 having Face Value of Rs. 10 Lakhs each	50	-	501	-	-	-
Motilal Oswal Finvest Limited SR I1 BR LOA 20DC24 having Face Value of Rs. 10 Lakhs each	30	-	301	-	-	-
Incred Financial Services Limited SR II 9.80 NCD 02MY25 having Face Value of Rs. 1,000 each	10,000	-	100	-	-	-
A.K. Capital Finance Limited MLD 2 BR NCD 27JU24 having Face Value of Rs. 10 Lakhs each	20	-	202	-	-	-
			3,255	**1,658**	**550**	**-**
			6,380	**1,658**	**2,691**	**-**

8.3 Investment in mutual funds

Investments carried at fair value through profit or loss (FVTPL) - Quoted

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
ICICI Prudential Corproate Bond Fund - Direct Plan - Growth having face value of Rs. 10 each	69,99,103	69,99,103	-	1823	-	1721
ICICI Prudential banking and PSU debt fund - Direct Plan - Growth having face value of Rs. 10 each	846,178	846,178	-	241	-	228
Birla sun life corporate bond fund growth regular having face value of Rs. 10 each	-	4,232,553	-	-	-	7
Birla sun life medium term plan growth direct plan having face value of Rs. 10 each	-	2,416,100	-	-	-	14
Nippon India strategic debt fund direct growth plan having face value of Rs. 10 each	-	3,775,694	-	-	-	506

Bandhan Regular Saving Fund-Growth-(Direct Plan) [erstwhile IDFC Regular Saving Fund-Growth-Direct Plan] having face value of Rs. 10 each	3,608,935	3,608,935	-	1,028	-	1,019
Bandhan Banking & PSU Debt Fund-Direct Plan-Growth [erstwhile IDFC Banking & PSU Debt Fund-Direct Plan-Growth] having face value of Rs. 10 each	6,905,621	6,905,621	-	1,475	-	1,408
Bandhan Corporate Bond Fund Direct Plan-Growth [erstwhile IDFC Corporate Bond Fund- Direct plan - Growth] having face value of Rs. 10 each	8,265,265	8,265,265	-	1,372	-	1,325
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth [erstwhile IDFC CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth] having face value of Rs. 10 each	1,999,900	1,999,900	-	218	-	211
Bandhan Bond Fund-Medium Term Plan-Growth-Direct Plan [Idfc Bond Fund-Medium Term Plan-Growth-Direct Plan] having face value of Rs.10 each	1,032,215	1,032,215	-	430	-	419
Bandhan Bond Fund-Short Term Plan-Growth-Direct Plan [erstwhile IDFC Bond Fund -Short term Plan] having face value of Rs. 10 each	2,150,117	2,150,117	-	1,097	-	1,053
HDFC corporate bond fund - direct plan - growth option having face value of Rs. 10 each	7,494,036	7,494,036	-	2,070	-	1,984
ICICI prudential bond fund - Direct plan - Growth having face value of Rs. 10 each	835,094	835,094	-	293	-	278
AXIS Banking & PSU Debt Fund-Direct Growth having face value of Rs. 1,000 each	36,034	36,034	-	825	-	788
AXIS Short Term Fund-Direct Plan-Growth having face value of Rs. 10 each	1,189,680	1,189,680	-	333	-	317
Kotak FMP series 216 direct growth having face value of Rs. 10 each	-	3,000,000	-	-	-	410
Kotak Corporate Bond Fund Direct Growth having face value of Rs. 1,000 each	27,038	27,038	-	886	-	847
SBI Dynamic Bond Fund- Direct plan- Growth option having face value of Rs. 10 each	349,170	349,170	-	112	-	106
SBI Corporate Bond Fund - Direct Plan-Growth having face value of Rs. 10 each	10,697,771	10,697,771	-	1,426	-	1,367
			-	**13,629**	**-**	**14,008**

8.4 Investment in Fixed deposits with Non Banking Financial Companies - at amortised cost

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
Housing Development Financial Corporation Ltd.	-	-	-	1,725	2,725	1000
PNB Housing Finance Limited			-	-	-	500
LIC Housing Finance Limited			-	-	-	800
			-	**1,725**	**2,725**	**2,300**
Total Investments			**7,250**	**17,012**	**5,436**	**16,308**
Aggregate book value of quoted investments			6,380	15,287	2,691	14,008
Aggregate market value of quoted investments			6,380	15,287	2,691	14,008
Aggregate carrying value of unquoted investments			870	-	20	-

Notes: i) Refer note 37 for disclosure of assets held as security.

9 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Financial assets carried at amortised cost		
(Unsecured and considered good, unless otherwise stated)		
Non-Current		
Fixed deposits with banks more than 12 months maturity *	2,668	29
Security deposits	999	710
	3,667	**739**
Current		
Interest accrued but not due on fixed deposits, bonds and debentures	458	239
Security deposits	-	10
Others recoverable **	822	524
	1,280	**773**

* Includes Rs. 19 lakhs (March 31, 2022: Rs. 30 Lakhs) pledged against the utilisation of non fund based limits.

** Includes recoverable from commission agents and interest receivables from cutomers.

Notes: i) Refer note 37 for disclosure of assets held as security.

10 Income tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Income tax assets (net)		
Income tax receivable (net)	237	248
Current tax liabilities (net)		
Income tax payable (net)	1,037	1,177

11 Other assets

	As at March 31, 2023	As at March 31, 2022
(Unsecured and considered good, unless otherwise stated)		
Non-Current		
Capital advances	103	182
Gratuity Fund (Refer Note 38)	-	139
Prepaid expenses	7	-
	110	**321**
Current		
Advances to suppliers	852	1,412
Prepaid expenses	40	59
Balances with statutory and government authorities		
- Considered good	1,448	1,798
- Considered Doubtful	346	168
Less: Allowances for doubtful balances with statutory and government authorities	(346)	(168)
Others recoverable	44	51
	2,384	**3,320**

Note:

i) Refer note 37 for disclosure of assets held as security.

12 Inventories

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
Raw materials	4,065	3,453
Work-in-progress	873	1,026
Finished goods	10,455	13,265
Stock-in-trade	22,661	6,550
Stores and spares	1,309	944
Right to recover returned goods	6,679	3,670
	46,042	**28,908**

Note:

i) Refer note 37 for disclosure of assets held as security.

ii) The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 79,714 Lakhs (previous year Rs. 12,886 Lakhs).

iii) The cost of inventories recognised as an expense includes Rs. 103 Lakhs (previous year Rs. Nil) in respect of write-downs of inventory to net realisable value.

13 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Receivable from related parties (Refer Note 43)		
- Unsecured, considered good	72	1
Receivable from others		
- Unsecured considered good	37,946	25,990
- Significant increase in Credit risk	398	75
Less:- Allowances for doubtful trade receivables	(398)	(75)
	38,018	**25,991**

Notes:

i) Trade Receivables ageing schedule

	Undisputed trade receiables		Total	Allowance for doubtful receivables	Net balance at year end
	Considered goods	Significant increase in credit risk			
Ageing of Receivables from due date of payment as at March 31, 2023					
Not Due	14,179	-	14,179	-	14,179
Less than 6 months	21,616	-	21,616	-	21,616
6 months to 1 year	1,773	-	1,773	-	1,773
1 to 2 years	350	14	364	14	350
2 to 3 years	95	25	120	25	95
More than 3 years	5	359	364	359	5
	38,018	**398**	**38,416**	**398**	**38,018**

Ageing of Receivables from due date of payment as at March 31, 2022

Not Due	9,583	-	9,583	-	9,583
Less than 6 months	15,161	-	15,161	-	15,161
6 months to 1 year	335	-	335	-	335
1 to 2 years	405	-	405	-	405
2 to 3 years	149	-	149	-	149
More than 3 years	358	75	433	75	358
	25,991	**75**	**26,066**	**75**	**25,991**

ii) The Company has used a practical expedient for the purpose of computing lifetime expected credit loss allowance for trade receivables which is based on historical credit loss experience and adjustments for forward looking information The Company follows “simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ELCs at each reporting date, right from its recognition.

The movement in allowance for lifetime expected credit loss on customer balances is as follows:

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	75	75
Add: Allowance provided during the year	323	-
Balance at the end of the year	**398**	**75**

iii) Refer note 37 for disclosure of assets held as security.

14. Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash in hand	42	31
Cheques on hand	18	-
Balance with banks in current account	0	1
	60	**32**

Note:

i) Refer note 37 for disclosure of assets held as security.

15. Bank balances other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend accounts (earmarked)	21	21
Deposits with banks with original maturity of more than three months but less than twelve months from the date of Balance Sheet (Refer note i below)	1,277	4,739
	1,298	**4,760**

Notes:

i) Includes Rs. 97 lakhs (March 31, 2022: Rs. 239 lakhs) pledged against the utilisation of non fund based limits.

ii) Refer note 37 for disclosure of assets held as security.

16. Loans

	As at March 31, 2023	As at March 31, 2022
Financial assets carried at amortised cost		
(Unsecured and considered good, unless otherwise stated)		
Current		
Loan to employees	60	42
	60	**42**

Notes:

i) Refer note 37 for disclosure of assets held as security.

17 Equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of Rs. 10 each with voting rights	25,000,000	2,500	25,000,000	2,500
	25,000,000	**2,500**	**25,000,000**	**2,500**
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	20,732,064	2,073	20,732,064	2,073
	20,732,064	**2,073**	**20,732,064**	**2,073**

Notes:

i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares with voting rights				
Shares outstanding at the beginning of the year	20,732,064	2,073	20,732,064	2,073
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	**20,732,064**	**2,073**	**20,732,064**	**2,073**

ii) Rights, preferences and restrictions attached to equity shares:

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

iii) Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company.

iv) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of share-holding	No. of shares	% of share-holding
Girnar Investments Limited	6,644,656	32.05%	6,644,656	32.05%
Nagdevi Trading and Investment Company Limited	5,007,192	24.15%	5,007,192	24.15%
Nahar Capital and Financial Services Limited	1,651,215	7.96%	1,651,215	7.96%
	13,303,063	**64.17%**	**13,303,063**	**64.17%**

v) **Details of Shares held by promoters at the end of the year:**

	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Tanvi Oswal	500	0.00%	500	0.00%	0.00%
Jawahar Lal Oswal	115,059	0.55%	115,059	0.55%	0.00%
Kamal Oswal	1,000	0.00%	1,000	0.00%	0.00%
Dinesh Oswal	1,000	0.00%	1,000	0.00%	0.00%
Abhilash Oswal	102,583	0.49%	102,583	0.49%	0.00%
Sambhav Oswal	500	0.00%	500	0.00%	0.00%
Abhinav Oswal	500	0.00%	500	0.00%	0.00%
Rishabh Oswal	10,500	0.05%	10,500	0.05%	0.00%
Manisha Oswal	500	0.00%	500	0.00%	0.00%
Ritu Oswal	500	0.00%	500	0.00%	0.00%
Monica Oswal	515,837	2.49%	515,837	2.49%	0.00%
Ruchika Oswal	515,838	2.49%	515,838	2.49%	0.00%
Sanjana Oswal	500	0.00%	500	0.00%	0.00%
Nahar Capital and Financial Services Ltd.	1,651,215	7.96%	1,651,215	7.96%	0.00%
Vanaik Investors Ltd.	409,273	1.97%	409,273	1.97%	0.00%
Nagdevi Trading and Investment Company Limited	5,007,192	24.15%	5,007,192	24.15%	0.00%
Oswal Woolen Mills Ltd.	75,642	0.36%	75,642	0.36%	0.00%
Atam Vallabh Financiers Ltd.	67,106	0.32%	67,106	0.32%	0.00%
Vardhman Investments Ltd.	49,718	0.24%	49,718	0.24%	0.00%
Girnar Investment Ltd	6,644,656	32.05%	6,644,656	32.05%	0.00%

vi) The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares in the current year and preceding five years.

18 Other equity

	As at March 31, 2023	As at March 31, 2022
Reserve and surplus		
Capital reserve *	0	0
Capital redemption reserve	100	100
Securities premium	7,470	7,470
General reserve	38,087	38,087
Retained earnings	29,970	21,012
Other comprehensive income		
Debt instruments through OCI	(24)	(6)
	75,603	**66,663**

* Balance is less than Rs 1 Lakh, accordingly appearing as Nil.

Notes:

i) Capital reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	0	0
Add/Less: Movement during the year	-	-
Balance at the end of the year	0	0

* Balance is less than Rs 1 Lakh, accordingly appearing as Nil.

The reserve comprises profits/gains of capital nature earned by the Company and credited directly to such reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

ii) Capital redemption reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	100	100
Add/Less: Movement during the year	-	-
Balance at the end of the year	**100**	**100**

Capital redemption reserve is a reserve created on buy-back of equity shares in accordance with section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

iii) Securities premium

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	7,470	7,470
Add/Less: Movement during the year	-	-
Balance at the end of the year	**7,470**	**7,470**

Securities premium comprises the premium on issue of shares and is utilised in accordance with the specific provision of the Companies Act, 2013.

iv) General reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	38,087	38,087
Add/Less: Movement during the year	-	-
Balance at the end of the year	**38,087**	**38,087**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

v) Retained earnings

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	21,012	12,679
Add: Profit for the year	13,274	11,404
Add: Remeasurement of defined benefit obligations (net of tax)	(171)	39
Less: Payment of dividend on equity shares (Refer note 41)	(4,145)	(3,110)
Balance at the end of the year	**29,970**	**21,012**

Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

vi) Other comprehensive income - Debt instruments through OCI

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	(6)	-
Add: Fair valuation of investment in perpetual bonds (net of tax)	(18)	(6)
Balance at the end of the year	**(24)**	**(6)**

This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and impairment losses on such instruments, if any.

19 Borrowings

	As at March 31, 2023	As at March 31, 2022
Non-current		
Term loans from bank (Secured - at amortised cost)*	600	1,163
Less: Current maturities	(330)	(330)
	270	**833**
Current		
Cash credits/working capital loans from banks (Secured - at amortised cost) #	12,893	5,680
Current maturities of term loan from banks (Secured - at amortised cost)*	330	330
Other Borrowings (Bill Discounting) (Unsecured)	6,706	-
	19,929	**6,010**

*Term loan from bank are secured by primary charge on machinery being procured, with Second pari-passu charge on property situated at Sherpur Kalan, GT Road, Ludhiana measuring 14,278 sq. yards. The loan carries interest rate of 3.75% above repo rate. The loan is repayable in 8 quarterly instalments of Rs. 83 lakhs each with last instalment payable on March 12, 2025.

Refer note 37 for disclosure of assets held as security.

20 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Non-Current		
Security deposits from customers	3,079	2,295
	3,079	**2,295**
Current		
Interest accrued but not due on borrowings	27	10
Interest payable to others	117	79
Payables for purchase of property, plant and equipment and intangible assets	402	401
Security deposits from customers	5	378
Unpaid dividend *	21	21
Employee related payables**	1,245	1,121
	1,817	**2,010**

* Unpaid dividend do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

** Includes Rs. 471 Lakhs (previous year Rs. 451 Lakhs) payable to related parties (Refer Note 43).

21 Other non-current liabilities

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred income from government grant	438	267
Refund liability for expected sales return	2,638	-
	3,076	**267**
Current		
Statutory remittances*	471	353
Deferred income from government grant	46	30
Refund liability for expected sales return	7,596	5,629
Advance from customers (Contract Liabilities)	1,029	1,064
Gratuity liability (funded) (refer note 38)	191	-
	9,333	**7,076**

* Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source etc.

