

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

February 12, 2019

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| National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051. | BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. |
| Symbol: MONTECARLO | Scrip Code: 538836 |

SUB: PUBLIC ANNOUNCEMENT FOR THE BUY-BACK OF EQUITY SHARES OF THE COMPANY

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 7 of the SEBI (Buy-Back of Securities) Regulations, 2018, please find enclosed herewith a copy of the Public Announcement dated February 08, 2019 for Buy-Back of Equity Shares of the Company published in the following newspapers on February 11, 2019:

| Sr. No | Name of the Newspaper | Language | Editions |
|--------|-----------------------|-----------------|---------------------|
| 1. | Business Standard | English & Hindi | All Editions |
| 2. | Desh Sewak | Punjabi | Punjab & Chandigarh |

We request you to kindly take the above on record as per the SEBI (Buy-Back of Securities) Regulations, 2018.

Yours faithfully,
For MONTE CARLO FASHIONS LIMITED


SANDEEP JAIN
EXECUTIVE DIRECTOR

Encl. As Above.



MONTE CARLO FASHIONS LIMITED

(CIN: L51494PB2008PLC032059)

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

Tel.: 91-161-5048610-40, Fax: 91-161-5048650

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE EQUITY SHARES OF MONTE CARLO FASHIONS LIMITED FOR THE BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

THIS PUBLIC ANNOUNCEMENT (THE "PUBLIC ANNOUNCEMENT") IS BEING MADE PURSUANT TO THE PROVISIONS OF REGULATION 7(I) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED (THE "BUY-BACK REGULATIONS") AND CONTAINS THE DISCLOSURES AS SPECIFIED IN SCHEDULE II TO THE BUY-BACK REGULATIONS READ WITH SCHEDULE I OF THE BUY-BACK REGULATIONS.

CASH OFFER TO BUY-BACK UPTO 1,000,000 (TEN LAKHS) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) EACH ("EQUITY SHARES"), AT A PRICE OF ₹550/- (RUPEES FIVE HUNDRED FIFTY ONLY) PER EQUITY SHARE PAYABLE IN CASH FOR AN AGGREGATE AMOUNT OF UPTO ₹550,000,000 (RUPEES FIFTY FIVE CRORES ONLY), EXCLUDING EXPENSES INCURRED OR TO BE INCURRED FOR THE BUY-BACK, WHICH REPRESENTS 10.46% OF THE AGGREGATE OF COMPANY'S FULLY PAID-UP EQUITY SHARE CAPITAL AND FREE RESERVES AS ON MARCH 31, 2018, THROUGH THE "TENDER OFFER" ROUTE PROCESS USING THE STOCK EXCHANGE MECHANISM, ON A PROPORTIONATE BASIS ("BUY-BACK OFFER" OR "OFFER" OR "BUY-BACK"). THE MAXIMUM NUMBER OF EQUITY SHARES CONSTITUTES 4.60% OF ISSUED, SUBSCRIBED AND FULLY PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

I. DETAILS OF THE BUY-BACK OFFER

1.1. The Board of Directors of Monte Carlo Fashions Limited (the "Company") (the Board of Directors of the Company hereinafter referred to as the "Board"), at their meeting held on November 30, 2018 (the "Board Meeting"), pursuant to the provisions of Article 55 of Articles of Association of the Company and applicable provisions of the Companies Act, 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules") to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the Buy-Back Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the Buy-Back by the Company of upto 1,000,000 (Ten Lakhs) fully paid up Equity Shares representing 4.60% of the total number of Equity Shares in the paid-up share capital of the Company at a price of not exceeding ₹550/- (Rupees Five Hundred and Fifty only) per Equity Share ("Maximum Buy-Back Price") payable in cash for an aggregate amount of upto ₹550,000,000 (Rupees Fifty Five Crores only), excluding expenses incurred or to be incurred for the Buy-Back (the "Maximum Buy-Back Size"), which does not exceed 25% of the fully paid-up Equity Share capital and free reserves as per the audited financial statements of the Company as at and for the period ended March 31, 2018, through the "tender offer" route through Stock Exchange mechanism method as prescribed under the Buy-Back Regulations on a proportionate basis, from the shareholders/beneficial owners of the Equity Shares of the Company as of the Record Date (hereinafter referred to as "Buy-Back"). The equity shareholders approved the Buy-Back, by way of a special resolution, through postal ballot notice dated November 30, 2018 (including e-voting), the results of which were announced on February 8, 2019. The equity shareholders of the Company authorized the Board (unless repugnant to the context or meaning thereof, be deemed to include a duly authorized "Buy-Back Committee") to finalize the terms of the Buy-Back, including the amount to be utilized towards the Buy-Back and the time frame within the aforesaid limits.

