

# Walker Chandio & Co LLP

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

To the Board of Directors of Monte Carlo Fashions Limited

### Opinion

1. We have audited the accompanying annual financial results ('the Statement') of Monte Carlo Fashions Limited ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Uncertainties related to Covid-19

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



Chartered Accountants

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

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

## Responsibilities of Management and Those Charged with Governance for the Statement

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

## Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists





# Walker Chandiook & Co LLP

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

## For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Sandeep Mehta**

Partner

Membership No. 099410

UDIN: 21099410AAAABZ3999



**Place:** Mohali

**Date:** 14 May 2021

**Monte Carlo Fashions Limited**

Registered/Corporate Office : B-XXIX-406, G.T. Road, Sherpur, Ludhiana-141003, Punjab  
Tel.: 91-161-5048610-40, Fax: 91-161-5048650, Email: info@montecarlo.in, Website: http://www.montecarlo.in  
Statement of audited financial results for the quarter and for the year ended 31 March 2021

CIN: L51494PB2008PLC032059

Sr. No.		Particulars	3 months ended (31 March 2021)	Preceding 3 months ended (31 December 2020)	Corresponding 3 months ended in the previous year (31 March 2020)	Year to date figures for current year ended (31 March 2021)	Previous year ended (31 March 2020)
		(refer notes below)	(Audited) (refer note 9)	(Unaudited)	(Audited) (refer note 9)	(Audited)	(Audited)
<b>Income</b>							
1		Revenue from operations	10,876.18	40,382.48	10,946.65	62,201.73	72,561.32
2		Other income	615.14	392.47	101.52	2,017.07	1,151.79
3		<b>Total income (1+2)</b>	<b>11,491.32</b>	<b>40,774.95</b>	<b>11,048.17</b>	<b>64,218.80</b>	<b>73,713.11</b>
<b>Expenses</b>							
4		(a) Cost of materials consumed	3,622.56	2,453.90	2,883.75	14,894.44	17,426.51
		(b) Purchases of stock-in-trade	2,565.96	9,345.80	4,746.24	16,894.58	23,398.10
		(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(541.09)	11,692.70	(1,723.93)	1,309.95	(2,510.92)
		(d) Employee benefits expense	1,951.40	1,692.11	1,858.47	5,988.56	6,961.95
		(e) Finance costs	343.66	353.70	330.99	1,351.04	1,701.01
		(f) Depreciation and amortization expense	885.96	870.66	895.26	3,420.03	3,340.38
		(g) Other expenses					
		-Advertisement and business promotion	640.88	291.52	764.77	1,100.15	3,006.79
		-Corporate social responsibility expenditure	7.97	170.31	11.43	179.61	162.48
		-Others	2,756.64	3,116.59	2,398.15	10,278.37	11,673.89
		<b>Total expenses</b>	<b>12,233.94</b>	<b>29,987.29</b>	<b>12,165.13</b>	<b>55,416.73</b>	<b>65,160.19</b>
5		<b>Profit/(loss) before tax (3-4)</b>	<b>(742.62)</b>	<b>10,787.66</b>	<b>(1,116.96)</b>	<b>8,802.07</b>	<b>8,552.92</b>
6		Tax expense					
		-Current tax expense/(credit)	(1,208.86)	3,505.10	(1,069.69)	2,408.46	2,337.82
		-Deferred tax expense/(credit)	861.91	(581.16)	974.75	(221.19)	(53.91)
		-Tax earlier years		(71.97)		(14.78)	
7		<b>Profit/(loss) for the period (5-6)</b>	<b>(395.67)</b>	<b>7,935.69</b>	<b>(1,022.02)</b>	<b>6,629.58</b>	<b>6,269.01</b>
8		<b>Other comprehensive income</b>					
		(i) Items that will not be reclassified to profit or loss	455.92	(20.14)	(51.26)	399.35	(101.85)
		(ii) Income tax relating to items that will not be reclassified to profit or loss	(114.75)	5.07	12.90	(100.51)	25.63
9		<b>Total comprehensive income for the period (7+8)</b>	<b>(44.50)</b>	<b>7,920.62</b>	<b>(1,060.38)</b>	<b>6,928.42</b>	<b>6,192.79</b>
10		Paid-up equity share capital (face value of ₹ 10 each)	2,073.21	2,073.21	2,073.21	2,073.21	2,073.21
11		Other equity				58,335.80	52,444.15
12		<b>Earnings/(loss) per share (face value of ₹ 10 each) (not annualised for the quarters)</b>					
		(a) Basic (in ₹)	(1.91)	38.28	(4.93)	31.98	30.24
		(b) Diluted (in ₹)	(1.91)	38.28	(4.93)	31.98	30.24