22. Provisions

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for employee benefits :		
- Leave	89	-
	89	**-**
Current		
Provision for employee benefits :		
- Leave	9	-
Other provision :		
Provision for discount	1,014	666
	1,023	**666**

Movement in other provisions	**Provision for discount**
Balance as at March 31, 2021	**88**
Add: Provision recognised during the year	666
Less: Utilised / Reversed during the year	(88)
Balance as at March 31, 2022	**666**
Add: Provision recognised during the year	1,014
Less: Utilised / Reversed during the year	(666)
Balance as at March 31, 2023	**1,014**

23 Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	84	24
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related Parties	3,673	2,050

- Others	15,641	11,790
	19,314	**13,840**
	19,398	**13,864**

Notes:

i) Ageing of trade payables

	As at March 31, 2023		As at March 31, 2022	
	MSME	**Others**	**MSME**	**Others**
Outstanding for following periods from due date of payment				
Not Due	65	11,208	-	6,017
Less than 1 year	19	5,632	24	5,317
1 to 2 years	-	149	-	82
2 to 3 years	-	11	-	63
More than 3 years	-	34	-	115
Others - Accruals	-	2,280	-	2,246
	84	**19,314**	**24**	**13,840**

ii) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at March 31, 2023	As at March 31, 2022
a) Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	84	24
- Interest due thereon *	0	0
b) Payments made to suppliers beyond the appointed day during the year		
- Principal	287	854
- Interest due thereon	5	5
c) Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	-
d) Amount of interest accrued and remaining unpaid as at year end	84	79

* Balance is less than Rs 1 Lakh, accordingly appearing as Nil.

24 Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products (refer note 44)	111,597	90,293
Other operating revenue		
Insurance recovered from customers	129	109
Government grants	45	30
	111,771	**90,432**

25 Other Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
from banks	253	281
others	932	327
Other non-operating income (net of expenses directly attributable to such income).		
Foreign exchange fluctuation gain (net)	39	63
Profit on derecognition of lease contract	193	203
Rent concessions	-	385
Profit on sale of property, plant and equipment (net)	2	-
Profit on sale of investments measured at FVTPL	12	138
Fair valuation gain of investments measured at FVTPL	556	674
Refund received (CST/VAT)	-	72
Miscellaneous	96	377
	2,083	**2,520**

26 Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw materials	3,453	2,919
Add: Purchases of raw materials during the year	14,559	10,358
	18,012	**13,277**
Less: Closing stock of raw materials	(4,065)	(3,453)
	13,947	**9,824**

27 Purchases of stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	61,493	46,797
	61,493	**46,797**

28 Changes in inventories of finished goods, work-in-process and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-process	1,026	634
Finished goods	13,265	6,416
Stock-in-trade	6,550	7,222
Right to recover returned goods	3,670	2,282
	24,511	**16,554**
Inventories at the end of the year		
Work-in-process	873	1,026
Finished goods	10,455	13,265
Stock-in-trade	22,661	6,550
Right to recover returned goods	6,679	3,670
	40,668	**24,511**
	(16,157)	**(7,957)**

29 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus	8,660	7,209
Contribution to provident fund and other funds (refer note 38)	580	547
Staff welfare expenses	417	362
	9,657	**8,118**

30 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Costs:		
Borrowings	1,254	539
Lease liabilities	945	771
Others	246	254
Other borrowings cost	-	4
	2,445	**1,568**

31 Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	2,052	2,049
Amortisation of intangible assets	36	21
Depreciation of Right-of-use assets	2,089	1,655
	4,177	**3,725**

32 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares parts	4,336	3,405
Processing charges	1,985	1,655
Commission on sale	3,338	2,465
Freight and forwarding expenses	1,960	1,654
Advertisement and Business Promotion expenses	4,657	2,409
Power and fuel	653	656
Rent	327	390
Repairs to		
Buildings	88	209
Plant and machinery	127	173
Others	849	799
Insurance	195	170
Legal and professional expenses [refer note (i) below]	195	140
Rates and taxes	35	26
Travelling and conveyance	645	288
Provision for doubtful receivables	500	-
Amounts written off	21	29
Communication expenses	48	32
Corporate social responsibility expenses (refer note 39)	219	180
Loss on sale of property, plant and equipment (net)	-	184
Charity and Donation	100	-

Bank charges	189	178
Miscellaneous expenses	582	577
	21,049	**15,619**

Notes:

	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Legal and professional expenses includes payment to auditors		
As auditor:		
Audit fee	20	20
Limited reviews *	13	12
Tax audit fee	2	2
Reimbursement of expenses #	3	2
	38	**36**

* Includes Rs. 4 lakhs paid to predecessor auditors in current year
# Includes Rs. 1 lakh paid to predecessor auditors in current year

33 Income taxes

33.1 Income tax recognised in the Statement of Profit and Loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of the current year	5,163	4,244
In respect of prior years	(323)	-
	4,840	**4,244**
Deferred tax		
In respect of the current year	(693)	(390)
In respect of prior years	(178)	-
	(871)	**(390)**
Total income tax expense recognised in the current year	**3,969**	**3,854**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**17,243**	**15,258**
Tax at the Indian Tax Rate of 25.168% (previous year 25.168%)	4,340	3,840
Non-deductible differences	92	68
Other adjustments	38	(54)
	4,470	**3,854**
Adjustments related to the current tax and deferred tax of prior years	(501)	-
Income tax expense recognised in the statement of profit and loss	**3,969**	**3,854**

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits as the Income Tax Act, 1961.

33.2 Income tax recognised in other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Re-measurement gain / (loss) on defined benefit obligations	58	(13)
Net fair value loss on investment in perpetual bonds	6	2
Total income tax recognised in other comprehensive income	**64**	**(11)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	64	(11)
	64	**(11)**

34 Movement in deferred tax balances

Movement of deferred tax assets/(liabilities) for the year ended March 31, 2023

	As at March 31, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Deferred tax assets				
Property, plant and equipment and Intangible assets	426	(62)	-	364
Refund liabilities (net of right to receive goods)	493	402	-	895
Provision for discount	168	87	-	255
Right of use assets	119	211	-	330
Provision for employee benefits - Gratuity, leave, bonus etc.	43	62	58	163
Provision for doubtful receivables	61	126	-	187
Provision for Obsolescence of inventory	-	26	-	26
Fair valuation of Investments in Mutual Funds, Bonds and debentures	99	11	6	116
Others	1	11	-	12
	1,410	**874**	**64**	**2,348**
Deferred tax liabilities				
Deferred income from government grant	75	47	-	122
Others	44	(44)	-	-
	119	**3**	**-**	**122**
Net deferred tax assets/(liabilities)	**1,291**	**871**	**64**	**2,226**

Movement of deferred tax assets/(liabilities) for the year ended March 31, 2022

	As at March 31, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred tax assets				
Property, plant and equipment and Intangible assets	342	84	-	426
Refund liabilities (net of right to receive goods)	268	225	-	493
Provision for discount	22	146	-	168
Right of use assets	62	57	-	119
Provision for employee benefits - Gratuity, leave, bonus etc.	160	(104)	(13)	43
Provision for doubtful receivables	61	-	-	61
Provision for Obsolecense of inventory	-	-	-	-
Fair valuation of Investments	83	14	2	99
Others	-	1	-	1
	999	**422**	**(11)**	**1,410**
Deferred tax liabilities				
Deferred income from government grant	29	46	-	75
Others	58	(14)	-	44
	87	**32**	**-**	**119**
Net deferred tax assets/(liabilities)	**912**	**390**	**(11)**	**1,291**

Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

35. Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2023	As at March 31, 2022
A. Contingent Liabilities (for pending litigations)		
- Claims against the Company not acknowledged as debts	-	-
B. Commitments		
- Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for (Refer note i below)	44	2,734

Notes:

i) Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

36 Earnings per share ('EPS')

The earnings per share (EPS) disclosed in the Statement of Profit and Loss have been calculated as under:

		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year as per Statement of Profit and Loss (Rs. in Lakhs)	(A)	13,274	11,404
Weighted average number of equity shares of Rs. 10 each (number)	(B)		
Basic		20,732,064	20,732,064
Diluted		20,732,064	20,732,064
Earnings per share [Face value of Rs. 10 each]	(A/B)		
Basic (Rs.)		64.03	55.00
Diluted (Rs.)		64.03	55.00

37. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2023	As at March 31, 2022
Non-current assets		
First/Floating /Equitable Charge		
Property, plant and equipment	15,541	7,842
Capital work-in-progress	1,937	127
Total non-current assets pledged as security	**17,478**	**7,969**
Current assets		
Floating charge		
Inventories	46,042	28,908
Financial assets	57,728	47,906
Other current assets	2,384	3,320
Total current assets pledged as security	**106,154**	**80,134**

Details of short-term borrowings facilities and security against those facilities

Bank/Facilities	Note	As at March 31, 2023	As at March 31, 2022
State Bank of India	**Refer note-1**		
Cash Credit		1,597	1,182
Working Capital Demand Loan		5,029	-
HDFC Bank	**Refer note-2**		
Overdraft/Cash Credit borrowings		790	497
Working Capital Demand Loan		3,988	3,001
Federal Bank	**Refer note-3**		
Working Capital Demand Loan		1,489	
ICICI Bank	**Refer note-4**		
Working Capital Demand Loan		-	1,000
Total		**12,893**	**5,680**

Note-1

Primary Charge

- First pari-passu charge on the all current assets of the Company (present and future).
- First Charge / Exclusive Charge on the Company's entire present and future fixed assets of the Company including equitable mortgage of properties as follows:

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

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

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

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

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

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

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

Note-2

Primary Charge

- First pari-passu charge created on mutual funds and first pari-passu charge created on current assets (present & Future)
- Second Parri Passu Charge over the following properties:

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

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

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

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

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

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

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

Note-3

Primary Charge

- First pari-passu charge on the all current assets of the Company (present and future).
- Second pari-passu charge on the property as follows:

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

Note-4

Primary Charge

- Residual charge over the current assets and Movable Fixed Assets of the Borrower, both present and future"

38. Employee Benefits

Defined Contribution Plan

The Company's contribution to Provident Fund for the year ended March 31, 2023 Rs. 428 Lakhs (for the year ended March 31, 2022: Rs. 401 Lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

Defined Benefit Plan

Gratuity

a) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a funded plan and the Company makes contributions of funds to Life Insurance Corporation of India and Kotak Life Insurance.

b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, Salary Escalation risk, Demographic risk and Investment risk.

Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Demographic risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Investment risk:

This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. LIC of India primarily invests in debt instruments such as Government securities and highly rated corporate bonds wherein the risk of downward fluctuation in value is minimal.

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.31%	7.50%
Expected rate of salary increase	9.00%	8.00%
Expected return on plan assets	7.31%	7.50%
Mortality table used	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Employee Turnover/ Withdrawal Rate	8.00%	2.00%
Retirement age	62 years	62 years

The discount rate is determined by reference to market yields at the balance sheet date on Govt. bonds. The term of the risk free investments has to be consistent with the estimated term of benefit obligations.

The estimates of future salary increase considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

d. The following tables sets out the status of the defined benefit scheme in respect of gratuity and amount recognised in the financial statements:

I. Components of Net Benefit Expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Current Service Cost	149	148
2. Net Interest (Income)	(7)	(2)
3. Total expense/(gain) recognised in the Statement of Profit and Loss	**142**	**146**
Re-measurements recognised in Other Comprehensive Income		
4. Effect of changes in financial assumptions	189	(74)
5. Effect of Change in demographic assumptions	22	-
6. Effect of experience adjustments	5	1
7. Return on plan assets (greater)/less than discount rate	13	21
8. Total loss/(gain) of re-measurements included in OCI	**229**	**(52)**

The current service cost and the net interest (Income for the year are included in Note 29 "Employee Benefits Expense" under the head "Salaries and Wages".

II. Change in present value of defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
1. Present Value of defined benefit obligation at the beginning of the year	1,453	1,364
2. Current Service Cost	149	148
3. Interest Cost	112	100
Remeasurement gains / (losses):		
4. Effect of changes in financial assumptions	189	(74)
5. Effect of Change in demographic assumptions	22	-
6. Effect of experience adjustments	5	1
7. Benefits Paid	(40)	(86)
8. Present Value of defined benefit obligation at the end of the year	**1,890**	**1,453**

III. Change in fair value of Plan assets

	As at March 31, 2023	As at March 31, 2022
1. Fair value of Plan assets at the beginning of the year	1,583	1,438
2. Interest income on plan assets	119	102
3. Employer contributions	50	150

4. Return on plan assets greater /(lesser) than discount rate	(13)	(21)
5. Benefits paid	(40)	(86)
6. Fair value of assets at end of the year	**1,699**	**1,583**

IV. Net Asset / (Liability) recognised in Balance Sheet

	As at March 31, 2023	As at March 31, 2022
1. Present value of funded defined benefit obligation	(1,890)	(1,453)
2. Fair Value of Plan Assets	1,699	1,583
Net Defined Benefit Asset/(Liability) Recognised in Balance sheet	**(191)**	**130**

V. Sensitivity Analysis- Impact on defined benefit obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Discount Rate + 50 basis points	(70)	(83)
2. Discount Rate - 50 basis points	75	91
3. Salary Escalation Rate + 50 basis points	62	67
4. Salary Escalation Rate - 50 basis points	(60)	(66)

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

VI. The following benefit payments (undiscounted) are expected in future years:

	As at March 31, 2023	As at March 31, 2022
Upto 1 year	220	81
1-2 years	157	48
2-3 years	179	60
3-4 years	172	77
4-5 years	162	82
Above 5 years	836	465

VII. Category of plan assets

	As at March 31, 2023	As at March 31, 2022
LIC of India - Group Gratuity Cash Accumulation Fund	90%	93%
Kotak Gratuity Group Plan (UIN - 107L010V07)	10%	7%

VII. Expected contribution

The expected employer contribution for the next year is Rs. 366 Lakhs (Previous year Rs. 78 Lakhs).

39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act.

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Amount required to be spent by the Company during the year	219	180
b. Amount of expenditure incurred	219	180
c. Shortfall at the end of the year (a-b)	-	-
d. Total of previous years shortfall	-	-
e. Nature of CSR activities	Preventing Healthcare	
f. Details of related party transactions:		
- Oswal Foundation*	219	176
g. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

There are no ongoing projects under Section 135(6) of the Act during the current year and previous year.

40. Financial Instruments

(a) Financial instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost #	FVTPL	FVOCI	Amortised cost #
Financial assets						
Investments*	13,629	3,125	6,638	14,008	2,141	5,575
Trade receivables	-	-	38,018	-	-	25,991
Cash and cash equivalents	-	-	60	-	-	32
Other bank balances	-	-	1,298	-	-	4,760
Loans	-	-	60	-	-	42
Other financial assets	-	-	4,947	-	-	1,512
Total	**13,629**	**3,125**	**51,021**	**14,008**	**2,141**	**37,912**
Financial liabilities						
Borrowings	-	-	20,199	-	-	6,843
Trade payables	-	-	19,398	-	-	13,864
Lease liabilities	-	-	12,945	-	-	8,728
Other financial liabilities	-	-	4,896	-	-	4,305
Total	**-**	**-**	**57,438**	**-**	**-**	**33,740**

* Investment value excludes investment in subsidiary of Rs. 870 Lakhs (March 31, 2022: Rs. 20 Lakhs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

	As at March 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in Mutual Funds	13,629	-	-	13,629
Investments in debentures and bonds	3,125	-	-	3,125
	16,754	**-**	**-**	**16,754**

	As at March 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in Mutual Funds	14,008	-	-	14,008
Investments in debentures and bonds	-	2,141	-	2,141
	14,008	**2,141**	**-**	**16,149**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The Fair value of mutual funds, bonds and debentures is based on the net asset value (NAV) as stated by the Asset management Company (AMC) as at the Balance sheet date.

c) Financial risk management

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investment, trade receivables, cash and cash equivalents, Other bank balances and Other financial asstets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, price risk.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and JPY. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and hence the Company does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

	As at March 31, 2023		As at March 31, 2022	
	USD	**JPY**	**USD**	**JPY**
Trade payables	-	3	5	379

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rs. strengthens by 5%	**Rs. weakening by 5%**	**Rs. strengthens by 5%**	**Rs. weakening by 5%**
Impact on profit or loss for the year				
USD impact *	-	-	-	-
JPY impact #	-	-	(19)	19

* Current year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

Previous year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company carries borrowings primarily at variable rate.