1.2. The Board of Directors vide its resolution dated February 08, 2019 determined the final Buy-Back Price of ₹550/- (Rupees Five Hundred Fifty only) per Equity Share (the "Buy-Back Price") and the total amount for Buy-Back i.e. ₹550,000,000/- (Rupees Fifty Five Crores only) ("Buy-Back Size"), excluding the expenses incurred or to be incurred for the Buy-Back.

1.3. The Buy-Back is in accordance with Article 55 of the Articles of Association of the Company, Sections 68, 69, 70 and 110 and all other applicable provisions of the Companies Act, Share Capital Rules, the Companies (Management and Administration) Rules, 2014 ("Management and Administration Rules") and the Buy-Back Regulations.

1.4. The Buy-Back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares of the Company are listed, namely, National Stock Exchange of India Limited (the "NSE") and the BSE Limited (the "BSE") (hereinafter together referred to as the "Stock Exchanges").

1.5. This Buy-Back from non-resident members, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and members of foreign nationality, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any, and such approvals shall be required to be taken by such non-resident members.

1.6. The Buy-Back shall be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (as defined below) ("Eligible Shareholders" or "Eligible Sellers") through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-Back Regulations, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-Back or number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under the proviso to Regulation 6 of the Buy-Back Regulations. Additionally, the Buy-Back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 ("SEBI Circulars"). In this regard, the Company will request SEBI to provide the acquisition window. For the purposes of this Buy-Back, SEBI is the designated stock exchange ("Designated Stock Exchange"). Once the Buy-Back is concluded, all Equity Shares purchased by the Company in the Buy-Back will be extinguished.

1.7. In terms of the Buy-Back Regulations, under the tender offer route, the Promoter of the Company have an option to participate in the Buy-Back. However, Promoter and/or the Promoter Group vide letter dated November 28, 2018 have expressed their intention about their non-participation in the Buy-Back.

1.8. The Buy-Back of Equity Shares may be subject to taxation in India and in the country of residence of the Eligible Shareholders. The transaction of Buy-Back would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a letter of offer, which will contain a detailed note on taxation. However, in view of the particularized nature of tax consequences Eligible Shareholders are required to consult their tax advisors for the applicable tax provisions including the treatment that may be given by their respective tax officers in their case, and the appropriate course of action that they should take in this regard.

1.9. A copy of this Public Announcement is available on the website of the Company at www.montecarlocorporate.com and is expected to be available on the website of the SEBI at www.sebi.gov.in during the period of Buy-Back and on the website of the Stock Exchanges at www.nseindia.com and www.bseindia.com.

II. NECESSITY OF THE BUY-BACK

2.1. Considering the healthy cash flows that the Company has been able to generate consistently, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Board of the Company is of the view that the proposed Buy-Back will help the Company to achieve the following objectives: (a) Optimize returns to shareholders; (b) Enhance overall shareholders value; and (c) Optimise the capital structure.

2.2. The proposed Buy-Back is being undertaken, inter-alia, for the following reasons:

- The Buy-Back will help the Company to return surplus cash to its Shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to the Shareholders;
- The Buy-Back may help in improving return on equity due to reduction in the equity base, thereby leading to long term increase in shareholders' value; and
- The Buy-Back gives an option to the Shareholders holding Equity Shares of the Company, to either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-Back Offer or (ii) choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy-Back Offer, without additional investment.

III. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUY-BACK

3.1. The Company proposes to Buy-Back not exceeding 1,000,000 (Ten Lakhs) Equity Shares of face value of ₹10/- (Rupees Ten only) each, which represents 4.60% of the total number of Equity Shares of the Company.

IV. BUY-BACK PRICE AND BASIS OF DETERMINING THE BUY-BACK PRICE:

4.1. The Equity Shares of the Company are proposed to be bought back at a Buy-Back Price of ₹550/- (Rupees Five Hundred Fifty only) per Equity Share. The said price has been determined after considering various factors including, but not limited to the volume weighted average prices of the Equity Shares traded on the BSE and NSE where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buy-Back on the earnings per Share.