## Notes:

## 1. Statement of assets and liabilities

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, plant and equipment	14,926.87	15,178.03
b) Right-of-Use assets	7,521.21	7,585.74
c) Capital work-in-progress	116.44	248.54
d) Intangible assets	36.01	57.58
e) Financial assets		
i) Investments	392.41	3,571.39
ii) Loans	577.11	402.78
iii) Other financial assets	1,005.21	812.44
f) Income tax assets (net)		889.54
g) Deferred tax assets (net)	912.29	791.61
h) Other non-current assets	247.91	172.00
<b>Total non-current assets</b>	<b>25,735.46</b>	<b>29,709.65</b>
<b>Current assets</b>		
a) Inventories	20,153.92	21,618.21
b) Financial assets		
i) Investments	17,359.59	9,793.54
ii) Trade receivables	22,949.97	25,216.72
iii) Cash and cash equivalents	44.46	134.43
iv) Bank balances other than cash and cash equivalents	4,041.02	1,142.29
v) Loans	58.37	56.49
vi) Other financial assets	348.09	135.69
c) Other current assets	2,969.19	3,236.73
<b>Total current assets</b>	<b>67,924.61</b>	<b>61,334.10</b>
<b>TOTAL ASSETS</b>	<b>93,660.07</b>	<b>91,043.75</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	2,073.21	2,073.21
b) Other equity	58,335.80	52,444.15
<b>Total equity</b>	<b>60,409.01</b>	<b>54,517.36</b>
<b>Non-current liabilities</b>		
a) Financial liabilities		
i) Borrowings	1,172.69	1,630.74
ii) Others financial liabilities	1,861.86	1,685.49
iii) Lease liability	7,195.32	7,038.90
b) Other non-current liabilities	103.27	117.15
c) Provisions		193.25
<b>Total non-current liabilities</b>	<b>10,333.14</b>	<b>10,665.53</b>
<b>Current liabilities</b>		
a) Financial liabilities		
i) Borrowings	1,847.68	1,544.47
ii) Trade and other payables		
-total outstanding dues of micro enterprises and small enterprises; and	92.53	147.01
-total outstanding dues of creditors other than micro enterprises and small enterprises	13,779.16	16,589.05
iii) Other financial liabilities	4,734.22	5,437.78
iv) Lease liability	1,157.01	999.66
b) Other current liabilities	1,157.18	917.16
c) Income tax liabilities (net)	61.76	
d) Provisions	88.38	225.73
<b>Total current liabilities</b>	<b>22,917.92</b>	<b>25,860.86</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>93,660.07</b>	<b>91,043.75</b>