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	20,199	6,843
Total borrowings	**20,199**	**6,843**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Impact on profit or loss for the year ended	
	March 31, 2023	**March 31, 2022**
Decrease by 50 bps	101	34
Increase by 50 bps	(101)	(34)

Price risk

The Company's exposure to price risk arises from investments in mutual funds, bonds and debentures held by the Company and measured at fair value. To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Price sensitivity

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Increase in NAV by 5%	Decrease in NAV by 5%	Increase in NAV by 5%	Decrease in NAV by 5%
Impact on profit or loss for the year				
Investments in mutual funds	681	(681)	700	(700)
Impact on Other comprehensive income for the year				
Investments in bonds / debentures	156	(156)	107	(107)

(ii) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables and loans and advances. None of the financial instruments of the Company results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

	As at March 31, 2023	As at March 31, 2022
Trade receivables	398	75

(iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

Maturities of financial liabilities

The table below analyses the Company's all non-derivative financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

Particulars	0-1 Years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended March 31, 2023					
Borrowings	19,929	270	-	-	**20,199**
Other financial liabilities	1,817	-	-	3,079	**4,896**

Trade payables	19,398	-	-	-	**19,398**
Lease liabilities	2,927	2,782	6,860	4,730	**17,299**
Total	**44,071**	**3,052**	**6,860**	**7,809**	**61,792**
Year ended March 31, 2022					
Borrowings	5,935	377	531	-	**6,843**
Other financial liabilities	2,010	-	-	2,295	**4,305**
Trade payables	13,864	-	-	-	**13,864**
Lease liabilities	2,516	2,416	5,625	2,631	**13,188**
Total	**24,325**	**2,793**	**6,156**	**4,926**	**38,200**

41 Dividend distribution made and proposed

	As at March 31, 2023	As at March 31, 2022
Equity shares		
Final dividend for the year ended March 31, 2022 of Rs. 20 per share (for the year ended March 31, 2021 of Rs. 15 per share)	4,145	3,110
	4,145	**3,110**

Dividends not recognised at the end of the reporting period

The Board of Directors of Company have proposed the final dividend of Rs. 20 per share for the year ended March 31, 2023. The proposed final dividend is subject to approval of the members at the ensuing Annual General Meeting. The amount of such dividend proposed is in accordance with section 123 of Companies Act, 2013.

42 Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurates with the level of risk. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents) and total equity of the Company.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board monitors capital using capital gearing ratio, which is net debt divided by total capital plus net debt.

	As at March 31, 2023	As at March 31, 2022
Borrowings	20,199	6,843
Less: Cash and cash equivalents	60	32
Less: Other bank balances	1,298	4,760
Net debt (a)	**18,841**	**2,051**
Equity (b)	**77,676**	**68,736**
Capital and net debt (c) [(a) + (b)]	**96,517**	**70,787**
Gearing ratio [(a) / (c)]	**20%**	**3%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current and previous year. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

43 Related party disclosure

a) Description of related parties

Nature of relationship	Name of related party
(i) Key management personnel	Jawahar Lal Oswal (Chairman and Managing Director)
	Sandeep Jain (Executive Director)
	Monica Oswal (Executive Director)
	Ruchika Oswal (Executive Director)
	Rishabh Oswal (Executive Director)
	Dinesh Gogna (Director)
	Suresh Kumar Singla (Independent Director)
	Manisha Gupta (Independent Director)
	Alok Kumar Misra (Independent Director)
	Roshan Lal Behl (Independent Director w.e.f. August 05, 2021)
	Manikant Prasad Singh (Independent Director February w.e.f 01, 2022)
	Parvinder Singh Pruthi (Independent Director w.e.f. February 01, 2022)
	Paurush Roy (Independent Director upto August 05, 2021)
	Ajit Singh Chatha (Independent Director upto March 31, 2022)
	Amrik Singh Sohi (Independent Director upto January 31, 2022)
	Raj Kapoor Sharma (Chief Financial Officer)
	Ankur Gauba (Company Secretary)
(ii) Subsidiary Company	Monte Carlo Home Textiles Limited
(iii) Enterprises over which key manage ment personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	Cotton County Retail Limited
	Nahar Industrial Enterprises Limited
	Nahar Spinning Mills Limited
	Oswal Woollen Mills Limited
	Oswal Foundation
	Mohan Dai Oswal Cancer Treatment & Research Foundation
	Generation Next Tech Apps Private Limited
	Hyperyno Lifestyle Private Limited
(iv) Enterprises having significant influence on the Company	Girnar Investments Limited
	Nagdevi Trading and Investment Company Limited

(b) Transactions with related parties

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of goods		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	501	579
Nahar Industrial Enterprises Limited	9	6
Oswal Woollen Mills Limited	32	56
Mohan Dai Oswal Cancer Treatment & Research Foundation	4	19
Oswal Foundation *	0	-
	546	**659**

Sales returns

Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Oswal Woollen Mills Limited *	0	1
Nahar Spinning Mills Limited #	3	0
Nahar Industrial Enterprises Limited	-	2
Mohan Dai Oswal Cancer Treatment & Research Foundation	-	3
	3	**6**
Purchase of goods		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	3,385	3,755
Nahar Industrial Enterprises Limited	682	441
Oswal Woollen Mills Limited	7,059	5,579
	11,126	**9,775**
Purchase of property, plant and equipment		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Cotton County Retail Limited	11	6
Oswal Woollen Mills Limited	1	-
Nahar Spinning Mills Limited	6	-
	18	**6**
Purchase return		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Oswal Woollen Mills Limited	-	1
Nahar Industrial Enterprises Limited *	0	4
	0	**5**
Sitting Fees Paid		
Key management personnel		
Dinesh Gogna	1	1
Parvinder Singh Pruthi	1	-
Manikant Prasad Singh	1	-
Manisha Gupta	1	1
Suresh Kumar Singla	1	1
Alok Kumar Misra	1	1
Roshan Lal Behl	1	1
Ajit Singh Chatha	-	1
Amrik Singh Sohi	-	1
	7	**7**
Remuneration Paid @		
Key management personnel		
Jawahar Lal Oswal	680	656
Sandeep Jain	239	213
Monica Oswal	101	96
Ruchika Oswal	89	96
Rishabh Oswal	157	137
Raj Kapoor Sharma	29	25
Ankur Gauba	11	10
	1,306	**1,233**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment in Equity shares		
Subsidiary		
Monte Carlo Home Textiles Limited	850	20
Loan given		
Subsidiary		
Monte Carlo Home Tetiles Limited	557	-
Loan received back		
Subsidiary		
Monte Carlo Home Tetiles Limited	557	-
Interest received on loan		
Subsidiary		
Monte Carlo Home Tetiles Limited	4	-
Rent received		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	7	-
Rent paid		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	94	63
Nahar Industrial Enterprises Limited	199	133
Oswal Woollen Mills Limited	143	145
	436	**341**
Processing charges paid		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	149	213
Oswal Woollen Mills Limited	3	43
Nahar Industrial Enterprises Limited	-	1
	152	**257**
Reimbursement of expenses paid		
Subsidiary		
Monte Carlo Home Tetiles Limited	2	9
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Industrial Enterprises Limited	196	113
Nahar Spinning Mills Limited	57	35
Oswal Woollen Mills Limited	511	109
Mohan Dai Oswal Cancer Treatment & Research Foundation	-	2
Oswal Foundation *	0	-
	766	**269**
Reimbursement of expenses received		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Industrial Enterprises Limited *	0	-

Oswal Woollen Mills Limited	12	42
Hyperyno Lifestyle Private Limited	-	1
Generation Next Tech Apps Private Limited #	-	0
	12	**44**
Contribution made to the fund (CSR activities)		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Oswal Foundation	219	176
	219	**176**

(c) Outstanding Balances:

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	1,054	470
Nahar Industrial Enterprises Limited	292	148
Cotton County Retail Limited	13	-
Oswal Woollen Mills Limited	2,314	1,432
	3,673	**2,050**
Trade receivable		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Industrial Enterprises Limited	5	-
Mohan Dai Oswal Cancer Treatment & Research Foundation *	0	1
Oswal Woollen Mills Limited	8	-
Nahar Spinning Mills Limited	59	-
	72	**1**
Remuneration payable		
Key management personnel		
Jawahar Lal Oswal	401	356
Sandeep Jain	27	36
Monica Oswal	10	15
Ruchika Oswal	10	15
Rishabh Oswal	19	24
Raj Kapoor Sharma	3	3
Ankur Gauba	1	1
	471	**451**

* Current year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

Previous year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

@ Gratuity and leave benefits which are actuarially determined on an overall basis are not separately disclosed.

44 Revenue from contracts with customers (Ind AS 115)

Ind AS 115 "Revenue from Contracts with Customers", establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

i) Identify the contract(s) with customer;

ii) Identify separate performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when a performance obligation is satisfied

The Company is in the business of manufacturing and trading of textile garments which are considered to be homogeneous products.

a) Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross sale of products	140,635	113,599
Less: Adjustment on account of sales return	(17,790)	(13,940)
Less: Adjustment on account of discounts	(11,248)	(9,366)
	111,597	**90,293**

b) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss based on geographical segment

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from sale of products customers within India	111,548	90,241
Revenue from sale of products customers outside India	49	52
Revenue as per the Standalone Statement of Profit and Loss	**111,597**	**90,293**

c) Contract balances:

	As at March 31, 2023	As at March 31, 2022
Contract assets		
Trade receivables (refer note 13)	38,018	25,991
Right to recover returned goods (refer note 12)	6,679	3,670
	44,697	**29,661**
Contract Liabilities		
Advance from customers (refer note 21)	1,029	1,064
Refund liability (refer note 21)	10,234	5,629
	11,263	**6,693**

d) Revenue recognised in relation to contract liabilities

	As at March 31, 2023	As at March 31, 2022
a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1,064	847
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

45 Segment information

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.

Entity wide disclosures:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations		
- Domestic	111,548	90,241
- Overseas	49	52
	111,597	**90,293**
Non Current Segment Assets		
-Within India	43,518	31,528
-Outside India	-	-
	43,518	**31,528**

Domestic information includes sales to customers located in India.
Overseas information includes sales to customers located outside India.
Non-current segment assets mainly includes Property, plant and equipment, Right-of-use assets, Investments, tax assets and Other non-current assets.
No single customer contributed 10% or more to the Company's revenue for both the financial years 2022-23 and 2021-22.

46 Additional Information

a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Company does not have any transactions with companies struck off.

e) The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

f) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

g) The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

h) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

j) The Company has availed facilities from banks on the basis of security of current assets. The revised returns or statements filed by the company are in agreement with the books of accounts and there are no material discrepancies.

k) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

47 Ratios Analysis

Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance	Remarks
(a) Current Ratio	Current assets	Current liabilities	1.95	2.49	-22%	
(b) Debt Equity Ratio	Total Debt (excluding lease liabilities)	Shareholder's Equity	0.26	0.10	161%	Refer note (a)
(c) Debt-service coverage ratio	Earning available for debt service*	Debt service **	4.39	5.07	-13%	
(d) Return on Equity Ratio (%)	Net profits after taxes	Average shareholder's equity	18.13%	23.63%	-23%	
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	1.58	1.98	-20%	
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	3.49	3.70	-5%	
(g) Trade payables turnover ratio	Total purchases	Average Trade Payables	4.57	4.12	11%	
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	2.16	1.88	15%	
(i) Net Profit ratio (%)	Net profits after taxes	Revenue from operations	11.88%	12.61%	-6%	
(j) Return on capital employed (%)	Earnings before interest and taxes	Capital employed #	23.07%	24.92%	-7%	
(k) Return on investment (%)	Earnings on investments	Average Investments	3.62%	4.61%	-21%	

* Earning Available For Debt Service = Net profit after tax + Non cash operating expenses like depreciation, amounts written off and other amortisations + Finance Cost

** Debt service = Finance Costs + Principal repayments of long term borrowings + Payment of lease liability

Capital Employed = Total Equity + Total Borrowings (Current and Non-Current) - Right of Use Assets - Intangible assets - Intangible assets under development

Notes: (a) Increase in Debt Equity ratio is due to increase in short term borrowings for meeting its working capital requirements.

48. Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows:

	Lease liabilities	Long-term borrowings*	Short-term borrowings	Total
As at March 31, 2021	8,352	1,633	1,848	**11,833**
Cash flows:				
Proceeds from borrowings	-	1,163	3,832	**4,995**
Repayment of borrowings	-	(1,637)		**(1,637)**
Payment of lease liabilities	(1,662)	-	-	**(1,662)**
Non-cash movements:				
Additions on account of new leases	3,230	-	-	**3,230**
Lease modifications	(75)	-	-	**(75)**
Impact of lease derecognised	(1,503)	-	-	**(1,503)**
Rent concessions	(385)	-	-	**(385)**
Interest Expense	771	-	-	**771**
Impact of other borrowing costs	-	4	-	**4**
As at March 31, 2022	**8,728**	**1,163**	**5,680**	**15,571**
Cash flows:				
Proceeds from borrowings	-	-	-	**-**
Repayment of borrowings	-	(563)	13,918	**13,355**
Payment of lease liabilities	(2,472)	-	-	**(2,472)**
Non-cash movements:				
Additions on account of new leases	6,391	-	-	**6,391**
Lease modifications	70	-	-	**70**
Impact of lease derecognised	(717)	-	-	**(717)**
Interest Expense	945	-	1	**946**
As at March 31, 2023	**12,945**	**600**	**19,599**	**33,144**
* Long-term borrowings include current maturities				

49. The Comparative financial information of the Company for the year ended March 31, 2022, were audited by the Walker Chandiok & Co LLP, Chartered Accountants, the predecessor auditor, who have expressed an unmodified opinion.

50 Approval of financial statements

The accompanying note forms an integral part of the consolidated financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Place : Gurugram
Date : May 29, 2023

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Monte Carlo Fashions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Monte Carlo Fashions Limited ("the Parent Company") and its subsidiary, (the Parent Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Provision for Expected Sales return -** Refer to Notes 2.11, 2.24, 21 and 45 to the standalone financial statement Revenue from contracts with customers is recognised when control of the goods is transferred to the customer on satisfaction of performance obligations and is measured at the amount of transaction price (net of variable consideration and provision for sales returns) allocated to that performance obligation. The methodology and assumptions used to estimate expected sales return involves significant judgments by the Management. Such estimates are monitored and adjusted regularly in the light of contractual and legal obligations, historical trend and past experience. Once the uncertainty associated with the expected sales returns is resolved, revenue is adjusted accordingly.	**Principal audit procedures performed:-** • Assessed the appropriateness of the Group's revenue recognition accounting policies, including those relating to expected sales returns by comparing with applicable accounting standards and other accounting principles generally accepted in India. • Obtained an understanding of the process followed by the Group for estimating the expected sale returns • Tested the design and implementation of controls that the Group has established for determining provision for sales returns and tested the operating effectiveness of such controls. • Evaluated the management estimates and judgements in determining the expected sales returns by verifying the past trend and assessed whether the methodology followed is consistent with the prior year.

	The Group has recognized provision for expected sales returns amounting to Rs. 10,234 Lakhs as at March 31, 2023. Considering the above, we have considered the estimations over expected sales returns as a key audit matter.	• Evaluated the contract terms for each type of contracts with customers to assess the reasonableness of the provision for expected sales returns and determine whether the same is in line with terms of the contract. • Traced the workings provided by the Group for provision for sales returns at the balance sheet date to underlying sales records to ensure the completeness of the sales considered for this purpose. • For selected samples, tested credit notes issued to customers and assessed the validity of claims with the underlying documents and appropriate approvals • Assessed the appropriateness of the presentation of such provision for sales return and the disclosures made in the standalone financial statements in respect of the same.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including Annexure to Director Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including Annexure to Director Report and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place 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 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative consolidated financial statements of the Company for the year ended March 31, 2022 prepared in accordance with Ind AS included in these financial statements have been audited by the predecessor auditor. The report of the predecessor auditor dated May 30, 2022 on the comparative consolidated financial statements expressed an unmodified opinion.

