

Monte Carlo Fashions Limited
Registered/Corporate Office : B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003, Punjab
Tel.: 91-161-5048610-40, Fax: 91-161-5048650, Email: info@montecarlo.in, Website: http://www.montecarlocorporate.com, CIN: L51494PB2008PLC032059
Statement of unaudited financial results for the quarter and six months ended 30 September 2019

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	For the quarter ended			For the six months ended		For the year ended
		3 months ended (30 September 2019)	Preceding 3 months ended (30 June 2019)	Corresponding 3 months ended in the previous year (30 September 2018)	Year to date figures for current period ended (30 September 2019)	Year to date figures for previous period ended (30 September 2018)	Previous year ended (31 March 2019)
	(refer notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Income						
1	Revenue from operations	15,282.42	5,992.04	12,579.50	21,274.46	18,503.58	65,637.47
2	Other income	440.43	262.95	376.21	703.38	691.32	1,822.85
3	Total income (1+2)	15,722.85	6,254.99	12,955.71	21,977.84	19,194.90	67,460.32
4	Expenses						
	(a) Cost of materials consumed	6,637.55	4,275.44	5,737.14	10,912.99	10,021.37	16,405.14
	(b) Purchases of stock-in-trade	7,884.67	1,958.05	6,480.00	9,842.72	7,273.03	19,498.38
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress (refer note 6)	(7,320.79)	(4,284.79)	(6,339.83)	(11,605.58)	(9,506.63)	(1,464.13)
	(d) Employee benefits expense	1,694.04	1,526.45	1,558.26	3,220.49	2,911.34	5,949.19
	(e) Finance costs	467.34	349.64	248.94	816.98	404.47	894.61
	(f) Depreciation and amortization expense	827.33	723.75	473.85	1,551.08	932.95	1,910.01
	(g) Other expenses						
	- Advertisement and business promotion	838.04	544.36	662.06	1,382.40	1,432.75	3,599.56
	- Corporate social responsibility expenditure	-	-	-	-	-	465.63
	- Others	3,527.04	2,209.91	3,038.74	5,736.95	5,251.60	11,349.08
	Total expenses	14,555.22	7,302.81	11,859.16	21,858.03	18,720.88	58,607.47
5	Profit/(loss) before tax (3-4)	1,167.63	(1,047.82)	1,096.55	119.81	474.02	8,852.86
6	Tax expense (refer note 6 and 8)						
	- Current tax	25.61	4.92	3.36	30.53	20.30	2,272.37
	- Deferred tax charge/(credit)	463.16	(438.80)	410.19	24.36	154.63	620.89
7	Profit/(loss) for the period (5-6)	678.86	(613.94)	683.00	64.92	299.09	5,959.61
8	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss	(13.01)	(13.17)	9.09	(26.18)	13.31	(62.42)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.99	4.60	(3.17)	6.59	(4.65)	21.81
9	Total comprehensive income for the period (7+8)	667.84	(622.51)	688.92	45.33	307.75	5,918.99
10	Paid-up equity share capital (face value of ₹ 10 each)	2,073.21	2,073.21	2,173.21	2,073.21	2,173.21	2,073.21
11	Other equity						46,298.95
12	Earnings/(loss) per share (face value of ₹ 10 each) (not annualised for the quarters) (refer note 6)						
	(a) Basic (in ₹)	3.27	(2.96)	3.14	0.31	1.38	27.46
	(b) Diluted (in ₹)	3.27	(2.96)	3.14	0.31	1.38	26.85