Notes:		
2. Cash flow statement for the year ended 31 March 2021		
	(` in lakhs, unless otherwise stated)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	Audited	Audited
<b>A. Cash flow from operating activities:</b>		
Profit before tax expenses	8,802.07	8,552.93
Add: Adjustment for non-cash & non-operating items		
Depreciation and amortisation expense	3,420.03	3,340.38
Finance costs	1,351.04	1,701.01
Interest income	(607.82)	(368.11)
Loss/(profit) on sale of investments (net)	3.36	(41.92)
Loss/(profit) on sale of property, plant and equipment (net)	8.04	(3.01)
Advances written back	(30.56)	(71.40)
Provisions no longer required, written back	(574.51)	
Fair valuation of investments through profit and loss	(529.69)	(635.18)
Amounts written off	271.02	
Provision for balances with statutory and government authorities	168.46	
Provision for credit impaired receivables	20.78	51.85
Bad debts		27.00
<b>Operating profit before working capital changes</b>	<b>12,302.21</b>	<b>12,553.54</b>
Adjustments for movement in:		
Changes in trade receivables	1,974.96	(3,310.28)
Changes in inventories	1,464.28	(2,502.42)
Changes in loans (non-current)	(174.32)	23.31
Changes in loans (current)	(1.88)	62.55
Changes in other current assets	99.08	(54.22)
Changes in other non-current assets	54.43	(68.00)
Changes in trade and other payables	(2,864.38)	3,281.10
Changes in other financial liabilities (non-current)	176.37	152.92
Changes in other financial liabilities (current)	(702.93)	(4,427.08)
Changes in other current liabilities	270.58	287.22
Changes in other non-current liabilities	(13.88)	(13.92)
Changes in short-term provisions	(137.35)	(0.04)
Changes in long-term provisions	206.11	(9.81)
<b>Cash flow generated from operating activities before taxes</b>	<b>12,653.28</b>	<b>5,974.85</b>
Direct taxes paid (net of refunds & demands)	(1,442.38)	(2,319.45)
<b>Net cash generated from operating activities (A)</b>	<b>11,210.91</b>	<b>3,655.40</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment (including capital advances and creditors for capital goods)	(1,732.72)	(2,745.87)
Proceeds from sale of property, plant and equipment	23.14	20.79
Purchase of investments	(10,900.00)	(300.00)
Proceeds from sale of investments	7,039.27	1,365.09
Bank balances not considered as cash and cash equivalents		
-Placed	(4,233.79)	(1,946.12)
-Matured	1,142.29	225.36
Interest received	441.83	346.31
<b>Net cash used in investing activities (B)</b>	<b>(8,219.99)</b>	<b>(3,034.45)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long-term borrowings		950.21
Repayment of long-term borrowings	(458.05)	(437.04)
Changes in current borrowings (net)	303.21	(1,629.59)
Payment of lease liabilities	(1,178.79)	(1,466.89)
Dividend paid (including dividend distribution tax)	(1,036.76)	
Reduction in other equity due to buy back of shares (including buy back related expenses)		(47.60)
Finance cost paid	(710.50)	(1,121.16)
<b>Net cash used in financing activities (C)</b>	<b>(3,080.89)</b>	<b>(3,752.06)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(89.97)</b>	<b>(3,131.11)</b>
Cash and cash equivalents at the beginning of the period	134.43	3,265.54
<b>Closing cash and cash equivalents</b>	<b>44.46</b>	<b>134.43</b>
<b>Cash and cash equivalents include:</b>		
Cash in hand (including stamps)	21.49	31.54
Balance with banks	22.97	37.13
Deposits with original maturity of less than three months		65.76
<b>Cash and bank balances</b>	<b>44.46</b>	<b>134.43</b>





**Notes:**

3. The above financial results have been audited by the statutory auditors of the Company and reviewed by the Audit Committee and taken on record by the Board of Directors in their respective meeting held on 14 May 2021.
4. The above financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standard) Rules, 2016 prescribed under Section 133 of the Companies Act, 2013 (the Act), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
5. In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a pandemic. Complying with the directives of Government, the plant and offices of the Company had been under lock-down for few months, resulting thereto, the operations for the year have been impacted. Post lockdown, the Company has gradually resumed its manufacturing operations to normal. However, the recent second wave of Covid-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the Company's performance.  
The Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future.
6. The Company's primary business segment is reflected based on principal business activities carried on by the Company. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker (CODM) and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit. Therefore, there are no separate reportable business segments as per Ind AS 108- Operating Segments. The Company operates in one reportable business segment i.e., manufacturing and trading of textile garments and is primarily operating in India and hence, considered as single geographical segment. The sale of Company's products is seasonal.
7. The Code on Social Security, 2020 ("Code") relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Company will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
8. The Board of Directors have recommended a final dividend of 150% (Rs 15 per equity share of Rs 10 each), subject to the approval of shareholders in the ensuing Annual General Meeting.
9. Figures for the quarter ended 31 March 2021 and 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

For and on behalf of Board of Directors

Place: Ludhiana

Date: 14 May 2021

*Jawahar Lal Oswal*

Chairman and Managing Director

(DIN: 00463866)



## **MONTE CARLO FASHIONS LIMITED**

**Regd. Office : B-XXIX-106, G.T. Road, Sherpur, Ludhiana - 141003 (Pb.) India.**

**Tel.: 91-161-5048610, 5048620, 5048630, 5048640 Fax : 91-161-5048650**

**DECLARATION PURSUANT TO REGULATION 33(3)(d) OF SEBI (LISTING OBLIGATIONS AND  
DISCLOSURES REQUIREMENTS) (AMENDMENT) REGULATIONS, 2016.**

I, Jawahar Lal Oswal, Chairman & Managing Director of Monte Carlo Fashions Limited having its Registered Office at B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003, do hereby declare that M/s Walker Chandiok & Co. LLP, Statutory Auditors of the Company have carried out audit of the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2021 and have issued an Audit Report with unmodified opinion.

**PLACE : LUDHIANA**

**DATE : 14.05.2021**

**FOR MONTE CARLO FASHIONS LIMITED**



**CHAIRMAN & MANAGING DIRECTOR**