Our report is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent Company and Subsidiary Company as on March 31, 2023 taken on record by the Board of Directors of the respective Companies, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent their directors during the year is in accordance with the provisions of section 197 of the Act and the subsidiary company has not paid any remuneration to its directors.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The Group does not have any pending litigations which would impact its financial position - Refer Note 35 (A) to the consolidated financial statements;

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer Note 35 (ii) to the consolidated financial statements;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Company-Refer Note 47 (k) to the consolidated financial statements.

   iv) (a) The respective Managements of the Parent Company and its subsidiary Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 47 (h) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 47 (i) to the consolidated financial statements, no funds have been received by the Parent Company or subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 41 to the consolidated financial statements, the Board of Directors of the Parent Company has proposed final dividend for the year which is subject to the approval of the members of the Parent Company at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

The subsidiary company incorporated in India have not declared or paid any dividend during the year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent Company and its subsidiary and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Name of the Company	**CIN**	**Nature of relationship**	**Clause Number of CARO report with qualification or adverse remark**
Monte Carlo Fashions Limited	L51494PB2008PLC032059	Parent	Clause i (c) (Tittle deeds of immovable properties not held in the name of the Company) of Annexure A to the Independent Auditor's report.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 23105546BGXMSL5524

Place: Gurugram
Date: May 29, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Monte Carlo Fashions Limited (hereinafter referred to as "Parent") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which is company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which is company incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 23105546BGXMSL5524

Place: Gurugram
Date: May 29, 2023

1 General Information

Monte Carlo Fashions Limited (the "Company" or "the Parent Company") is a public company limited by shares incorporated under the provisions of the Companies Act, 1956 on 1 July 2008 and is domiciled in India. The Company's registered office is at B-XXIX-106, G.T. Road, Sherpur, Ludhiana, Punjab. Its shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company is engaged in manufacturing of designer woolen/cotton readymade apparels and trading of readymade apparels including blankets under its brand "MONTE CARLO" which has also been recognised as a "SUPERBRAND".

2 Significant Accounting Policies

2.1. Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The board of directors have considered the financial position of the Company as at March 31, 2023 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements.

The consolidated financial statements of the Company are presented in Indian Rupee ('INR') and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2. Basis of Preparation and Presentation

The consolidated financial statements of the Company and its subsidiary (together "the Group") have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

The principal accounting policies are set out below.

2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra Company's assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4. Use of Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

2.5. Inventory

Inventories are initially recognised at the lower of cost and net realisable value (NRV).

Cost incurred in bringing each product to its present location and condition are accumulated as follows:

- **Raw materials and stores and spares:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost method basis.
- **Work-in-progress:** Cost is determined at raw material cost plus conversion costs depending upon the stage of completion.
- **Manufactured finished goods:** Manufactured finished goods are stated at the lower of cost or market value.Cost is determined using actual cost method of valuation in which cost of inventories comprises costs of purchase, costs of conversion and other attributable costs incurred in bringing them to their respective present location and condition.
- **Traded finished goods:** Traded finished goods are 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.

Initial cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6. Property, plant and equipment

Recognition

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of property, plant and equipment that are not yet ready for their intended use at the reporting date. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Transition to Ind AS

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 except for Plant and machinery used in factory.

The estimated useful life of Plant and machinery used in factory have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

The following useful life of assets has been taken by the Group:

Tangible assets	Useful life
Building	30 years
Plant and machinery – factory	9-10 years
Plant and machinery - Other than factory	15 years
Furniture and fixtures	10 years
Vehicles	8 years and 10 years
Office equipment	5 years
Computer equipment	3 years and 6 years

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

2.7. Intangible assets

Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation

Intangible assets are amortised on straight-line basis over the useful life as estimated by the management

Intangible assets	Useful life
Software	5 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.8. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

2.9. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency.

Initial recognition

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.10. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Revenue recognition

Sale of goods:

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer on satisfaction of performance obligations. The Performance obligations as per contracts with customers are fulfilled at the time of dispatch or delivery of goods depending upon the terms agreed with customer.

The Group has concluded that revenue arrangements with its business partners/customers are on principal to principal basis.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration and provision for sales returns) allocated to that performance obligation.

Amounts disclosed as revenue are net of returns and trade discounts, rebates, incentives, etc. The Group collects goods and services tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

Variable consideration includes trade discounts, rebates and incentives, etc. The Group uses its accumulated historical experience to estimate the variable consideration using the expected value method.

Under the Group's standard contract terms, customers have a right of return goods as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return; consequently, the Group recognises a right-to-returned-goods asset and a corresponding adjustment to change in inventory. The Group uses its accumulated historical experience to estimate the goods that will be returned using the expected value method because this method best predicts the amount of returns to which the Group will be entitled.

Interest income:

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

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Insurance and other claims

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

Sales return

Refund liability arising from rights to return

A refund liability is the obligation to refund some or all of the consideration received from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The Group updates its estimate of refund liabilities (i.e., accrual for sales returns) at the end of each reporting period.

Right to recover returned goods arising from rights to return

An asset recognised for a Group's right to recover goods from a customer on settling a refund liability was initially be measured by sale price net of margin and any expected costs to recover those products (including potential decreases in the value to the entity of returned products). At the end of each reporting period, an entity shall update the measurement of the asset arising from changes in expectations about products to be returned. The Group has presented the asset separately from the refund liability.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.13 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets carried at fair value through other comprehensive income (FVTOCI) -** A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

iii. **Financial assets carried at fair value through Profit or Loss (FVTPL) -** Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss.

Investment in Mutual funds – All Investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

Investments in equity instruments – The Group subsequently measures all equity investments (other than subsidiaries) at fair value (either through profit or loss or through other comprehensive income). Dividends from such investments are recognised in the Statement of Profit or Loss as other income when the Group's right to receive payments is established.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

Derivative liabilities - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.14 Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provident Fund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

2.15. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement (if any).

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

2.17. Leases

The Group's lease asset classes primarily consist of leases for showrooms taken on rent. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset. The Group typically exercises its option to renew (or does not exercise its option to terminate) for the leases because there will be a negative effect on the sale of its products if a replacement is not readily available and also due to the cost of the leasehold improvements.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset,

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

2.18 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19 Non-current assets or disposal group held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.20 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

2.21 Segment reporting

The Group's business operation comprises of single operating segment of manufacturing/trading of textile garments. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ('CODM').

2.22 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.23 Cash dividend distribution to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described as stated above, the Board of Directors of the Parent Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of uncertainty

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Right to recover returned goods and refund liabilities

The methodology and assumptions used to estimate expected sales return involves significant judgments by the Management. Such estimates are monitored and adjusted regularly in the light of contractual and legal obligations, historical trend and past experience. Once the uncertainty associated with the expected sales returns is resolved, revenue is adjusted accordingly.

Provision for discount

At each balance sheet date, management estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Group on the basis of historical trend, past experience and discount policies.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of depreciable property, plant and equipment and intangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Group.

Recoverability of advances/receivables

At each balance sheet date, management assess recoverability of advances/receivables based on ageing and credit risk to determine the adequacy of allowances for doubtful receivables / advances.

2.25 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Consolidated Balance Sheet as at March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	15,541	15,305
b) Right-of-use assets	4	11,813	7,842
c) Capital work-in-progress	5	1,937	127
d) Intangible assets	6	737	36
e) Intangible assets under development	7	-	183
f) Financial assets			
i) Investments	8	6,380	5,416
ii) Other financial assets	9	3,667	739
g) Income tax assets (net)	10	237	248
h) Deferred tax assets (net)	34	2,226	1,291
i) Other non-current assets	11	838	321
Total non-current assets		**43,376**	**31,508**
Current assets			
a) Inventories	12	46,042	28,908
b) Financial assets			
i) Investments	8	17,012	16,308
ii) Trade receivables	13	38,018	25,991
iii) Cash and cash equivalents	14	171	42
iv) Bank balances other than cash and cash equivalents	15	1,298	4,760
v) Loans	16	60	42
vi) Other financial assets	9	1,280	773
c) Other current assets	11	2,385	3,320
Total current assets		**106,266**	**80,144**
TOTAL ASSETS		**149,642**	**111,652**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	17	2,073	2,073
b) Other equity	18	75,567	66,653
Total equity		**77,640**	**68,726**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	19	270	833

ii) Lease liabilities	4	11,118	7,413
iii) Other financial liabilities	20	3,079	2,295
b) Other non-current liabilities	21	3,076	267
c) Provisions	22	89	-
Total non-current liabilities		**17,632**	**10,808**
Current liabilities			
a) Financial liabilities			
i) Borrowings	19	19,929	6,010
ii) Lease liabilities	4	1,827	1,315
iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	23	84	24
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	19,315	13,840
iv) Other financial liabilities	20	1,822	2,010
b) Other current liabilities	21	9,333	7,076
c) Current tax liabilities (net)	10	1,037	1,177
d) Provisions	22	1,023	666
Total current liabilities		**54,370**	**32,118**
TOTAL EQUITY AND LIABILITIES		**149,642**	**111,652**

The accompanying note forms an integral part of the consolidated financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	Revenue from operations	24	111,771	90,432
II	Other income	25	2,083	2,520
III	**Total income (I+II)**		**113,854**	**92,952**
IV	**EXPENSES**			
	Cost of materials consumed	26	13,947	9,824
	Purchases of stock-in-trade	27	61,493	46,797
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(16,157)	(7,957)
	Employee benefits expense	29	9,661	8,118
	Finance costs	30	2,445	1,569
	Depreciation and amortisation expense	31	4,177	3,725
	Other expenses	32	21,067	15,628
	Total expenses		**96,633**	**77,704**
V	**Profit before tax (III-IV)**		**17,221**	**15,248**
VI	**Tax expense:**	33		
	- Current tax expense		5,163	4,244
	- Deferred tax expense/(credit)		(693)	(390)
	- Current tax adjustments related to earlier years		(323)	-
	- Deferred tax adjustments related to earlier years		(178)	-
	Total tax expense		**3,969**	**3,854**
VII	**Profit for the year (V-VI)**		**13,252**	**11,394**
VIII	**Other comprehensive income / (loss)**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gain / (loss) on defined benefit obligations		(229)	52
	- Income tax relating to these items		58	(13)
	- Net fair value loss on investment in perpetual bonds		(24)	(8)
	- Income tax relating to these items		6	2
	Other comprehensive income / (loss) for the year, net of tax		**(189)**	**33**
IX	**Total comprehensive income for the year**		**13,063**	**11,427**
X	Earnings per equity share (nominal value Rs. 10 each)	36		
	Basic (Rs.)		63.92	54.95
	Diluted (Rs.)		63.92	54.95

The accompanying note forms an integral part of the consolidated financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Place : Gurugram
Date : May 29, 2023

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Consolidated Statement of Cash flow for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	As at March 31, 2023	As at March 31, 2022
A.	**Cash flow from operating activities:**		
	Profit before tax	17,221	15,248
	Add: Adjustment for non-cash and non-operating items		
	Depreciation and amortisation expense	4,177	3,725
	Finance costs	2,445	1,569
	Interest income	(1,185)	(608)
	Unrealised foreign exchange gain	-	(29)
	Profit on sale of investments	(12)	(138)
	Loss / (Profit) on sale of property, plant and equipment (net)	(2)	184
	Rent Concessions	-	(385)
	Provision for doubtful receivables	500	-
	Profit on derecognition / modification of lease contract	(193)	(203)
	Fair valuation gain on investments through profit and loss	(556)	(674)
	Amounts written off	21	29
	Operating profit before working capital changes	**22,416**	**18,718**
	Adjusted for movement in:		
	Increase in trade receivables	(12,349)	(3,593)
	Increase in inventories	(17,134)	(8,754)
	Increase in trade payables	5,535	899
	Increase in provisions	446	578
	Increase in other financial and non-financial assets	46	(1,147)
	Increase in other financial and non-financial liabilities	5,479	3,483
	Cash outflow from operating activities before taxes	**4,439**	**10,184**
	Direct taxes paid (net of refunds and demands)	(4,968)	(3,129)
	Net cash generated from / (used in) operating activities (A)	**(529)**	**7,055**
B.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment and Intangible assets (including capital advances, creditors for capital goods, Capital work-in-progress and Intangible assets under development)	5330	(2,508)
	Proceeds from sale of property, plant and equipment	33	42
	Purchase of Mutual Funds, Bonds and Debentures	(5,370)	(2,656)
	Proceeds from sale of investments	949	4,554
	Fixed Deposits not considered as cash and cash equivalents		
	-Placed	(5,267)	(8,810)
	-Matured	9,391	4,041
	Interest received	960	518
	Net cash generated from /(used in) investing activities (B)	**(4,634)**	**(4,819)**
C.	**Cash flow from financing activities:**		
	Repayment of long-term borrowings	(563)	(1,637)
	Proceeds from long-term borrowings	-	1,163
	Proceeds from short-term borrowings (net of repayments)	13,918	3,832

Payment of principal of lease liabilities	(1,527)	(891)
Payment of interest of lease liabilities	(945)	(771)
Dividend paid	(4,146)	(3,110)
Finance cost paid	(1,445)	(824)
Net cash generated from /(used in) financing activities (C)	**5,292**	**(2,238)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	129	(2)
Cash and cash equivalents at the beginning of the year	42	44
Cash and cash equivalents at the end of the year	**171**	**42**
Cash and cash equivalents (refer note 14) include:		
Cash in hand	42	31
Cheques in hand	18	-
Balance with banks	111	11
Total cash and cash equivalents	**171**	**42**

Notes :

i) The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on "Statements of Cashflows".

ii) Refer note 48, for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows.

The accompanying note forms an integral part of the consolidated financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner
Membership No. 105546

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Consolidated Statement of changes in equity for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

A. Equity share capital	Amount
Balance as at March 31, 2021	2,073
Add: Changes during the year	-
Balance as at March 31, 2022	**2,073**
Add: Changes during the year	**-**
Balance as at March 31, 2023	**2,073**

B. Other equity

	Reserves and Surplus					Other comprehensive income	Total
Particulars	Capital reserve *	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Debt instruments through OCI	
Balance as at March 31, 2021	**0**	**100**	**7,470**	**38,087**	**12,679**	**-**	**58,336**
Profit for the year	-	-	-	-	11,394	-	11,394
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	39	-	39
Fair valuation of investment in perpetual bonds (net of tax)	-	-	-	-	-	(6)	(6)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,433**	**(6)**	**11,427**
Dividends	-	-	-	-	(3,110)	-	(3,110)
Balance as at March 31, 2022	**0**	**100**	**7,470**	**38,087**	**21,002**	**(6)**	**66,653**
Profit for the year	-	-	-	-	13,252	-	13,252
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	(171)	-	(171)
Fair valuation of investment in perpetual bonds (net of tax)	-	-	-	-	-	(18)	(18)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**13,081**	**(18)**	**13,063**
Dividend	-	-	-	-	(4,145)	-	(4,145)
Balance as at March 31, 2023	**0**	**100**	**7,470**	**38,087**	**29,938**	**(24)**	**75,571**

* Balance as at March 31, 2021, March 31, 2022 and March 31, 2023 is less than Rs 1 Lakh, accordingly appearing as Nil.

The accompanying note forms an integral part of the consolidated financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 015125N

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
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Place : Gurugram
Date : May 29, 2023

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in Rs. lakhs, unless stated otherwise)

1 General Information

Monte Carlo Fashions Limited (the "Company" or "the Parent Company") is a public company limited by shares incorporated under the provisions of the Companies Act, 1956 on 1 July 2008 and is domiciled in India. The Company's registered office is at B-XXIX-106, G.T. Road, Sherpur, Ludhiana, Punjab. Its shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company is engaged in manufacturing of designer woolen/cotton readymade apparels and trading of readymade apparels including blankets under its brand "MONTE CARLO" which has also been recognised as a "SUPERBRAND".