4.2. The Maximum Buy-Back Price and Buy-Back price represents:

- Premium of 47.37% and 45.60% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, during three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-Back;
- Premium of 58.92% and 58.13% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-Back.

V. MAXIMUM AMOUNT REQUIRED FOR THE BUY-BACK, ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUY-BACK WOULD BE FINANCED

5.1. The maximum amount required for Buy-Back will not exceed ₹550,000,000/- (Rupees Fifty Five Crores only) excluding transaction costs, being 10.46% of fully paid up share capital and free reserves which is not exceeding 25% of the aggregate of the fully paid up share capital and free reserves as per the audited financial statements of the Company as on March 31, 2018 and the same has been confirmed by the statutory auditors of the Company.

5.2. The proposed Buy-Back will be implemented out of the funds available with the Company or such other source as may be permitted by the Buy-Back Regulations or the Companies Act. The Company confirms that it has got sufficient source to pay of the Buy-Back and would not borrow funds for the said purpose.

5.3. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buy-Back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statement.

VI. METHOD TO BE ADOPTED FOR THE BUY-BACK

6.1. The method to be adopted for the purpose of Buy-Back shall be through the Tender Offer route as prescribed under the Buy-Back Regulations and circulars issued thereunder, including the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, or such other mechanism, for the Buy-Back through Tender Offer route, as may be applicable.

VII. DETAILS OF SHAREHOLDING OF PROMOTERS, DIRECTORS OF THE PROMOTER, PERSONS IN CONTROL, DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

7.1. The aggregate shareholding in the Company, of the Promoters/ Person in control of the Company, Directors of the Promoter, Directors and Key Managerial Personnel of the Company as on the date of postal ballot notice dated November 30, 2018 ("Notice") is given below:

- Shareholding of Promoter and Persons in Control of the Company:

| Sr. No | Name | No. of Shares held | Percentage |
|--------|--|--------------------|------------|
| 1. | Sidhant And Mannat Company Limited | 5229714 | 24.06% |
| 2. | Simran And Shanaya Company Limited | 4404000 | 20.26% |
| 3. | Nahar Capital And Financial Services Ltd | 1651215 | 7.60% |
| 4. | Nagdevi Trading & Investment Co. Ltd | 1185150 | 5.45% |
| 5. | Vanaik Investors Ltd. | 409273 | 1.88% |
| 6. | Ms. Tanvi Oswal | 175000 | 0.81% |
| 7. | Sh. Kamal Oswal | 109112 | 0.50% |
| 8. | Sh. Jawahar Lal Oswal | 111359 | 0.51% |
| 9. | Sh. Dinesh Oswal | 108623 | 0.50% |
| 10. | Smt. Abhilash Oswal | 107583 | 0.50% |
| 11. | Vanaik Spinning Mills Ltd | 95842 | 0.44% |
| 12. | Mr. Sambhav Oswal | 87500 | 0.40% |
| 13. | Oswal Woolen Mills Ltd | 75642 | 0.35% |
| 14. | Mr. Abhinav Oswal | 70000 | 0.32% |
| 15. | Sh. Rishabh Oswal | 70000 | 0.32% |
| 16. | Atam Vallabh Financiers Ltd | 67106 | 0.31% |
| 17. | Smt. Manisha Oswal | 52500 | 0.24% |
| 18. | Vardhman Investments Ltd | 49718 | 0.23% |
| 19. | Smt. Ritu Oswal | 17500 | 0.08% |
| 20. | Smt. Monica Oswal | 1050 | 0.00% |
| 21. | Smt. Ruchika Oswal | 1050 | 0.00% |
| 22. | Neha Credit & Investment Pvt. Ltd | 42 | 0.00% |

b) Aggregate shareholding of Directors and Key Managerial Personnel of the Company:

| Sr.No | Name | No. of Shares held | Percentage |
|-------|-----------------------|--------------------|------------|
| 1. | Sh. Jawahar Lal Oswal | 111359 | 0.51% |
| 2. | Sh. Sandeep Jain | 344 | 0.00% |
| 3. | Smt. Monica Oswal | 1050 | 0.00% |
| 4. | Smt. Ruchika Oswal | 1050 | 0.00% |
| 5. | Sh. Dinesh Gogna | 1000 | 0.00% |
| 6. | Sh. Raj Kapoor Sharma | 380 | 0.00% |

Except as stated above, none of the Directors or Key Managerial Personnel of the Company holds any Equity Shares in the Company.

