

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

Website: www.montecarlocorporate.com E-mail: investor@montecarlocorporate.com



POSTAL BALLOT NOTICE

Dear Members,

NOTICE is hereby given pursuant to Section 110 of the Companies Act 2013, (hereinafter referred to as "the Act") read with Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, to the Members of **Monte Carlo Fashions Limited** (hereinafter referred to as "the Company") to seek their approval by way of Postal Ballot (includes E-voting) for the proposals contained in the resolutions given below. Accordingly, the explanatory statement pertaining to the following resolutions setting out the material facts concerning each item and reasons thereof, as required in terms of Section 102 of the Act is annexed hereto along with a postal ballot form (the "**Form**") for your consideration.

The Company has appointed Mr. Pritpal Singh Dua, Practising Company Secretary (CP No. 3934) of M/s P.S. Dua & Associates, Company Secretaries, as Scrutinizer for conducting the Postal Ballot and E-voting process in a fair and transparent manner. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Form and return the same duly completed in the accompanying self addressed Business Reply Envelope (if posted in India) to the Scrutinizer and it should reach the Scrutinizer on or before the close of working hours i.e. 5.00 P.M. on 27.05.2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. However the envelopes containing Postal Ballots, if sent by courier or registered/ speed post at the expense of Members shall also be accepted. The Form(s) may also be deposited personally at the address given thereon. In compliance with Clause 35B of the Listing Agreement and Section 108,110 and other applicable provisions of the Act, read with Companies (Management & Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate for its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Forms by post. For the purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL). Please note that e-voting is optional. The Scrutinizer shall submit his report to the Chairman/Director of the Company after completion of the scrutiny of the postal ballots (including e-voting). The results of the voting by postal ballot and e-voting will be announced on 29.05.2015 and will also be displayed along with the Scrutinizer's report on the website of the Company (www.montecarlocorporate.com), besides being communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the company are listed. The Resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

PROPOSED RESOLUTIONS:

ITEM NO. 1- AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 4, 13 and other applicable provisions, if any, of the Act read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and subject to the necessary approval(s) required under all other applicable laws and regulations, if any, consent of the members be and is hereby accorded to amend / alter the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the existing Clause III A of the Memorandum of Association of the company be and is hereby amended by way of substituting with the following new Clause which would include the existing objects of the company as well as the business taken up by the company earlier along with some insertions in line with the company's existing business:

III A The Objects to be pursued by the company on its incorporation are:

To carry on as importers and exporters of all kinds of yarns and textiles and the business of manufacturers, designers, developers, assemblers, distributors, traders, dealers, importers, exporters, whole sellers, retailers, buyers, sellers, online traders of all kinds of cloth, cotton goods, hosiery goods, readymade garments, apparels, branded apparels, fashion accessories, home textiles, carpets, duries, mats, rugs, blankets, decors, furnishers etc. and other similar articles of woollen and worsted material; as licensees or as Franchise of Garments, in or outside India.

RESOLVED FURTHER THAT the heading of existing Clause III B, "THE OBJECTS INCIDENTAL OR ANCILLIARY TO THE ATTAINMENT OF MAIN OBJECTS ARE:" be and is hereby substituted with the heading "**Matters which are necessary for furtherance of the objects specified in Clause III A are:**" and further altered by insertion of the following new sub-clauses after the existing sub clause 40, as under:

III B Matters which are necessary for furtherance of the objects specified in Clause III A are:

- 41) *To carry on net marketing, advertising through websites, promotional activities, channel establishments for its various products and services, providing secured payment processing, net commerce solutions for business to business, business to consumer.*
- 42) *To carry on the business of manufacture and otherwise deal in packing, packing requisites made of polythene and synthetic material, cartons made of card board, wood, glass or other material, rubber, metal, glass or plastic containers as also containers of any other material or substances.*
- 43) *To carry on the business of steam and general laundry and to wash, clean, purify, bleach, wring, dry, iron, colour, dye, disinfect, renovate and prepare for use all articles of wearing apparels, household, domestic and other linen and cotton and woollen goods and clothing and fabrics of all kinds.*
- 44) *To carry on the business as manufactures of dealers in leather and leather goods of all description and of leather dresses, tanners, hide, skins and all things and material connected therewith.*
- 45) *To carry on the business of manufacture of and dealers in sports goods.*
- 46) *Fabric making whether knitted or woven or otherwise made of wool, acrylic, polyester, synthetic fiber, otherwise and processing thereof such as finishing, calendaring, strantering, compacting, mercerising, texturing, garneting, dyeing, washing, bleaching, refining, pressing, drying, laundering, cleaning, purifying, wringing, decorative, disinfecting, renovating and decorative processes like embroidery, monograms, labeling, printing.*

RESOLVED FURTHER THAT Clause III C, the Other Objects Clause of the Memorandum of Association of the company be and is hereby altered by completely deleting all the existing Clauses III C 1 to 61.

RESOLVED FURTHER THAT the existing Clause IV of Memorandum of Association of the Company be and is hereby substituted with the new Clause IV to be read as:

Clause IV. “The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director(s), Officer(s), Employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

Item No.2 – ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 14 and other applicable provisions, if any, of the Act read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and subject to the necessary approval(s) required under all other applicable laws and regulations if any, consent of the members be and is hereby accorded to alter the Articles of Association by deleting Clause 146 to 186 of Part II of Existing Articles of Association of the Company by virtue of cessation of Share Subscription cum Members Agreement dated 10th May 2012 executed between the Company and Kanchi Investments Limited (Private Equity Investor).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director(s), officer(s), employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

Item No. 3- ADOPTION OF NEW SET OF ARTICLES IN ACCORDANCE WITH ACT.:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 5 and 14 and other applicable provisions, if any, of the Act, read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force subject to the necessary approval(s) required under all other applicable laws and regulations if any, consent of the members be and is hereby accorded to alter the existing Articles of Association of the company, by replacing, it with the new set of Articles of Association in accordance with Table ‘F’ of Schedule I of the Act and that the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in exclusion and in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director(s), officer(s), employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**By order of the Board of Directors
For MONTE CARLO FASHIONS LIMITED**

**Date : 17.04.2015
Place : LUDHIANA**

**SAHIL JAIN
(COMPANY SECRETARY)**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Act read with rules made there under, stating all material facts and the reasons for the proposal set out above is annexed herewith.
2. The Company has appointed Mr. Pritpal Singh Dua, Practising Company Secretary (CP No. 3934) of M/s P.S. Dua & Associates, Company Secretaries, as Scrutinizer for conducting the Postal Ballot and E-voting process in a fair and transparent manner.
3. The Notice is being sent to all the Members whose names appear on the Register of Members/ List of Beneficial Owners as received from the depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on close of working hours i.e. 5.00 P.M. on 17.04.2015.
4. The login ID and password for e-voting along with process, manner and instructions for e-voting are being sent with this notice to the members who have not registered their e-mail IDs with the Company. Those members who have registered their e-mail IDs with the Company/ their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
5. The dispatch of the Postal Ballot Notice, Explanatory Statement indicating the manner of voting, completion of voting and other matters related to the Postal Ballot Procedure shall be announced through an advertisement in at least 1(one) English newspaper in English language and at least 1(one) Punjabi Newspaper, each having wide circulation in Ludhiana, where the Registered Office of the Company is situated and shall also be placed on the Company’s website.
6. The members are requested to exercise their voting right by either using the attached Form or through e-voting. However, in case members cast their vote by physical mode and e-voting, then voting done through e-voting shall prevail and voting done physically will be treated as invalid.
7. In case a Member is desirous of obtaining Postal ballot in printed Form or a duplicate one, the Member may write to the Company or send an e-mail to investor@montecarlocorporate.com. The Company shall forward the same along with self addressed Business reply Envelope to the Member.