2 Significant Accounting Policies

2.1. Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The board of directors have considered the financial position of the Company as at March 31, 2023 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements.

The consolidated financial statements of the Company are presented in Indian Rupee ('INR') and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2. Basis of Preparation and Presentation

The consolidated financial statements of the Company and its subsidiary (together "the Group") have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

The principal accounting policies are set out below.

2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra Company's assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4. Use of Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

2.5. Inventory

Inventories are initially recognised at the lower of cost and net realisable value (NRV).

Cost incurred in bringing each product to its present location and condition are accumulated as follows:

- **Raw materials and stores and spares:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost method basis.
- **Work-in-progress:** Cost is determined at raw material cost plus conversion costs depending upon the stage of completion.
- **Manufactured finished goods:** Manufactured finished goods are stated at the lower of cost or market value. Cost is determined using actual cost method of valuation in which cost of inventories comprises costs of purchase, costs of conversion and other attributable costs incurred in bringing them to their respective present location and condition.
- **Traded finished goods:** Traded finished goods are 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.

Initial cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6. Property, plant and equipment

Recognition

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of property, plant and equipment that are not yet ready for their intended use at the reporting date. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Transition to Ind AS

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 except for Plant and machinery used in factory.

The estimated useful life of Plant and machinery used in factory have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

The following useful life of assets has been taken by the Group:

Tangible assets	Useful life
Building	30 years
Plant and machinery – factory	9-10 years
Plant and machinery - Other than factory	15 years
Furniture and fixtures	10 years
Vehicles	8 years and 10 years
Office equipment	5 years
Computer equipment	3 years and 6 years

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

2.7. Intangible assets

Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation

Intangible assets are amortised on straight-line basis over the useful life as estimated by the management.

Intangible assets	Useful life
Software	5 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.8. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

2.9. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency.

Initial recognition

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Revenue recognition

Sale of goods:

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer on satisfaction of performance obligations. The Performance obligations as per contracts with customers are fulfilled at the time of dispatch or delivery of goods depending upon the terms agreed with customer.

The Group has concluded that revenue arrangements with its business partners/customers are on principal to principal basis.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration and provision for sales returns) allocated to that performance obligation.

Amounts disclosed as revenue are net of returns and trade discounts, rebates, incentives, etc. The Group collects goods and services tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

Variable consideration includes trade discounts, rebates and incentives, etc. The Group uses its accumulated historical experience to estimate the variable consideration using the expected value method.

Under the Group's standard contract terms, customers have a right of return goods as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return; consequently, the Group recognises a right-to-returned-goods asset and a corresponding adjustment to change in inventory. The Group uses its accumulated historical experience to estimate the goods that will be returned using the expected value method because this method best predicts the amount of returns to which the Group will be entitled.

Interest income:

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

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Insurance and other claims

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

Sales return

Refund liability arising from rights to return

A refund liability is the obligation to refund some or all of the consideration received from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The Group updates its estimate of refund liabilities (i.e., accrual for sales returns) at the end of each reporting period.

Right to recover returned goods arising from rights to return

An asset recognised for a Group's right to recover goods from a customer on settling a refund liability was initially be measured by sale price net of margin and any expected costs to recover those products (including potential decreases in the value to the entity of returned products). At the end of each reporting period, an entity shall update the measurement of the asset arising from changes in expectations about products to be returned. The Group has presented the asset separately from the refund liability.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.13 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost –** a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets carried at fair value through other comprehensive income (FVTOCI) -** A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

iii. **Financial assets carried at fair value through Profit or Loss (FVTPL) -** Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss.

Investment in Mutual funds – All Investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

Investments in equity instruments – The Group subsequently measures all equity investments (other than subsidiaries) at fair value (either through profit or loss or through other comprehensive income). Dividends from such investments are recognised in the Statement of Profit or Loss as other income when the Group's right to receive payments is established.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

Derivative liabilities - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.14 Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provident Fund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement (if any).

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

2.17 Leases

The Group's lease asset classes primarily consist of leases for showrooms taken on rent. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset. The Group typically exercises its option to renew (or does not exercise its option to terminate) for the leases because there will be a negative effect on the sale of its products if a replacement is not readily available and also due to the cost of the leasehold improvements.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset,

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

2.18 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19 Non-current assets or disposal group held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.20 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

2.21 Segment reporting

The Group's business operation comprises of single operating segment of manufacturing/trading of textile garments. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ('CODM').

2.22 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.23 Cash dividend distribution to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described as stated above, the Board of Directors of the Parent Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of uncertainty

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Right to recover returned goods and refund liabilities

The methodology and assumptions used to estimate expected sales return involves significant judgments by the Management. Such estimates are monitored and adjusted regularly in the light of contractual and legal obligations, historical trend and past experience. Once the uncertainty associated with the expected sales returns is resolved, revenue is adjusted accordingly.

Provision for discount

At each balance sheet date, management estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Group on the basis of historical trend, past experience and discount policies.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of depreciable property, plant and equipment and intangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Group.

Recoverability of advances/receivables

At each balance sheet date, management assess recoverability of advances/receivables based on ageing and credit risk to determine the adequacy of allowances for doubtful receivables / advances.

2.25 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2023
(All amounts in Rs. lakhs, unless stated otherwise)

3 Property, plant and equipment

	As at March 31, 2023	As at March 31, 2022
Carrying amount of		
Freehold land	3,875	3,875
Buildings	7,074	6,570
Plant and equipment	3,763	4,179
Office equipment	170	132
Furniture and fixtures	286	264
Vehicles	373	285
	15,541	**15,305**

Particulars	Freehold land	Building	Plant and machinery	Office equip-ment	Furniture and fix-tures	Vehicles	Total
Cost / Deemed Cost							
Balance at March 31, 2021	3,875	10,615	9,007	409	746	705	25,357
Addition	-	160	2,317	86	51	56	2,670
Disposal	-	-	(411)	(2)	-	(9)	(422)
Balance as at March 31, 2022	**3,875**	**10,775**	**10,913**	**493**	**797**	**752**	**27,605**
Addition	-	1,152	741	110	106	211	2,320
Disposal	-	-	(34)	(11)	(26)	(37)	(108)
Balance as at March 31, 2023	**3,875**	**11,927**	**11,620**	**592**	**877**	**926**	**29,817**
Accumulated depreciation							
Balance at March 31, 2021	-	3,562	5,762	307	457	359	10,447
Depreciation expense	-	643	1,158	56	76	116	2,049
Disposal	-	-	(186)	(2)	-	(8)	(196)
Balance as at March 31, 2022	**-**	**4,205**	**6,734**	**361**	**533**	**467**	**12,300**
Depreciation expense	-	648	1,144	70	76	114	2,052
Disposal	-	-	(21)	(9)	(18)	(28)	(76)
Balance as at March 31, 2023	**-**	**4,853**	**7,857**	**422**	**591**	**553**	**14,276**
Carrying amount							
Balance at March 31, 2021	3,875	7,053	3,245	102	289	346	14,910
Addition	-	160	2,317	86	51	56	2,670
Disposal	-	-	(225)	-	-	(1)	(226)
Depreciation expense	-	(643)	(1,158)	(56)	(76)	(116)	(2,049)
Balance as at March 31, 2022	**3,875**	**6,570**	**4,179**	**132**	**264**	**285**	**15,305**
Addition	-	1,152	741	110	106	211	2,320
Disposal	-	-	(13)	(2)	(8)	(9)	(32)
Depreciation expense	-	(648)	(1,144)	(70)	(76)	(114)	(2,052)
Balance as at March 31, 2023	**3,875**	**7,074**	**3,763**	**170**	**286**	**373**	**15,541**

Notes:

i) Refer note 35 for disclosure of capital commitments for the acquisition of property, plant and equipment.

ii) Refer note 37 for disclosure of assets held as security.

4. Right-of-use assets and lease liabilities

The Group has entered into various lease agreements for acquiring space for Exclusive Brand Stores. Such lease contracts include monthly fixed payments for rentals. The lease contracts are generally cancellable at the option of lessee during the lease tenure after the completion of non-cancellable period. There are no significant restrictions imposed under the lease contracts.

The following table presents the reconciliation of changes in the carrying value of Right-of-use assets (ROU) assets for the year ended March 31, 2023 and March 31, 2022:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	7,842	7,539
Addition for new leases	6,507	3,331
Modifications	129	(72)
Deletions for terminated leases	(576)	(1,301)
Depreciation expense (recognised in Statement of Profit and Loss)	(2,089)	(1,655)
Balance as at the year end	**11,813**	**7,842**

Right-of-use asset assets are amortised from the commencement date on a straight-line basis over the lease term. The aggregate depreciation expense on Right-of-use asset assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:-

	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Non-current lease liabilities	11,118	7,413
Current lease liabilities	1,827	1,315
	12,945	**8,728**

The following is the movement in lease liabilities :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	8,728	8,352
Addition for new leases	6,391	3,230
Lease modifications	70	(75)
Impact of lease derecognised	(717)	(1,503)
Interest expense on lease liabilities (recognised in Statement of Profit and Loss)	945	771
Payment of lease liabilities (Cash outflow for leases)	(2,472)	(1,662)
Lease waivers	-	(385)
Balance as at the year end	**12,945**	**8,728**

Rental expenses recorded towards short term and variable lease payments amounts to Rs. 327 lakhs (Previous year: Rs. 390 Lakhs)

The maturity analysis of lease liabilities is presented in Note 40

5. Capital work-in-progress

(a) Capital work-in-progress ageing schedule

Projects in progress	Amounts in capital work-in-progress for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
As at March 31, 2023	1,937	-	-	-	1,937
As at March 31, 2022	127	-	-	-	127

(b) There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended as at March 31, 2023 and March 31, 2022.

Notes:

i) Refer note 37 for disclosure of assets held as security.

6 Intangible assets

	Software	Total
Cost / Deemed Cost		
Balance as at March 31, 2021	240	240
Addition	21	21
Disposal	-	-
Balance as at March 31, 2022	**261**	**261**
Addition	737	737
Disposal	-	-
Balance as at March 31, 2023	**998**	**998**
Accumulated depreciation		
Balance as at March 31, 2021	204	204
Depreciation expense	21	21
Disposal	-	-
Balance as at March 31, 2022	**225**	**225**
Depreciation expense	36	36
Disposal	-	-
Balance as at March 31, 2023	**261**	**261**
Carrying amount		
Balance as at March 31, 2021	36	36
Addition	21	21
Disposal	-	-
Depreciation expense	(21)	(21)
Balance as at March 31, 2022	**36**	**36**
Addition	737	737
Disposal	-	-
Depreciation expense	(36)	(36)
Balance as at March 31, 2023	**737**	**737**

7. Intangible assets under development

(a) Intangible assets under development ageing schedule

Projects in progress	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2023	-	-	-	-	-
As at March 31, 2022	67	9	107	-	183

(b) There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended as at March 31, 2023 and March 31, 2022.

8. Non-current investments

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
Category-wise investments						
Investment in debentures/bonds			6,380	1,658	2,691	-
Investment in mutual funds			-	13,629	-	14,008
Investment in Fixed deposits with Non Banking Financial Companies			-	1,725	2,725	2,300
			6,380	**17,012**	**5,416**	**16,308**

8.1 Investments in debentures/bonds
Investments carried at fair value through other comprehensive income (FVTOCI) - Quoted

Bonds						
Bank of Baroda ASR XVI 8.15 BD Perpetual having Face Value of Rs. 10 Lakhs each	10	10	102	-	100	-
Canara Bank SRIII 8.50 BD Perpetual having Face Value of Rs. 10 Lakhs each	10	10	100	-	100	-
Indian Bank SR IV 8.44 LOA Perpetual having Face Value of Rs. 10 Lakhs each	10	10	99	-	100	-
National Highways Authority of India SRI 7.26 BD 10 AG38 having Face Value of Rs. 10 Lakhs each	30	30	301	-	309	-
Punjab National Bank SR XIV 8.50 LOA Perpetual having Face Value of Rs. 1 crore each	2	2	200	-	200	-
State Bank of India SRI 7.72 BD Perpetual having Face Value of Rs. 1 crore each	6	6	599	-	612	-
State Bank of India SR II 7.73 BD Perpetual having Face Value of Rs. 10 Lakhs each	30	30	282	-	320	-
Debentures						
Tata International Limited 9.10 LOA having Face Value of Rs. 10 Lakhs each	100	-	1,000	-	-	-
Tata Motors Finance Limited SR B 10 NCD 29MR29 having Face Value of Rs. 10 Lakhs each	40	40	442	-	400	-
			3,125	**-**	**2,141**	**-**
Investments carried at amortised cost - Quoted						
Bonds						
Government of India 11007 GOI 05DC30 8.97 having Face Value of Rs. 100 each	229,000	-	250	-	-	-
National Bank for agriculture and rural development SR-IIA 7.35 BD 23MR31 having Face Value of Rs. 1,000 each	20,000	-	223	-	-	-
Punjab National Bank SR XV, 8.75% LOA Perpetual having Face Value of Rs. 1 crore each	2	-	200	-	-	-
U.P. Power Corporation Limited SR I STRPP D 9.70 BD 31MR28 having Face Value of Rs. 10 Lakhs each	20	-	200	-	-	-
Debentures						
Piramal Enterprises Limited BR NCD 28JU23 having Face Value of Rs. 10 Lakhs each	20	20	-	201	214	-
Piramal Enterprises Limited SR 01 BR NCD 27MR24 having Face Value of Rs. 10 Lakhs each	50	-	-	547	-	-

Incred Financial Services Limited SR 7 BR NCD 28JL23 having Face Value of Rs. 10 Lakhs each	50	-	-	601	-	-
Shriram Finance Limited SR XXIII TR 1 BR NCD 17MY23 having Face Value of Rs. 10 Lakhs each	30	30	-	309	336	-
Adani Enterprises Limited SR B BR NCD 25AP24 having Face Value of Rs. 10 Lakhs each	30	-	299	-	-	-
A.K. Capital Finance Limited SR 1 BR NCD 26MY24 having Face Value of Rs. 10 Lakhs each	20	-	200	-	-	-
TMF Holdings Limited SR B 7.3029 NCD Perpetual having Face Value of Rs. 10 Lakhs each	50	-	478	-	-	-
Tata Capital Financial Services Limited SR A FY22-23 OPT II 7.65 NCD 29AP32 having Face Value of Rs. 10 Lakhs each	30	-	301	-	-	-
LIC Housing Finance Limited TR 421 7.90 NCD 23JU27 having Face Value of Rs. 10 Lakhs each	50	-	501	-	-	-
Motilal Oswal Finvest Limited SR I1 BR LOA 20DC24 having Face Value of Rs. 10 Lakhs each	30	-	301	-	-	-
Incred Financial Services Limited SR II 9.80 NCD 02MY25 having Face Value of Rs. 1,000 each	10,000	-	100	-	-	-
A.K. Capital Finance Limited MLD 2 BR NCD 27JU24 having Face Value of Rs. 10 Lakhs each	20	-	202	-	-	-
			3,255	**1,658**	**550**	**-**
			6,380	**1,658**	**2,691**	**-**