7.2. The aggregate number of shares or other specified securities of the Company purchased or sold by (i) Promoters, (ii) Persons in Control of the Company, (iii) directors of the Promoter Company, (iv) Directors during the six (6) months preceding November 30, 2018 being the date of the Board Meeting at which the Buy-Back was approved, and from that date till the date of the Notice, together with the details of maximum and minimum price paid for such transaction are given below:

| Name of Promoter/ Promoter Group/ Director/ Directors of the Promoter Company | Nature of Transaction | No. of Equity Shares purchased/sold | Date of Transaction | Maximum Price (₹)* | Minimum Price (₹)* |
|---|-----------------------|-------------------------------------|---------------------|--------------------|--------------------|
| Oswal Woolen Mills Limited | Buy | 6023 | 18.07.2018 | 400.80 | 399.75 |
| | Buy | 8508 | 19.07.2018 | 398.80 | 395.79 |
| | Buy | 2938 | 20.07.2018 | 398.60 | 390.58 |
| Sh. Sandeep Jain | Buy | 500 | 24.07.2018 | 397.00 | 394.00 |
| | Sell | 50 | 30.08.2018 | 441.00 | 441.00 |
| | Sell | 30 | 03.09.2018 | 444.00 | 444.00 |
| Sh. Jawahar Lal Oswal | Sell | 76 | 04.09.2018 | 449.00 | 442.00 |
| | Gift | 2572 | 30.10.2018 | N.A. | N.A. |

* Excluding Brokerage and other transaction costs.

VIII. INTENTION OF THE PROMOTERS/ PERSONS IN CONTROL OF THE COMPANY AND PROMOTER GROUP TO TENDER EQUITY SHARES FOR BUY-BACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE:

8.1. In terms of the Buy-Back Regulations, under the Tender Offer route, the Promoters of the Company have an option to participate in the Buy-Back. However, Promoter and/or the Promoter Group have expressed their intention vide letter dated 28th November 2018 not to participate in the Buy-Back.

IX. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUY-BACK REGULATIONS AND THE COMPANIES ACT

9.1. The Company has neither accepted any public deposits nor issued any debentures or preference shares till date. The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

9.2. All the equity shares which the Company proposes to Buy-Back are fully paid up.

9.3. The Company will not Buy-Back its shares so as to delist its shares from the Stock Exchange.

9.4. The Company shall not issue any equity shares or other specified securities (including by way of bonus and employees' stock option) during the Buy-Back Period.

9.5. The Company shall not raise further capital for a period of 1 (one) year from the expiry of the Buy-Back Period (as defined earlier), except in discharge of its subsisting obligations.

9.6. The special resolution approving the Buy-Back will be valid for a maximum period of 1 (one) year from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buy-Back Regulations or by the appropriate authorities). The exact time table for the Buy-Back shall be decided by the Board (or Buy-Back Committee) within the above time limits.

9.7. The equity shares bought back by the Company will be compulsorily extinguished and will not be held for reissuance.

9.8. The Company shall not withdraw the Buy-Back after the draft letter of offer is filed with SEBI or the public announcement of the offer to Buy-Back is made.

9.9. The Company shall not Buy-Back locked-in equity shares and non-transferable equity shares till the pendency of the lock-in or till such equity shares become transferable.

9.10. The Company shall not Buy-Back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement.

9.11. The Company shall not directly or indirectly purchase its own equity shares through (i) any subsidiary company including its own subsidiary companies, if any or; (ii) through any investment company or group of investment companies.

9.12. The aggregate amount of the Buy-Back i.e. ₹550,000,000 (Rupees Fifty Five Crores Only) does not exceed 25% of the paid-up equity capital and free reserves, as per the audited financial statements of the Company for the year ended March 31, 2018.

9.13. The funds borrowed from banks and financial institutions will not be used for the Buy-Back.

9.14. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buy-Back (or such other higher ratio of the debt to capital and free reserves for the Company that has been notified under the Companies Act) (as on date no such higher ratio having been prescribed by the Companies Act).

9.15. The Company shall not make any offer of Buy-Back within a period of 1 (one) year reckoned from the date of expiry of the Buy-Back Period of the current Buy-Back offer.

9.16. The Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act.

9.17. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buy-Back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.

9.18. The Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buy-Back Regulations and the Companies Act within 7 (seven) days of the last date of completion of the Buy-Back.