8. A Member cannot exercise his/her vote by proxy on postal ballot and in case of joint holding, the Postal Ballot Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his absence by the next named Member.
9. The Postal Ballot Notice is also being uploaded on Company's website www.montecarlocorporate.com and website of NSDL www.evoting.nsdl.com
10. All material documents referred herein will be available for inspection at the registered office of the Company during office hours (i.e. from 09.00 A.M. to 5.00 P.M.) on all working days from the date of dispatch of the Notice till the date of announcement of result.

11. The voting instructions for Members are as under:

A. Physically through Postal Ballot Form:

1. A member desiring to exercise vote by Postal Ballot shall record his/her assent (for) or dissent (against) in the enclosed Form by filling necessary details and affixing his/her signatures at the designated place in the Form and return the same in original duly completed in the self addressed Business reply Envelope. However the envelopes containing Postal Ballots, if sent by courier or registered/ speed post at the expense of Members shall also be accepted.
2. The Postal Ballot Form, duly completed and signed by the Member(s) should be returned in the enclosed self addressed Business reply Envelope directly to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours i.e. 5.00 P.M. on 27.05.2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

B. Through electronic means:

1. The e-voting period will commence on 28.04.2015 (9.00 a.m.) and end on 27.05.2015 (5.00 p.m.) (Both days inclusive). During this period Members holding shares either in physical form or in dematerialized form may cast their votes electronically. The voting module shall be disabled by NSDL thereafter. Please note that once the vote on a resolution has been cast, Members cannot change it subsequently.
2. The Scrutinizer shall from the conclusion of the e-voting period, unlock the votes in presence of at least two witnesses, not in the employment of the Company. The Scrutinizer will then submit his report to the Chairman and Managing Director of the Company after completion of the scrutiny and the results of the voting by Postal Ballot will be announced on 29.05.2015. The said results will also be intimated to the stock exchanges and uploaded on the Company's website viz. www.montecarlocorporate.com and of NSDL.

(I) In case of Members receiving Postal Ballot intimation by e-mail form NSDL and opting to vote through e-voting process:

1. Open email and open the attached PDF file viz. 'Monte Carlo e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser and type the following URL: <https://www.evoting.nsdl.com>
3. Click on Member - Login.
4. Please enter the user ID and password as initial password provided in step (1) above. Click login.
5. On Login, Change Password Menu will appear on your screen. Change the password to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination thereof. Note the new password for future reference. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. On changing the password, the e-voting home page will open, click on e-voting> Active Voting Cycles.
7. Select "EVEN" (E-Voting Event Number) of Monte Carlo Fashions Limited. Now you are ready for e-voting as 'Cast Vote' page opens.
8. Cast your vote by selecting appropriate option and click on "Submit". Thereafter click on "Confirm" when prompted.
9. Upon confirmation, the message "Vote cast successfully" will be displayed.
10. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
11. Corporate & Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mcfl.scrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.

(II) In case of Members receiving Postal Ballot Form by Post/Courier:

1. Initial password is provided as below at the bottom of the Postal Ballot Form to be used to exercise your vote in respect of the proposed resolutions.

| EVEN (E Voting Event Number) | User ID | Password/PIN |
|------------------------------|---------|--------------|
| | | |

2. Please follow the steps from Sl. Nos. 2 to 11 mentioned in (I) above, to cast your vote by electronic means.

General Instructions:

1. Please note that login to e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to re-set the same.
2. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
3. In case of any queries you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on: 1800-222-990.
4. Please note that you can use this login exclusively for voting on the Resolutions placed by the companies of which you are a Member.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT.**

The following explanatory statement relating to the accompanying notice set out all material facts:

Item No. 1:

The Company is currently engaged in the business of manufacturing and trading of garments, readymade apparels, home furnishers etc. The management of the Company has been exploring new avenues of business which will generate additional revenue, which may be conveniently and advantageously combined with existing business of the Company. With a view to enlarge the scope of its current business activities, it would be desirable for the Company to broad base its Main Objects; containing the existing objects and some new objects in line with the existing business along with the objects earlier taken up by the Company, as well as the matters which are necessary for the furtherance of the Main Objects of Memorandum of Association of the Company within the ambit of its business activities as it would be beneficial and in the best interest of the Company.