8.2 Investment in mutual funds

Investments carried at fair value through profit or loss (FVTPL) - Quoted

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth having face value of Rs. 10 each	69,99,103	69,99,103	-	1823	-	1721
ICICI Prudential banking and PSU debt fund - Direct Plan - Growth having face value of Rs. 10 each	846,178	846,178	-	241	-	228
Birla sun life corporate bond fund growth regular having face value of Rs. 10 each	-	4,232,553	-	-	-	7
Birla sun life medium term plan growth direct plan having face value of Rs. 10 each	-	2,416,100	-	-	-	14
Nippon India strategic debt fund direct growth plan having face value of Rs. 10 each	-	3,775,694	-	-	-	506
Bandhan Regular Saving Fund-Growth-(Direct Plan) [erstwhile IDFC Regular Saving Fund-Growth-Direct Plan] having face value of Rs. 10 each	3,608,935	3,608,935	-	1,028	-	1,019
Bandhan Banking & PSU Debt Fund-Direct Plan-Growth [erstwhile IDFC Banking & PSU Debt Fund-Direct Plan-Growth] having face value of Rs. 10 each	6,905,621	6,905,621	-	1,475	-	1,408
Bandhan Corporate Bond Fund Direct Plan-Growth [erstwhile IDFC Corporate Bond Fund- Direct plan - Growth] having face value of Rs. 10 each	8,265,265	8,265,265	-	1,372	-	1,325
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth [erstwhile IDFC CRISIL IBX Gilt June 2027 Index Fund Direct Plan-Growth] having face value of Rs. 10 each	1,999,900	1,999,900	-	218	-	211
Bandhan Bond Fund-Medium Term Plan-Growth-Direct Plan [Idfc Bond Fund-Medium Term Plan-Growth-Direct Plan] having face value of Rs. 10 each	1,032,215	1,032,215	-	430	-	419
Bandhan Bond Fund-Short Term Plan-Growth-Direct Plan [erstwhile IDFC Bond Fund -Short term Plan] having face value of Rs. 10 each	2,150,117	2,150,117	-	1,097	-	1,053
HDFC corporate bond fund - direct plan - growth option having face value of Rs. 10 each	7,494,036	7,494,036	-	2,070	-	1,984

ICICI prudential bond fund - Direct plan - Growth having face value of Rs. 10 each	835,094	835,094	-	293	-	278
AXIS Banking & PSU Debt Fund-Direct Growth having face value of Rs. 1,000 each	36,034	36,034	-	825	-	788
AXIS Short Term Fund-Direct Plan-Growth having face value of Rs. 10 each	1,189,680	1,189,680	-	333	-	317
Kotak FMP series 216 direct growth having face value of Rs. 10 each	-	3,000,000	-	-	-	410
Kotak Corporate Bond Fund Direct Growth having face value of Rs. 1,000 each	27,038	27,038	-	886	-	847
SBI Dynamic Bond Fund- Direct plan- Growth option having face value of Rs. 10 each	349,170	349,170	-	112	-	106
SBI Corporate Bond Fund - Direct Plan-Growth having face value of Rs. 10 each	10,697,771	10,697,771	-	1,426	-	1,367
			-	**13,629**	-	**14,008**

8.3 Investment in Fixed deposits with Non Banking Financial Companies - at amortised cost

	Units as at March 31, 2023	Units as at March 31, 2022	As at March 31, 2023		As at March 31, 2022	
			Non Current	Current	Non Current	Current
Housing Development Financial Corporation Ltd.	-	-	-	1725	2725	1000
PNB Housing Finance Limited			-	-	-	500
LIC Housing Finance Limited			-	-	-	800
			-	**1,725**	**2,725**	**2,300**
Total Investments			**6,380**	**17,012**	**5,416**	**16,308**
Aggregate book value of quoted investments			6,380	15,287	2,691	14,008
Aggregate market value of quoted investments			6,380	15,287	2,691	14,008

Notes: i) Refer note 37 for disclosure of assets held as security.

9 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Financial assets carried at amortised cost		
(Unsecured and considered good, unless otherwise stated)		
Non-Current		
Fixed deposits with banks more than 12 months maturity *	2,668	29
Security deposits	999	710
	3,667	**739**
Current		
Interest accrued but not due on fixed deposits, bonds and debentures	458	239
Security deposits	-	10
Others recoverable **	822	524
	1,280	**773**

* Includes Rs. 19 lakhs (March 31, 2022: Rs. 30 Lakhs) pledged against the utilisation of non fund based limits.
** Includes recoverable from commission agents and interest receivables from customers.

Notes: i) Refer note 37 for disclosure of assets held as security.

10 Income tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Income tax assets (net)		
Income tax receivable (net)	237	248
Current tax liabilities (net)		
Income tax payable (net)	1,037	1,177

11 Other assets

	As at March 31, 2023	As at March 31, 2022
(Unsecured and considered good, unless otherwise stated)		
Non-Current		
Capital advances	831	182
Gratuity Fund (Refer Note 38)	-	139
Prepaid expenses	7	-
	838	**321**
Current		
Advances to suppliers	852	1,412
Prepaid expenses	40	59
Balances with statutory and government authorities		
- Considered good	1,449	1,798
- Considered Doubtful	346	168
Less: Allowances for doubtful balances with statutory and government authorities	(346)	(168)
Others recoverable	44	51
	2,385	**3,320**

12 Inventories

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
Raw materials	4,065	3,453
Work-in-progress	873	1,026
Finished goods	10,455	13,265
Stock-in-trade	22,661	6,550
Stores and spares	1,309	944
Right to recover returned goods	6,679	3,670
	46,042	**28,908**

Note:

i) Refer note 37 for disclosure of assets held as security.

ii) The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 79,714 Lakhs (previous year Rs. 12,886 Lakhs).

iii) The cost of inventories recognised as an expense includes Rs. 103 Lakhs (previous year Rs. Nil) in respect of write-downs of inventory to net realisable value.

13 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Receivable from related parties (Refer Note 43)		
- Unsecured, considered good	72	1
Receivable from others		
- Unsecured considered good	37,946	25,990
- Significant increase in Credit risk	398	75
Less:- Allowances for doubtful trade receivables	(398)	(75)
	38,018	**25,991**

Notes: i) Trade Receivables ageing schedule

	Undisputed Trade receivables			Allowances for doubtful trade receivables	Net Balance at year end
	Considered good	Significant increase in credit risk	Total		
Ageing of Receivables from due date of payment as at March 31, 2023					
Not due	14,179	-	14,179	-	**14,179**
Less than 6 months	21,616	-	21,616	-	**21,616**
6 months to 1 year	1,773	-	1,773	-	**1,773**
1 to 2 years	350	14	364	14	**350**
2 to 3 years	95	25	120	25	**95**
More than 3 years	5	359	364	359	**5**
	38,018	**398**	**38,416**	**398**	**38,018**
Ageing of Receivables from due date of payment as at March 31, 2022					
Not Due	9,583	-	9,583	-	**9,583**
Less than 6 months	15,161	-	15,161	-	**15,161**
6 months to 1 year	335	-	335	-	**335**
1 to 2 years	405	-	405	-	**405**
2 to 3 years	149	-	149	-	**149**
More than 3 years	358	75	433	75	**358**
	25,991	**75**	**26,066**	**75**	**25,991**

ii) The group has used a practical expedient for the purpose of computing lifetime expected credit loss allowance for trade receivables which is based on historical credit loss experience and adjustments for forward looking information The group follows "simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ELCs at each reporting date, right from its recognition.

The movement in allowance for lifetime expected credit loss on customer balances is as follows:

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	75	75
Add: Allowance provided during the year	323	-
Balance at the end of the year	**398**	**75**

iii) Refer note 37 for disclosure of assets held as security.

14. Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash in hand	42	31
Cheques on hand	18	-
Balance with banks in current account	111	11
	171	**42**

Note:

i) Refer note 37 for disclosure of assets held as security.

15. Bank balances other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend accounts (earmarked)	21	21
Deposits with banks with original maturity of more than three months but less than twelve months from the date of Balance Sheet (Refer note i below)	1,277	4,739
	1,298	**4,760**

Notes:

i) Includes Rs. 97 lakhs (March 31, 2022: Rs. 239 lakhs) pledged against the utilisation of non fund based limits.

ii) Refer note 37 for disclosure of assets held as security.

16. Loans

	As at March 31, 2023	As at March 31, 2022
Financial assets carried at amortised cost		
(Unsecured and considered good, unless otherwise stated)		
Current		
Loan to employees	60	42
	60	**42**

Notes:

i) Refer note 37 for disclosure of assets held as security.

17 Equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of Rs. 10 each with voting rights	25,000,000	2,500	25,000,000	2,500
	25,000,000	**2,500**	**25,000,000**	**2,500**
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	20,732,064	2,073	20,732,064	2,073
	20,732,064	**2,073**	**20,732,064**	**2,073**

Notes:

i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares with voting rights				
Shares outstanding at the beginning of the year	20,732,064	2,073	20,732,064	2,073
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	**20,732,064**	**2,073**	**20,732,064**	**2,073**

ii) Rights, preferences and restrictions attached to equity shares:

The Parent Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive 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.

iii) Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company.

iv) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**% of share-holding**	**No. of shares**	**% of share-holding**
Girnar Investments Limited	6,644,656	32.05%	6,644,656	32.05%
Nagdevi Trading and Investment Company Limited	5,007,192	24.15%	5,007,192	24.15%
Nahar Capital and Financial Services Limited	1,651,215	7.96%	1,651,215	7.96%
	13,303,063	**64.17%**	**13,303,063**	**64.17%**

v) Details of Shares held by promoters at the end of the year:

	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	**% of total shares**	**No. of shares**	**% of total shares**	
Tanvi Oswal	500	0.00%	500	0.00%	0.00%
Jawahar Lal Oswal	115,059	0.55%	115,059	0.55%	0.00%
Kamal Oswal	1,000	0.00%	1,000	0.00%	0.00%
Dinesh Oswal	1,000	0.00%	1,000	0.00%	0.00%
Abhilash Oswal	102,583	0.49%	102,583	0.49%	0.00%
Sambhav Oswal	500	0.00%	500	0.00%	0.00%
Abhinav Oswal	500	0.00%	500	0.00%	0.00%
Rishabh Oswal	10,500	0.05%	10,500	0.05%	0.00%
Manisha Oswal	500	0.00%	500	0.00%	0.00%
Ritu Oswal	500	0.00%	500	0.00%	0.00%
Monica Oswal	515,837	2.49%	515,837	2.49%	0.00%
Ruchika Oswal	515,838	2.49%	515,838	2.49%	0.00%
Sanjana Oswal	500	0.00%	500	0.00%	0.00%
Nahar Capital and Financial Services Ltd.	1,651,215	7.96%	1,651,215	7.96%	0.00%
Vanaik Investors Ltd.	409,273	1.97%	409,273	1.97%	0.00%
Nagdevi Trading and Investment Company Limited	5,007,192	24.15%	5,007,192	24.15%	0.00%
Oswal Woolen Mills Ltd.	75,642	0.36%	75,642	0.36%	0.00%
Atam Vallabh Financiers Ltd.	67,106	0.32%	67,106	0.32%	0.00%
Vardhman Investments Ltd.	49,718	0.24%	49,718	0.24%	0.00%
Girnar Investment Ltd	6,644,656	32.05%	6,644,656	32.05%	0.00%

vi) The Parent Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Parent Company has not issued any bonus shares in the current year and preceding five years.

18 Other equity

	As at March 31, 2023	As at March 31, 2022
Reserve and surplus		
Capital reserve *	0	0
Capital redemption reserve	100	100
Securities premium	7,470	7,470
General reserve	38,087	38,087
Retained earnings	29,938	21,002

Other comprehensive income		
Debt instruments through OCI	(24)	(6)
	75,571	**66,653**

* Balance is less than Rs 1 Lakh, accordingly appearing as Nil.

Notes:

i) Capital reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	0	0
Add/Less: Movement during the year	-	-
Balance at the end of the year	**0**	**0**

* Balance is less than Rs 1 Lakh, accordingly appearing as Nil.

The reserve comprises profits/gains of capital nature earned by the group and credited directly to such reserve. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

ii) Capital redemption reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	100	100
Add/Less: Movement during the year	-	-
Balance at the end of the year	**100**	**100**

Capital redemption reserve is a reserve created on buy-back of equity shares in accordance with section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

iii) Securities premium

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	7,470	7,470
Add/Less: Movement during the year	-	-
Balance at the end of the year	**7,470**	**7,470**

Securities premium comprises the premium on issue of shares and is utilised in accordance with the specific provision of the Companies Act, 2013.

iv) General reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year *	38,087	38,087
Add/Less: Movement during the year	-	-
Balance at the end of the year	**38,087**	**38,087**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

v) Retained earnings

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	21,002	12,679

Add: Profit for the year	13,252	11,394
Add: Remeasurement of defined benefit obligations (net of tax)	(171)	39
Less: Payment of dividend on equity shares	(4,145)	(3,110)
Balance at the end of the year	**29,938**	**21,002**

Retained earnings refer to net earnings not paid out as dividends, but retained by the group to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

* During the year, a dividend of Rs. 20 per share (previous year: Rs. 15 per share) was paid to equity shareholders.

vi) Other comprehensive income - Debt instruments through OCI

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	(6)	-
Add: Fair valuation of investment in perpetual bonds (net of tax)	(18)	(6)
Balance at the end of the year	**(24)**	**(6)**

This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and impairment losses on such instruments, if any.

19 Borrowings (Non-current)

	As at March 31, 2023	As at March 31, 2022
Non-current		
Term loans from bank (Secured - at amortised cost)*	600	1,163
Less: Current maturities	(330)	(330)
	270	**833**
Current		
Cash credits/working capital loans from banks (Secured - at amortised cost) #	12,893	5,680
Current maturities of term loan from banks (Secured - at amortised cost)*	330	330
Other Borrowings (Bill Discounting) (Unsecured)	6,706	-
	19,929	**6,010**

*Term loan from bank are secured by primary charge on machinery being procured, with Second pari-passu charge on property situated at Sherpur Kalan, GT Road, Ludhiana measuring 14,278 sq. yards. The loan carries interest rate of 3.75% above repo rate. The loan is repayable in 8 quarterly instalments of Rs. 83 lakhs each with last instalment payable on March 12, 2025.

Refer note 37 for disclosure of assets held as security.

20 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Non-Current		
Security deposits from customers	3,079	2,295
	3,079	**2,295**

Current		
Interest accrued but not due on borrowings	27	10
Interest payable to others	117	79
Payables for purchase of property, plant and equipment and intangible assets	402	401
Security deposits from customers	5	378
Unpaid dividend *	21	21
Employee related payables**	1,250	1,121
	1,822	**2,010**

* Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

** Includes Rs. 473 Lakhs (previous year Rs. 451 Lakhs) payable to related parties (Refer Note 43).

21 Other non-current liabilities

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred income from government grant	438	267
Refund liability for expected sales return	2,638	-
	3,076	**267**
Current		
Statutory remittances*	471	353
Deferred income from government grant	46	30
Refund liability for expected sales return	7,596	5,629
Advances from customers (Contract Liabilities)	1,029	1,064
Gratuity liability (funded) (refer note 38)	191	-
	9,333	**7,076**

* Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source etc.

22. Provisions

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for employee benefits :		
- Leave	89	-
	89	**-**
Current		
Provision for employee benefits :		
- Leave	9	-
Other provision :		
Provision for discount	1,014	666
	1,023	**666**

Movement in other provisions	Provision for discount
Balance as at March 31, 2021	**88**
Add: Provision recognised during the year	666
Less: Utilised / Reversed during the year	(88)
Balance as at March 31, 2022	**666**
Add: Provision recognised during the year	1,014
Less: Provision utilised during the year	(666)
Balance as at March 31, 2023	**1,014**

23 Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	**84**	**24**
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related Parties	3,673	2,050
- Others	15,642	11,790
	19,315	**13,840**
	19,399	**13,864**

Notes:

i) Ageing of trade payables

	As at March 31, 2023		As at March 31, 2022	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Not Due	65	11,208	-	6,017
Less than 1 year	19	5,632	24	5,317
1 to 2 years	-	149	-	82
2 to 3 years	-	11	-	63
More than 3 years	-	34	-	115
Others - Accruals	-	2,281	-	2,246
	84	**19,315**	**24**	**13,840**

ii) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at March 31, 2023	As at March 31, 2022
a) Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	84	24
- Interest due thereon *	0	0
b) Payments made to suppliers beyond the appointed day during the year		
- Principal	287	854
- Interest due thereon	5	5
c) Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	-

d) Amount of interest accrued and remaining unpaid as at year end	84	79
* Balance is less than Rs 1 Lakh, accordingly appearing as Nil.		