9.19. The Company is in compliance with the conditions under regulation 4 and other applicable provisions of the Buy-Back Regulations.

X. CONFIRMATIONS FROM THE BOARD

10.1. The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

10.2. Immediately following the date of the Board Meeting, and the date on which the results of shareholders' resolution passed by way of Postal Ballot/e-voting ("Postal Ballot Resolution") will be declared, approving the Buy-Back, there will be no grounds on which the Company could be found unable to pay its debts;

10.3. As regards the Company's prospects for the year immediately following the date of the Board Meeting approving the Buy-Back as well as for the year immediately following the date of Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date of the Board meeting as also from the date of Postal Ballot Resolution; and

10.4. In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016.

XI. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITORS ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the report dated November 28, 2018, received from Walker Chandio & Co, LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below.

Quote:

"Independent Auditor's Report on planned buy-back of equity shares To,

The Board of Directors
Monte Carlo Fashions Limited
B-XXIX-106, G.T. Road, Sherpur, Ludhiana-141003

1. This report is issued in accordance with the terms of our engagement letter dated 25 October 2018 with Monte Carlo Fashions Limited (the "Company").

2. The management of the Company has prepared the accompanying Annexure A-Statement of permissible capital payment as on 28 November 2018 (the "Statement") pursuant to the planned buy-back of equity shares. The Statement contains the computation of amount of permissible capital payment towards buy-back of equity shares in accordance with the requirements of section 68(2)(c) of the Act and based on the latest audited financial statements for the year ended 31 March 2018. We have initiated the Statement for the identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with the requirements of section 68(2)(c) of the Act and ensuring compliance with the SEBI buy-back regulations, is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Board of Directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting at which the proposal for buy-back was approved; and will not be rendered insolvent within a period of one year from the date of the Board meeting at which the proposal for buy-back was approved by the Board of Directors of the Company, and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. Further, a declaration is required to be signed by at least two directors of the Company in this respect in accordance with the requirements of the section 68 (6) of the Act and the SEBI buy-back regulations.

Auditor's Responsibility

5. It is our responsibility to provide reasonable assurance on whether:

- we have inquired into the state of affairs of the Company in relation to the audited financial statements for the year ended 31 March 2018;
- the amount of permissible capital payment, as stated in the Statement, has been properly determined considering the audited financial statements for the year ended 31 March 2018 in accordance with section 68(2)(c) of the Act; and
- whether the Board of Directors of the Company, in its meeting dated 13 November 2018, has formed the opinion, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.

6. The audited financial statements, referred to in paragraph 5 above, have been audited by us, on which we have issued unmodified audit opinion vide our report dated 25 May 2018. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the "Guidance note on reports or certificates for special purposes" ("Guidance note"), issued by the ICAI. The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements, issued by the ICAI.

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the matters mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the matters mentioned in paragraph 5 above. We have performed the following procedures in relation to the matters mentioned in paragraph 5 above:

- Inquired into the state of affairs of the Company in relation to the audited financial statements for the year ended 31 March 2018;
- Examined authorisation for buy back from the Articles of Association of the Company;
- Agreed the balance of the retained earnings, special reserve, securities premium account and general reserve as at 31 March 2018 as disclosed in the Statement with the audited financial statements;
- Examined that the ratio of secured and unsecured debt owed by the Company is not more than twice the capital and its free reserves after such buy-back;
- Examined that all the shares for buy-back are fully paid-up;
- Examined that the amount of capital payment for the buy-back as detailed in the Statement is within the permissible limit computed in accordance with section 68(2)(c) of the Act;
- Inquired if the Board of Directors of the Company, in its meeting held on 13 November 2018 has formed the opinion, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date of the board meeting;
- Examined minutes of the meetings of the Board of Directors;
- Verified the arithmetical accuracy of the Statement; and
- Obtained appropriate representations from the management of the Company.

Opinion

10. Based on our examination as above and the information, explanations and representations provided to us by the management, in our opinion:

- we have inquired into the state of affairs of the Company in relation to audited financial statements for the year ended 31 March 2018;
- the amount of the permissible capital payment towards the planned buy-back of equity shares as computed in the accompanying Statement, is properly determined in accordance with the requirements of section 68(2)(c) of the Act based on the audited financial statements for the year ended 31 March 2018; and
- the Board of Directors of the Company, in its meeting held on 13 November 2018 has formed opinion, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.

d) This report does not and should not be construed to provide an assurance about the future viability of the Company or the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

Restriction on distribution or use

11. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of its internal use and reference for the planned buy-back. Accordingly, this report may not be suitable for any other purpose, and therefore, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandio & Co LLP

Chartered Accountants

12.10. Detailed instructions for participation in the Buy-Back (tender of Equity Shares in the Buy-Back) as well as the relevant time table will also be included in the Letter of Offer to be sent in due course to the Eligible Shareholders.