With the enactment of new Companies Act 2013, it is considered expedient to amend the existing Memorandum of Association to be in accordance with the requirements of the Act. In terms of Section 4(1)(c) of the Act, the Memorandum of Association of the Company is to state the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. Accordingly it is proposed to replace the existing headline of Clause III A & III B and delete the Clause III C of the existing Memorandum of Association of the Company.

Further it is proposed to move some clauses of Other Objects of the existing Memorandum of Association, as relevant and may be required to be taken up in future for the attainment of main objects of the Company, to the Clause III B of the revised Memorandum of Association by inserting the same after sub clause 40 of III B of Memorandum of Association of the Company and renumbering and rephrasing the clauses accordingly.

In terms of Section 4(1)(d) of the Act, the Memorandum of Association of the Company is to state, in the case of a Company limited by shares, that liability of Members is limited to the amount unpaid, if any, on the shares held by them. Accordingly it is proposed to amend Clause IV of the Memorandum of Association so as to comply with the provisions of Section 4 and 13 and other applicable provisions, if any, of the Act including Table A. Thus modification in Memorandum of Association is carried out to give effect to provisions of the Act.

In terms of Section 13 and 110 and other applicable provisions of the Act and rules made there under, consent of the Members of the Company is proposed to be obtained for the alteration of Memorandum of Association of the Company through Postal Ballot / E-Voting. The proposed new draft Memorandum of Association is being uploaded on the Company's website i.e. www.montecarlocorporate.com for perusal by the Members.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions except to the extent of their shareholding in the Company.

The board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 1 of the accompanying notice for approval of the Members through Postal Ballot.

Item No. 2:

The Share Subscription Cum Shareholders Agreement was entered between the company and Kanchi Investment Limited (Private Equity Investor), subsidiary of Samara Capital Partners Fund I Limited on 10th May 2012. By virtue of that agreement, Articles of Association (AOA) of the Company was amended by which Clause Nos. 146 to 186 were inserted as Part II. Upon successful completion of initial public offering and listing of the shares of the Company on the Stock Exchanges, the rights of the Private Equity Investor under the Agreement stands extinguished. As a result of which the said agreement has ceased to be effective and for the purpose the existing Articles of Association of the Company is to be altered by deletion of Part II of Article of Association of the Company.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolution except to the extent of their shareholding in the Company.

The board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 2 of the accompanying notice for approval of the Members through Postal Ballot.

Item No. 3

The existing Articles of Association of the Company, is in accordance with the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the new Companies Act 2013. Upon enactment of the Act and pursuant to the notifications of Ministry of Corporate Affairs dated September 12, 2013 and March 26, 2014, various provisions of the Companies Act 1956 have been repealed and in view of the same the existing Articles of Association of the Company need to be re-aligned as per the provisions of the new Act. The Board of Directors decided to incorporate/substitute /alter certain provisions as per the Act. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company.

The new set of Articles of Association to be substituted in place of existing Articles of Association is based on Table 'F' of Schedule I of the Act which sets out the model Articles of Association for a Company limited by shares. The proposed new draft Articles of Association is being uploaded on the Company's website i.e. www.montecarlocorporate.com for perusal by the Members.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolution except to the extent of their shareholding in the Company.

The board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 3 of the accompanying notice for approval of the Members through Postal Ballot.

**By order of the Board of Directors
For MONTE CARLO FASHIONS LIMITED**

**SAHIL JAIN
(COMPANY SECRETARY)**

**Date : 17.04.2015
Place : LUDHIANA**