24 Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products (refer note 45)	111,597	90,293
Other operating revenue		
Insurance recovered from customers	129	109
Government grants	45	30
	111,771	**90,432**

25 Other Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
from banks	253	281
others	932	327
Other non-operating income (net of expenses directly attributable to such income).		
Foreign exchange fluctuation gain (net)	39	63
Profit on derecognition of lease contract	193	203
Rent concessions	-	385
Profit on sale of property, plant and equipment (net)	2	-
Profit on sale of investments measured at FVTPL	12	138
Fair valuation gain of investments measured at FVTPL	556	674
Refund received (CST/VAT)	-	72
Miscellaneous	96	377
	2,083	**2,520**

26 Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw materials	3,453	2,919
Add: Purchases of raw materials during the year	14,559	10,358
	18,012	**13,277**
Less: Closing stock of raw materials	(4,065)	(3,453)
	13,947	**9,824**

27 Purchases of stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	61,493	46,797
	61,493	**46,797**

28 Changes in inventories of finished goods, work-in-process and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-process	1,026	634
Finished goods	13,265	6,416
Stock-in-trade	6,550	7,222
Right to recover returned goods	3,670	2,282
	24,511	**16,554**
Inventories at the end of the year		
Work-in-process	873	1,026
Finished goods	10,455	13,265
Stock-in-trade	22,661	6,550
Right to recover returned goods	6,679	3,670
	40,668	**24,511**
	(16,157)	**(7,957)**

29 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus	8,664	7,209
Contribution to provident fund and other funds (refer note 38)	580	547
Staff welfare expenses	417	362
	9,661	**8,118**

30 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Costs:		
Borrowings	1,254	540
Lease liabilities	945	771
Security Deposits	198	164
MSME	6	5
Others	42	85
Other borrowings cost	-	4
	2,445	**1,569**

31 Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	2,052	2,049
Amortisation of intangible assets	36	21
Depreciation of Right-of-use assets	2,089	1,655
	4,177	**3,725**

32 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares parts	4,336	3,405
Processing charges	1,985	1,655
Commission on sale	3,338	2,465
Freight and forwarding expenses	1,960	1,654
Advertisement & Business Promotion expenses	4,657	2,409
Power and fuel	653	656
Rent	327	390
Repairs to		
Buildings	88	209
Plant and machinery	127	173
Others	849	799
Insurance	195	170
Legal and professional expenses [refer note (i) below]	197	140
Rates and taxes	51	35
Travelling and conveyance	645	288
Provision for doubtful receivables	500	-
Amounts written off	21	29
Communication expenses	48	32
Corporate social responsibility expenses (refer note 39)	219	180
Loss on sale of property, plant and equipment (net)	-	184
Charity & Donation	100	-
Bank charges	189	178
Miscellaneous expenses	582	577
	21,067	**15,628**

Notes:

	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Legal and professional expenses includes payment to auditors		
As auditor:		
Audit fee	21	20
Limited reviews *	13	12
Tax audit fee	2	2
Reimbursement of expenses #	3	2
	39	**36**

* Includes Rs. 4 lakhs paid to predecessor auditors in current year
# Includes Rs. 1 lakh paid to predecessor auditors in current year

33 Income taxes

33.1 Income tax recognised in the Statement of Profit and Loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of the current year	5,163	4,244

In respect of prior years	(323)	-
	4,840	**4,244**
Deferred tax		
In respect of the current year	(693)	(390)
In respect of prior years	(178)	-
	(871)	**(390)**
Total income tax expense recognised in the current year	**3,969**	**3,854**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**17,221**	**15,248**
Tax at the Indian Tax Rate of 25.168% (previous year 25.168%)	4,334	3,838
Non-deductible differences	92	68
Deferred tax assets not recognised by subsidiary company on preliminary expenses and unabsorbed losses *	6	2
Other adjustments	39	(54)
	4,471	**3,854**
Adjustments related to the current tax and deferred tax of prior years	(501)	-
Income tax expense recognised in the Statement of Profit and Loss	**3,970**	**3,854**

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits as the Income Tax Act, 1961.

* The subsidiary company is in process of purchase of land for setting up its manufacturing plant and its operations are yet to be started. Accordingly, deferred tax assets comprising of Preliminary expenses and unabsorbed losses under tax laws have not been recognised in the absence of reasonable certainty as to its realisation of Deferred Tax Assets (DTA). The unused tax losses expire upto 8 years and may not be used to offset taxable income of the subsidiary company.

33.2 Income tax recognised in other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Re-measurement gain / (loss) on defined benefit obligations	58	(13)
Net fair value loss on investment in perpetual bonds	6	2
Total income tax recognised in other comprehensive income	**64**	**(11)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	64	(11)
	64	**(11)**

34 Movement in deferred tax balances

Movement of deferred tax assets/(liabilities) for the year ended March 31, 2023

	As at March 31, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Deferred tax assets				
Property, plant and equipment and Intangible assets	426	(62)	-	364
Refund liabilities (net of right to receive goods)	493	402	-	895
Provision for discount	168	87	-	255
Right of use assets	119	211	-	330
Provision for employee benefits - Gratuity, leave, bonus etc.	43	62	58	163
Provision for doubtful receivables	61	126	-	187
Provision for Obsolecense of inventory	-	26	-	26
Fair valuation of Investments	99	11	6	116
Others	1	11	-	12
	1,410	**874**	**64**	**2,348**
Deferred tax liabilities				
Deferred income from government grant	75	47	-	122
Others	44	(44)	-	-
	119	**3**	**-**	**122**
Net deferred tax assets/(liabilities)	**1,291**	**871**	**64**	**2,226**

Movement of deferred tax assets/(liabilities) for the year ended March 31, 2022

	Opening Balance	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Property, plant and equipment and Intangible assets	342	84	-	426
Refund liabilities (net of right to receive goods)	268	225	-	493
Provision for discount	22	146	-	168
Right of use assets	62	57	-	119
Provision for employee benefits - Gratuity, leave, bonus etc.	160	(104)	(13)	43
Provision for doubtful receivables	61	-	-	61
Provision for Obsolecense of inventory	-	-	-	-
Fair valuation of Investments	83	14	2	99
Others	-	1	-	1
	999	**422**	**(11)**	**1,410**
Deferred tax liabilities				
Deferred income from government grant	29	46	-	75
Others	58	(14)	-	44
	87	**32**	**-**	**119**
Net deferred tax assets/(liabilities)	**912**	**390**	**(11)**	**1,291**

Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

35. Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2023	As at March 31, 2022
A. Contingent Liabilities (for pending litigations)		
- Claims against the group not acknowledged as debts	-	-
B. Commitments		
- Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for (Refer note i below)	1,602	2,734

Notes:

i) Apart from the commitments disclosed above, the Group has no financial commitments other than those in the nature of regular business operations.

ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

36 Earnings per share ('EPS')

The earnings per share (EPS) disclosed in the Statement of Profit and Loss have been calculated as under:

		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year as per Statement of Profit and Loss (Rs. in Lakhs)	(A)	13,252	11,394
Weighted average number of equity shares of Rs. 10 each (number)	(B)		
Basic		20,732,064	20,732,064
Diluted		20,732,064	20,732,064
Earnings per share [Face value of Rs. 10 each]	(A/B)		
Basic (Rs.)		63.92	54.95
Diluted (Rs.)		63.92	54.95

37. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2023	As at March 31, 2022
Non-current assets		
First/Floating /Equitable Charge		
Property, plant and equipment	15,541	7,842
Capital work-in-progress	1,937	127
Total non-current assets pledged as security	**17,478**	**7,969**
Current assets		
Floating charge		
Inventories	46,042	28,908
Financial assets	57,728	47,906

Other current assets	2,384	3,320
Total current assets pledged as security	**106,154**	**80,134**

Details of short-term borrowings facilities and security against those facilities

Bank/Facilities	Note	As at March 31, 2023	As at March 31, 2022
State Bank of India	**Refer note-1**		
Cash Credit		1,597	1,182
Working Capital Demand Loan		5,029	-
HDFC Bank	**Refer note-2**		
Overdraft/Cash Credit borrowings		790	497
Working Capital Demand Loan		3,988	3,001
Federal Bank	**Refer note-3**		
Working Capital Demand Loan		1,489	
ICICI Bank	**Refer note-4**		
Working Capital Demand Loan		-	1,000
Total		**12,893**	**5,680**

Note-1

Primary Charge

- First pari-passu charge on the all current assets of the Company (present and future).
- First Charge / Exclusive Charge on the Company's entire present and future fixed assets of the Company including equitable mortgage of properties as follows:

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

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

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

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

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

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

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

Note-2

Primary Charge

- First pari-passu charge created on mutual funds and first pari-passu charge created on current assets (present & Future)
- Second Parri Passu Charge over the following properties:

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

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

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

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

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

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

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

Note-3

Primary Charge

- First pari-passu charge on the all current assets of the Company (present and future).
- Second pari-passu charge on the property as follows:

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

Note-4

Primary Charge

- Residual charge over the current assets and Movable Fixed Assets of the Borrower, both present and future.

38. Employee Benefits

i) Defined Contribution Plan

The Group's contribution to Provident Fund for the year ended March 31, 2023 Rs. 428 Lakhs (for the year ended March 31, 2022: Rs. 401 Lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

ii) Defined Benefit Plan

Gratuity

a) The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a funded plan and the Group makes contributions of funds to Life Insurance Corporation of India and Kotak Life Insurance.

b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, Salary Escalation risk, Demographic risk and Investment risk.

Interest rate risk:

The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

Demographic risk:

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Investment risk:

This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. LIC of India primarily invests in debt instruments such as Government securities and highly rated corporate bonds wherein the risk of downward fluctuation in value is minimal.

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2023	**As at March 31, 2022**
Discount rate	7.31%	7.50%
Expected rate of salary increase	9.00%	8.00%
Expected return on plan assets	7.31%	7.50%
Mortality table used	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	8.00%	2.00%
Retirement age	62 years	62 years

The discount rate is determined by reference to market yields at the balance sheet date on Govt. bonds. The term of the risk free investments has to be consistent with the estimated term of benefit obligations.

The estimates of future salary increase considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

d. The following tables sets out the status of the defined benefit scheme in respect of gratuity and amount recognised in the financial statements:

I. Components of Net Benefit Expense

	For the year ended March 31, 2023	**For the year ended March 31, 2022**
1. Current Service Cost	149	148
2. Net Interest (Income)	(7)	(2)
3. Total expense/(gain) recognised in the Statement of Profit and Loss	**142**	**146**
Re-measurements recognised in Other Comprehensive Income		
4. Effect of changes in financial assumptions	189	(74)
5. Effect of Change in demographic assumptions	22	-
6. Effect of experience adjustments	5	1
7. Return on plan assets (greater)/less than discount rate	13	21
8. Total loss/(gain) of re-measurements included in OCI	**229**	**(52)**

The current service cost and the net interest (Income for the year are included in Note 29 "Employee Benefits Expense" under the head "Salaries and Wages".

II. Change in present value of defined benefit obligation

	As at March 31, 2023	**As at March 31, 2022**
1. Present Value of defined benefit obligation at the beginning of the year	1,453	1,364
2. Current Service Cost	149	148

3. Interest Cost	112	100
Remeasurement gains / (losses):		
4. Effect of changes in financial assumptions	189	(74)
5. Effect of Change in demographic assumptions	22	-
6. Effect of experience adjustments	5	1
7. Benefits Paid	(40)	(86)
8. Present Value of defined benefit obligation at the end of the year	**1,890**	**1,453**

III. Change in fair value of Plan assets

	As at March 31, 2023	As at March 31, 2022
1. Fair value of Plan assets at the beginning of the year	1,583	1,438
2. Interest income on plan assets	119	102
3. Employer contributions	50	150
4. Return on plan assets greater /(lesser) than discount rate	(13)	(21)
5. Benefits paid	(40)	(86)
6. Fair value of assets at end of the year	**1,699**	**1,583**

IV. Net Asset / (Liability) recognised in Balance Sheet

	As at March 31, 2023	As at March 31, 2022
1. Present value of funded defined benefit obligation	(1,890)	(1,453)
2. Fair Value of Plan Assets	1,699	1,583
Net Defined Benefit Asset/(Liability) Recognised in Balance sheet	**(191)**	**130**

V. Sensitivity Analysis- Impact on defined benefit obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Discount Rate + 50 basis points	(70)	(83)
2. Discount Rate - 50 basis points	75	91
3. Salary Escalation Rate + 50 basis points	62	67
4. Salary Escalation Rate - 50 basis points	(60)	(66)

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

VI. The following benefit payments (undiscounted) are expected in future years:

	As at March 31, 2023	As at March 31, 2022
Upto 1 year	220	81
1-2 years	157	48
2-3 years	179	60

3-4 years	172	77
4-5 years	162	82
Above 5 years	836	465

VII. Category of plan assets

	As at March 31, 2023	As at March 31, 2022
LIC of India - Group Gratuity Cash Accumulation Fund	90%	93%
Kotak Gratuity Group Plan (UIN - 107L010V07)	10%	7%

VIII. Expected contribution

The expected employer contribution for the next year is Rs. 366 Lakhs (Previous year Rs. 78 Lakhs).

39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act.

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Amount required to be spent by the Company during the year	219	180
b. Amount of expenditure incurred	219	180
c. Shortfall at the end of the year (a-b)	-	-
d. Total of previous years shortfall	-	-
e. Nature of CSR activities	Preventing Healthcare	
f. Details of related party transactions:		
- Oswal Foundation*	219	176
g. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

There are no ongoing projects under Section 135(6) of the Act during the current year and previous year.

40. Financial Instruments and risk management

(a) Financial instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost #	FVTPL	FVOCI	Amortised cost #
Financial assets						
Investments*	13,629	3,125	6,638	14,008	2,141	5,575
Trade receivables	-	-	38,018	-	-	25,991
Cash and cash equivalents	-	-	171	-	-	42
Other bank balances	-	-	1,298	-	-	4,760
Loans	-	-	60	-	-	42
Other financial assets	-	-	4,947	-	-	1,512
Total	**13,629**	**3,125**	**51,132**	**14,008**	**2,141**	**37,922**
Financial liabilities						
Borrowings	-	-	20,199	-	-	6,843
Trade payables	-	-	19,399	-	-	13,864

Lease liabilities	-	-	12,945	-	-	8,728
Other financial liabilities	-	-	4,901	-	-	4,305
Total	**-**	**-**	**57,444**	**-**	**-**	**33,740**

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

	As at March 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in Mutual Funds	13,629	-	-	13,629
Investments in debentures and bonds	3,125	-	-	3,125
	16,754	**-**	**-**	**16,754**

	As at March 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in Mutual Funds	14,008	-	-	14,008
Investments in debentures and bonds	-	2,141	-	2,141
	14,008	**2,141**	**-**	**16,149**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The Fair value of mutual funds, bonds and debentures is based on the net asset value (NAV) as stated by the Asset management Company (AMC) as at the Balance sheet date.

c) Financial risk management

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include Investment, trade receivables, cash and cash equivalents, Other bank balances and Other financial asstets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. This risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, price risk.

Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and JPY. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited and hence the Group does not use any derivative instruments to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

Foreign currency risk exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of year expressed in INR Lakhs are as follows:

	As at March 31, 2023		As at March 31, 2022	
	USD	JPY	USD	JPY
Trade payables	-	3	5	379

Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rs. strengthens by 5%	Rs. weakening by 5%	Rs. strengthens by 5%	Rs. weakening by 5%
Impact on profit or loss for the year				
USD impact *	-	-	-	-
JPY impact #	-	-	(19)	19

* Current year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

Previous year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. The group carries borrowings primarily at variable rate.