XIII. PROCESS AND METHODOLOGY FOR BUY-BACK

13.1. The Buy-Back is open to all Eligible Shareholders/ beneficial owners of the Company, holding Equity Shares either in physical and/ or dematerialized form on the Record Date. Any person who does not hold equity shares of our Company on the Record Date will not be eligible to participate in the Buy-Back and shares tendered by such person(s) shall be rejected.

13.2. The Buy-Back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified vide SEBI Circulars and following the procedure prescribed in the Companies Act and the Buy-Back Regulations, and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buy-Back) and on such terms and conditions as may be permitted by law from time to time.

13.3. For implementation of the Buy-Back, the Company has appointed **Emkay Global Financial Services Limited** as the registered broker to the Company (**the "Company's Broker"**) to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buy-Back and through whom the purchases and settlements on account of the Buy-Back would be made by the Company. The contact details of the Company's Broker are as follows:

Emkay Global Financial Services Limited

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400 028, Maharashtra, India

Tel: +91 22 6612 1212, Email: montecarlo.buyback@emkayglobal.com,

Website: www.emkayglobal.com

SEBI Registration No. INZ000203933

CIN: L67120MH1995PLC084899

13.4. The Company shall request the BSE to provide the separate acquisition window ("**Acquisition Window**") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buy-Back. The details of the platform will be specified by the BSE from time to time. In case the Eligible Shareholders registered stock broker is not registered with the BSE, the Eligible Shareholders may approach the Company's Broker to place the bid.

13.5. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("**Seller Member(s)**") during normal trading hours of the secondary market. The Seller Members can enter orders for demat shares as well as physical shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

13.6. The reporting requirements for non-resident shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/ or the Seller member through which the Eligible Shareholder places the bids.

13.7. Further, the Company will not accept shares tendered for Buy-Back which under restraint order of the court for transfer /sale and/or the title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificate have not been issued either due to such request being under process as per the provisions of law or otherwise.

13.8. Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form:

a) Eligible Shareholders who desire to tender their Equity Shares in the electronic/ dematerialized form under Buy-Back would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buy-Back.

b) The Seller Member would be required to place an order/ bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buy-Back using the Acquisition Window of the Designated Stock Exchange. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited (referred to as the "Clearing Corporation"), by using the early pay-in mechanism as prescribed by the Designated Stock Exchange or the Clearing Corporation prior to placing the bid by the Seller Member.

c) The details of the special account shall be informed in the issue opening circular that will be issued by the Designated Stock Exchange and/ or the Clearing Corporation.

d) For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/ bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

e) Upon placing the order, the Seller Member shall provide transaction registration slip ("TRS") generated by the BSE bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Application No., client ID, no. of Equity Shares tendered, etc.

f) The cumulative quantity tendered shall be made available on the website of the Designated Stock Exchange throughout the trading sessions and will be updated at specific intervals during the tendering period.

13.9. Procedure to be followed by Eligible Shareholders holding Equity Shares in the Physical form:

a) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buy-Back will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) completed tender form duly signed (by all shareholders in case shares are in joint names) in the same order in which they hold the shares and original share certificate(s), (ii) valid Form SH 4 (share transfer form) duly filled and signed by the Eligible Shareholder (in

same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, and (iv) any other relevant documents such as (but not limited to) duly attested power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhaar Card, Voter Identity Card or Passport.

b) Based on these documents, the Seller Member shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buy-Back using the Acquisition Window of the Designated Stock Exchange. Upon placing the bid, the Seller Member shall provide a TRS generated by the BSE bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

c) The Seller Member/ Eligible Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with TRS either by registered post or courier or hand delivery to the registrar to the Buy-Back i.e. Link Intime India Private Limited ("**Registrar**") (at the address mentioned below within 2 (Two) days of bidding by Seller Member). The envelope should be superscribed as "**Monte Carlo Buy-Back 2019**". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/ Eligible Shareholder.

d) Eligible Shareholder holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buy-Back shall be subject to verification as per the Buy-Back Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.