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Notes:		
1. Statement of Assets and Liabilities		
	(₹ in lakhs, unless otherwise stated)	
Particulars	As at	As at
	30 September 2019	31 March 2019
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
a) Property, plant and equipment	15,972.99	14,855.30
b) Right-of-use assets [refer note 7]	6,756.83	-
c) Capital work-in-progress	27.43	2.38
d) Other intangible assets	78.27	94.36
e) Financial assets		
i) Investments	3,430.40	4,772.11
ii) Loans	443.37	426.09
iii) Other financial assets	949.25	8.61
f) Income tax assets (net)	2,441.30	907.90
g) Deferred tax assets (net)	694.30	712.06
h) Other non-current assets	94.82	126.53
Total non-current assets	30,888.96	21,905.34
Current assets		
a) Inventories [refer note 6]	31,012.88	19,115.78
b) Financial assets		
i) Investments	9,732.82	8,980.82
ii) Trade receivables	24,825.45	21,985.28
iii) Cash and cash equivalents	145.88	3,265.54
iv) Other bank balances	103.61	225.36
v) Loans	99.66	119.04
vi) Other financial assets	92.95	54.48
c) Other current assets	4,336.74	3,182.51
Total current assets	70,349.99	56,928.81
TOTAL ASSETS	101,238.95	78,834.15
EQUITY AND LIABILITIES		
a) Equity share capital	2,073.21	2,073.21
b) Other equity	46,297.85	46,298.95
Total equity	48,371.06	48,372.16
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	1,889.50	1,286.65
ii) Others financial liabilities	1,575.87	1,532.57
iii) Lease liability [refer note 7]	6,066.44	-
b) Other non-current liabilities	124.11	131.07
c) Provisions	264.81	203.06
Total non-current liabilities	9,920.73	3,153.35
Current liabilities		
a) Financial liabilities		
i) Borrowings	15,884.51	3,174.06
ii) Trade and other payables		
-total outstanding dues of micro enterprises and small enterprises	229.06	230.91
-total outstanding dues of creditors other than micro enterprises and small enterprises	18,300.72	13,224.05
iii) Other financial liabilities	4,465.38	9,854.36
iv) Lease liability [refer note 7]	891.32	-
b) Other current liabilities	3,083.87	701.34
c) Provisions	92.30	123.92
Total current liabilities	42,947.16	27,308.64
TOTAL EQUITY AND LIABILITIES	101,238.95	78,834.15



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2. Cash flow statement for the six months ended 30 September 2019
(prepared under indirect method)

(₹ in lakhs, unless otherwise stated)

Particulars	Six months ended 30 September 2019	Six months ended 30 September 2018
	Unaudited	Unaudited, refer note 9
A. Cash flow from operating activities:		
Profit before tax expenses	119.81	474.02
Add: Adjustment for non-cash & non-operating items		
Depreciation and amortisation expense	1,551.08	932.95
Finance costs	816.98	404.47
Government grants income	(6.96)	(6.96)
Interest income-banks	(22.77)	(63.01)
Interest income-others	(169.82)	(307.16)
Profit on sale of investments (net)	(41.92)	(2.40)
Profit on sale of property, plant and equipment (net)	(0.37)	(0.67)
Fair valuation of investments through profit and loss	(433.47)	(208.12)
Amounts written off	8.92	-
CST/VAT reversal	(25.37)	-
Operating profit before working capital changes	1,796.11	1,223.11
Adjustments for movement in:		
Changes in trade receivables	(2,840.17)	(2,655.61)
Changes in inventories	(11,897.10)	(7,262.67)
Changes in short-term loans	35.82	7.54
Changes in long-term loans	(39.91)	(36.95)
Changes in other current assets	(1,154.23)	(1,500.02)
Changes in other financial assets	(31.30)	25.92
Changes in other non-current assets	21.70	(19.07)
Changes in trade and other payables	5,074.80	4,070.36
Changes in other financial liabilities	142.29	2,898.37
Changes in other current liabilities	2,382.53	977.02
Changes in short-term provisions	(31.62)	527.78
Changes in long-term provisions	35.57	-
Cash flow used in operating activities before taxes	(6,505.51)	(1,744.22)
Direct taxes paid (net of refunds & demands)	(1,563.93)	(1,434.40)
Net cash used in operating activities (A)	(8,069.44)	(3,178.62)
B. Cash flow from investing activities:		
Purchase of property, plant and equipment (including capital advances and creditors for capital goods)	(2,254.38)	(432.83)
Proceeds from sale of property, plant and equipment	7.01	1.82
Purchase of investments	(300.00)	(900.00)
Proceeds from sale of investments	1,365.09	890.78
Bank balances not considered as cash and cash equivalents		
-Placed	(1,044.25)	(1,661.52)
-Matured	225.36	1,659.80
Interest received	208.04	554.37
Net cash (used in)/generated from investing activities (B)	(1,793.13)	112.42
C. Cash flow from financing activities:		
Changes in long-term borrowings	771.93	(117.81)
Changes in current borrowings	12,710.46	9,358.45
Payment of lease liabilities	(665.21)	-
Dividend paid (including dividend distribution tax)	-	(5,828.12)
Buy-back of equity shares	(5,500.00)	-
Buy-back related expenses	(46.16)	-
Finance cost paid	(528.12)	(416.91)
Net cash generated from financing activities (C)	6,742.90	2,995.61
Net decrease in cash and cash equivalents (A+B+C)	(3,119.66)	(70.59)
Cash and cash equivalents at the beginning of the year	3,265.54	152.23
Closing cash and cash equivalents	145.88	81.64
Cash and cash equivalents include:		
Cash in hand (including stamps)	35.85	40.30
Balance with banks	39.16	41.33
Deposits with original maturity of less than three months	70.87	-
Cash and bank balances	145.88	81.64