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	20,199	6,843
Total borrowings	**20,199**	**6,843**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variable held constant, the group profit before tax is affected through the impact on floating rate borrowings, as follows:

	Impact on profit or loss for the year ended	
	March 31, 2023	March 31, 2022
Decrease by 50 bps	101	34
Increase by 50 bps	(101)	(34)

Price risk

The group's exposure to equity securities price risk arises from investments in mutual funds, bonds and debentures held by the group and measured at fair value. To manage its price risk arising from investments, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Price sensitivity

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Increase in NAV by 5%	Decrease in NAV by 5%	Increase in NAV by 5%	Decrease in NAV by 5%
Impact on profit or loss for the year				
Investments in mutual funds	681	(681)	700	(700)
Impact on Other comprehensive income for the year				
Investments in bonds / debentures	156	(156)	107	(107)

(ii) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables and loans and advances. None of the financial instruments of the Group results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

	As at March 31, 2023	As at March 31, 2022
Trade receivables	398	75

(iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

Maturities of financial liabilities

The table below analyses the group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

Particulars	0-1 Years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended March 31, 2023					
Borrowings	19,929	270	-	-	**20,199**
Other financial liabilities	1,822	-	-	3,079	**4,901**
Trade payables	19,399	-	-	-	**19,399**
Lease liabilities	2,927	2,782	6,860	4,730	**17,299**
Total	**44,077**	**3,052**	**6,860**	**7,809**	**61,798**
Year ended March 31, 2022					
Borrowings	5,935	377	531	-	**6,843**
Other financial liabilities	2,010	-	-	2,295	**4,305**
Trade payables	13,864	-	-	-	**13,864**
Lease liabilities	2,516	2,416	5,625	2,631	**13,188**
Total	**24,325**	**2,793**	**6,156**	**4,926**	**38,200**

41 Dividend distribution made and proposed

	As at March 31, 2023	As at March 31, 2022
Equity shares		
Final dividend for the year ended March 31, 2022 of Rs. 20 per share (for the year ended March 31, 2021 of Rs. 15 per share)	4,145	3,110
	4,145	**3,110**

Dividends not recognised at the end of the reporting period

The Board of Directors of Parent Company have proposed the final dividend of Rs. 20 per share for the year ended March 31, 2023. The proposed final dividend is subject to approval of the members at the ensuing Annual General Meeting. The amount of such dividend proposed is in accordance with section 123 of Companies Act, 2013.

42 Capital management

The Group's capital management objectives are to ensure the group's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The capital structure of the Group consists of net debt (borrowings net of cash and cash equivalents) and total equity of the Group.

The management of the Group reviews the capital structure of the Group on regular basis. As part of this review, the Board monitors capital using capital gearing ratio, which is net debt divided by total capital plus net debt.

	As at March 31, 2023	As at March 31, 2022
Borrowings	20,199	6,843
Less: Cash and cash equivalents	171	42
Less: Other bank balances	1,298	4,760
Net debt (a)	**18,730**	**2,041**
Equity (b)	**77,640**	**68,726**
Capital and net debt (c) [(a) + (b)]	**96,370**	**70,767**
Gearing ratio [(a) / (c)]	**19%**	**3%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

43 Related party disclosure

a) Description of related parties

Nature of relationship	Name of related party
(i) Key management personnel	Jawahar Lal Oswal (Chairman and Managing Director)
	Sandeep Jain (Executive Director)
	Monica Oswal (Executive Director)
	Ruchika Oswal (Executive Director)
	Rishabh Oswal (Executive Director)
	Dinesh Gogna (Director)
	Suresh Kumar Singla (Independent Director)
	Manisha Gupta (Independent Director)
	Alok Kumar Misra (Independent Director)
	Roshan Lal Behl (Independent Director w.e.f. August 05, 2021)
	Manikant Prasad Singh (Independent Director w.e.f. February 01, 2022)
	Parvinder Singh Pruthi (Independent Director w.e.f. February 01, 2022)
	Paurush Roy (Independent Director upto August 05, 2021)
	Ajit Singh Chatha (Independent Director upto March 31, 2022)
	Amrik Singh Sohi (Independent Director upto January 31, 2022)
	Raj Kapoor Sharma (Chief Financial Officer)
	Ankur Gauba (Company Secretary)
(ii) Relative of Key Management Personnel	Sidhant Jain
(iii) Enterprises over which key management personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	Cotton County Retail Limited
	Nahar Industrial Enterprises Limited
	Nahar Spinning Mills Limited
	Oswal Woollen Mills Limited
	Oswal Foundation
	Mohan Dai Oswal Cancer Treatment & Research Foundation
	Generation Next Tech Apps Private Limited
	Hyperyno Lifestyle Private Limited
(iv) Enterprises having significant influence on the group	Girnar Investments Limited
	Nagdevi Trading and Investment Company Limited

(b) Transactions with related parties

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of goods		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	501	579

Nahar Industrial Enterprises Limited	9	6
Oswal Woollen Mills Limited	32	56
Mohan Dai Oswal Cancer Treatment & Research Foundation	4	19
Oswal Foundation *	0	-
	546	**659**
Sales returns		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Oswal Woollen Mills Limited *	0	1
Nahar Spinning Mills Limited #	3	0
Nahar Industrial Enterprises Limited	-	2
Mohan Dai Oswal Cancer Treatment & Research Foundation	-	3
	3	**6**
Purchase of goods		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	3,385	3,755
Nahar Industrial Enterprises Limited	682	441
Oswal Woollen Mills Limited	7,059	5,579
	11,126	**9,775**
Purchase of property, plant and equipment		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Cotton County Retail Limited	11	6
Oswal Woollen Mills Limited	1	-
Nahar Spinning Mills Limited	6	-
	18	**6**
Purchase return		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Oswal Woollen Mills Limited	-	1
Nahar Industrial Enterprises Limited *	0	4
	0	**5**
Sitting Fees Paid		
Key management personnel		
Dinesh Gogna	1	1
Parvinder Singh Pruthi	1	-
Manikant Prasad Singh	1	-
Manisha Gupta	1	1
Suresh Kumar Singla	1	1
Alok Kumar Misra	1	1
Roshan Lal Behl	1	1
Ajit Singh Chatha	-	1
Amrik Singh Sohi	-	1
	7	**7**

Remuneration Paid		
Key management personnel		
Jawahar Lal Oswal	680	656
Sandeep Jain	239	213
Monica Oswal	101	96
Ruchika Oswal	89	96
Rishabh Oswal	157	137
Raj Kapoor Sharma	29	25
Ankur Gauba	11	10
Relative of Key Management Personnel		
Sidhant Jain	3	-
	1,309	**1,233**
Rent received		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	7	-
	7	-
Rent paid		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	94	63
Nahar Industrial Enterprises Limited	199	133
Oswal Woollen Mills Limited	143	145
	436	**341**
Processing charges paid		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	149	213
Oswal Woollen Mills Limited	3	43
Nahar Industrial Enterprises Limited	-	1
	152	**257**
Reimbursement of expenses paid		
Relative of Key Management Personnel		
Sidhant Jain *	0	-
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Industrial Enterprises Limited	196	113
Nahar Spinning Mills Limited	57	35
Oswal Woollen Mills Limited	511	109
Mohan Dai Oswal Cancer Treatment & Research Foundation	-	2
Oswal Foundation *	-	-
	763	**259**
Reimbursement of expenses received		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Industrial Enterprises Limited *	0	-
Oswal Woollen Mills Limited	12	42

Hyperyno Lifestyle Private Limited	-	1
Generation Next Tech Apps Private Limited #	-	0
	12	**44**
Contribution made to the fund (CSR activities)		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Oswal Foundation	219	176
	219	**176**

(c) Outstanding Balances:

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Spinning Mills Limited	1,054	470
Nahar Industrial Enterprises Limited	292	148
Cotton County Retail Limited	13	-
Oswal Woollen Mills Limited	2,314	1,432
	3,673	**2,050**
Trade receivable		
Enterprises over which key management personnel and their relatives are able to exercise significant influence		
Nahar Industrial Enterprises Limited	5	-
Mohan Dai Oswal Cancer Treatment & Research Foundation *	0	1
Oswal Woollen Mills Limited	8	-
Nahar Spinning Mills Limited	59	-
	72	**1**
Remuneration payable		
Key management personnel		
Jawahar Lal Oswal	401	356
Sandeep Jain	27	36
Monica Oswal	10	15
Ruchika Oswal	10	15
Rishabh Oswal	19	24
Raj Kapoor Sharma	3	3
Ankur Gauba	1	1
Relative of key management personnel		
Sidhant Jain	2	-
	473	**451**

* Current year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

Previous year amount is less than Rs 1 Lakh, accordingly appearing as Nil.

44 Group Information

a) Monte Carlo Fashions Limited has one subsidiary, details are as given below:

Name of the Company	Principal activities	Country of Incorporation	Percentage of ownership interest	
			As at March 31, 2023	As at March 31, 2022
1. Monte Carlo Home Textiles Limited	Manufacture of Home textiles	India	100%	100%

b) Additional information as required under Schedule III to the Companies Act, 2013 on the entities which are included in the Consolidated Financial Statements:

For the year ended March 31, 2023

	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the Entities in the Group	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Monte Carlo Fashions Ltd.	100%	77,676	100%	13,274	100%	(189)	100%	13,085
Subsidiary Monte Carlo Home Textiles Limited	1%	834	0%	(26)	0%	-	0%	(26)
Intercompany eliminations and consolidation adjustments	-1%	(870)	0%	4	0%	-	0%	4
Total	**100%**	**77,640**	**100%**	**13,252**	**100%**	**(189)**	**100%**	**13,063**

For the year ended March 31, 2022

	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the Entities in the Group	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Monte Carlo Fashions Ltd.	100%	68,736	100%	11,404	100%	33	100%	11,437
Subsidiary Monte Carlo Home Textiles Limited	0%	10	0%	(10)	0%	-	0%	(10)
Intercompany eliminations and consolidation adjustments	0%	(20)	0%	-	0%	-	0%	-
Total	**100%**	**68,726**	**100%**	**11,394**	**100%**	**33**		**11,427**

45 Revenue from contracts with customers (Ind AS 115)

Ind AS 115 "Revenue from Contracts with Customers", establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

i) Identify the contract(s) with customer;

ii) Identify separate performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when a performance obligation is satisfied

The Company is in the business of manufacturing and trading of textile garments which are considered to be homogeneous products.

a) Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross sale of products	140,635	113,599
Less: Adjustment on account of sales return	(17,790)	(13,940)
Less: Adjustment on account of discounts	(11,248)	(9,366)
	111,597	**90,293**

b) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical segment

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from sale of products customers within India	111,548	90,241
Revenue from sale of products customers outside India	49	52
Revenue as per the Consolidated Statement of Profit and Loss	**111,597**	**90,293**

c) Contract balances:

	As at March 31, 2023	As at March 31, 2022
Contract assets		
Trade receivables (refer note 13)	38,018	25,991
Right to recover returned goods (refer note 12)	6,679	3,670
	44,697	**29,661**
Contract Liabilities		
Advance from customers (refer note 21)	1,029	1,064
Refund liability (refer note 21)	10,234	5,629
	11,263	**6,693**

d) Revenue recognised in relation to contract liabilities

	As at March 31, 2023	As at March 31, 2022
a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1,064	847
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

46 Segment information

The group's primary business segment is reflected based on principal business activities carried on by the group. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the group's performance and allocates resources based on analysis of the various performance indicators of the group as a single unit. Therefore, there are no separate reportable business segments as per Ind AS 108 "Operating Segments". The group 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.

Entity wide disclosures:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations		
- Domestic	111,548	90,241
- Overseas	49	52
	111,597	**90,293**
Non Current Segment Assets		
-Within India	43,518	31,528
-Outside India	-	-
	43,518	**31,528**

Domestic information includes sales to customers located in India.
Overseas information includes sales to customers located outside India.
Non-current segment assets mainly includes Property, plant and equipment, Right-of-use assets, Investments, tax assets and Other non-current assets.
No single customer contributed 10% or more to the group's revenue for both the financial years 2022-23 and 2021-22.

47 Additional Information

a) The Parent Company or subsidiary does not have any benami property, where any proceeding has been initiated or pending against such Company for holding any benami property.

b) The Group has not been declared as wilful defaulter by any bank or financial Institution or other lender.

c) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Group does not have any transactions with companies struck off.

e) The Group does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

f) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

g) The Group does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

h) The Parent Company or subsidiary has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

i) The Parent Company or subsidiary has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

j) The Parent Company has availed facilities from banks on the basis of security of current assets. The revised returns or statements filed by the company are in agreement with the books of accounts and there are no material discrepancies.

k) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company during the year ended March 31, 2023 and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Company.

48. Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows:

	Lease liabilities	Long-term borrowings*	Short-term borrowings	Total
As at March 31, 2021	8,352	1,633	1,848	**11,833**
Cash flows:				
Proceeds from borrowings	-	1,163	3,832	**4,995**
Repayment of borrowings	-	(1,637)		**(1,637)**
Payment of lease liabilities	(1,662)	-	-	**(1,662)**
Non-cash:				
Additions on account of new leases	3,230	-	-	**3,230**
Lease modifications	(75)	-	-	**(75)**
Impact of lease derecognised	(1,503)	-	-	**(1,503)**
Lease waivers	(385)	-	-	**(385)**
Interest Expense	771	-	-	**771**
Impact of other borrowing costs	-	4	-	**4**
As at March 31, 2022	**8,728**	**1,163**	**5,680**	**15,571**
Cash flows:				
Proceeds from borrowings	-	-	-	**-**
Repayment of borrowings	-	(563)	13,918	**13,355**
Payment of lease liabilities	(2,472)	-	-	**(2,472)**
Non-cash:				
Additions on account of new leases	6,391	-	-	**6,391**
Lease modifications	70	-	-	**70**
Impact of lease derecognised	(717)	-	-	**(717)**
Interest Expense	945	-	1	**946**
As at March 31, 2023	**12,945**	**600**	**19,599**	**33,144**
* Long-term borrowings include current maturities				

49. The Comparative financial information of the Group for the year ended March 31, 2022, were audited by the Walker Chandiok & Co LLP, Chartered Accountants, the predecessor auditor, who have expressed an unmodified opinion.

50 Approval of financial statements

The financial statements were approved for issue by the board of directors of Parent Company on May 29, 2023.

For and on behalf of the Board of Directors

Jawahar Lal Oswal
Chairman and Managing Director
DIN : 00463866

Sandeep Jain
Executive Director
DIN : 00565760

Raj Kapoor Sharma
Chief Financial Officer

Ankur Gauba
Company Secretary
Membership No. FCS10577

Place : Ludhiana
Date : May 29, 2023

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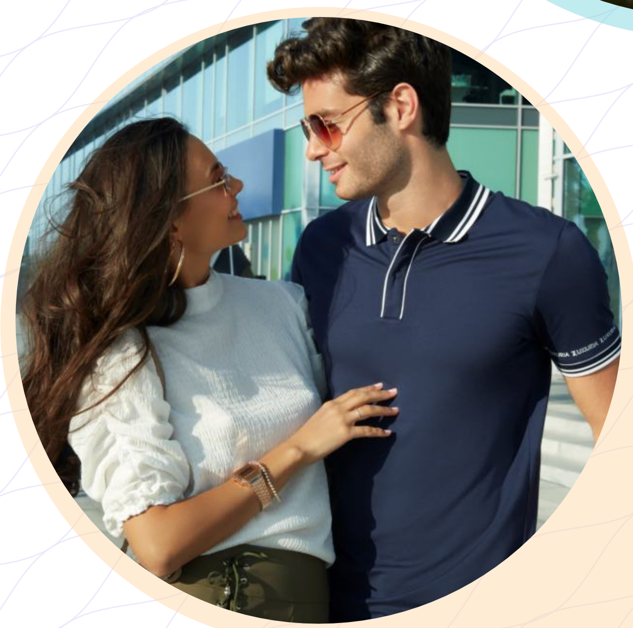
SQUAD



MONTE CARLO FASHIONS LIMITED

(CIN: L51494PB2008PLC032059)

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