e) All Equity Shareholders holding the Physical Shares shall note that in accordance with the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) ("**LODR Regulations**"), read with SEBI's press release dated December 3, 2018, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019. In case the applicable law restricts the buyback of Equity Shares held in physical form, the Company may not be able to accept the tender of such Equity Shares held in physical form from April 1, 2019.

f) In the Buy-Back, considering the timelines of activities prescribed under the Buy-Back Regulations, the Buy-Back Closing Date and the acceptance of the tendered shares (among other activities related to the Buy-Back) is expected to be undertaken before April 1, 2019. However, in case, the expected timeline extended due to any reason, unless otherwise permitted/ exempted by the SEBI, tendering of shares in the Buy-Back on or after April 1, 2019 shall be available only on Demat Form.

g) However, should the LODR Regulations or any other applicable laws permit the processing of acceptance of Equity Shares held in physical form tendered during the Buy-Back as on the date of such acceptance, the procedure for the tendering to be followed by Eligible Shareholders holding Equity Shares in the physical form is as detailed above para, subject to any modifications to the procedure as may be provided under the LODR Regulations or any other applicable laws

13.10. Modification/ cancellation of orders will be allowed during the tendering period of the Buy-Back. Multiple bids made by a single Eligible Shareholder shall be clubbed and considered as "one" bid for the purpose of acceptance.

13.11. The cumulative quantity of Equity Shares tendered shall be made available on the website of the BSE's website: www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

13.12. Method of Settlement

Upon finalization of the basis of acceptance as per Buy-Back Regulations:

a) The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buy-Back to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buy-Back, Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Seller Members settlement bank account for onward transfer to their respective shareholders.

b) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buy-Back ("**Company Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.

c) The Eligible Shareholders will have to ensure that they keep the depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non acceptance of shares under the Buy-Back.

d) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation.

e) Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate

and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-Back by Equity Shareholders holding Equity Shares in the Physical form.

f) Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-Back. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Seller Member for onward transfer to the Eligible Shareholders.

g) Eligible Shareholders who intend to participate in the Buy-Back should consult their respective Seller Member for any cost, applicable taxes, charges and expenses (including brokerage) etc., that maybe levied by the Seller Member upon the selling shareholders for tendering Equity Shares in the Buy-Back (secondary market transaction). The Buy-Back consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

h) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time and in compliance with the SEBI Circular.

13.13. The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-Back Regulations.

XIV. COMPLIANCE OFFICER

The Board at their meeting held on November 30, 2018 appointed Sh. Sahil Jain, Company Secretary and Compliance Officer of the Company, as the compliance officer for the purpose of the Buy-Back ("**Compliance Officer**"). Investors may contact the Compliance Officer for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Sh. Sahil Jain

Company Secretary,

Monte Carlo Fashions Limited

Registered Address: B-XXIX-106, G.T. Road, Sherpur, Ludhiana - 141003

Tel.: +91 1615048610; 1615048640, Fax: +91 1615048650

Email: investor@montecarlocoporate.com, Website: www.montecarlocoporate.com

XV. REGISTRAR TO THE BUY-BACK/ INVESTOR SERVICE CENTRE

In case of any queries, shareholders may also contact the Registrar to the Buy-Back, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),

Mumbai 400 083, Maharashtra, India

Telephone: +91 22 4918 6200, Facsimile: +91 22 4918 6195

Email: mcfashions.buyback@linkintime.co.in,

Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI registration number : INR000004058

CIN: U67190MH1999PTC118368

LINKIntime

XVI. MANAGER TO THE BUY-BACK

Emkay[®]
Your success is our success

XVII. DIRECTOR'S RESPONSIBILITY

As per Regulation 24(i)(a) of the Buy-Back Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement or any other information, advertisement, circular, brochure, publicity material which may be issued in regard to the Buy-Back and confirms that such document contains true, factual and material information and does not contain any misleading information

For and on behalf of the Board of Directors of Monte Carlo Fashions Limited

| | | | |
|--|------------------------------|-----------------|---------------------|
| | Sd/- | Sd/- | Sd/- |
| | Jawahar Lal Oswal | Dinesh Gogna | Sahil Jain |
| | Chairman & Managing Director | Director | Company Secretary & |
| | (DIN: 00463866) | (DIN: 00498670) | Compliance Officer |
| | | | (F9011) |

Date : February 08, 2019

Place : Ludhiana