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Notes:

3. The above financial results for the quarter and six months ended 30 September 2019 have been reviewed by the statutory auditors of the Company and by the Audit Committee and taken on record by the Board of Directors in its meeting held on 13 November 2019. The statutory auditors have expressed an unmodified conclusion on these results.

4. The above financial results have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standard) Rules, 2016 as specified under section 133 of the Companies Act, 2013.

5. 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.

6. During the previous year, Company has changed the policy of manufactured finished goods valuation from retail method to actual cost method. The Company has applied the change in accounting policy retrospectively by adjusting the opening balance of equity for the earliest prior period presented and the other comparative amounts disclosed in financial results for each prior period presented, to the extent possible. The impact on financial results for the quarter and six months ended 30 September 2018 as a result of this adjustment is as under:

Impact on financial results

Particulars	Corresponding 3 months ended in the previous year (30 September 2018)	Year to date figures for previous period ended (30 September 2018)	Previous year ended (31 March 2019)
Increase/(decrease) in changes in inventories of finished goods, stock-in-trade and work-in-progress	29.08	1,684.30	(683.28)
Increase/(decrease) of tax expense	(10.16)	(588.56)	238.76
Increase/(decrease) in basic earning per share	(0.09)	(5.04)	2.05
Increase/(decrease) in diluted earning per share	(0.09)	(5.04)	2.00

7. Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability. This has resulted in recognizing a ROU asset and a corresponding Lease Liability of ₹ 6,742.02 lakhs as at 1 April 2019. Accordingly, comparatives for the quarter and six months ended 30 September 2018 and year ended 31 March 2019 have not been retrospectively adjusted. The effect of this adoption is not material on the profit for the period and earnings per share.

8. The Company has exercised the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Assets (net) as on 31 March 2019 and the estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the current and the remaining quarters of the financial year. Consequently, tax expense for the current quarter and six months ended 30 September 2019 includes a debit of Rs. 66.88 lacs.

9. Cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.

For and on behalf of Board of Directors



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

Place: Ludhiana
Date: 13 November 2019



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Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date 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

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Monte Carlo Fashions Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 1 April 2019 to 30 September 2019, being submitted by the Company pursuant to the 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. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

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

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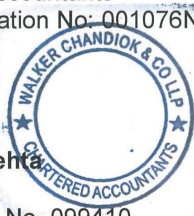
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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Sandeep Mehta

Partner

Membership No. 099410

UDIN 19099410 AAAACR9041

Place: Ludhiana

Date: 13 November 2019