

It's the way you make me feel

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### **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

June 24, 2020

National Stock Exchange of India Limited
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai-400051.

Symbol: MONTECARLO

BSE Limited.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

Scrip Code: 538836

#### **SUB: Q4FY20 INVESTOR PRESENTATION**

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation for the Quarter and Financial Year ended March 31, 2020.

PLO FAS

LUDHIANA

You are requested to take the same on record and acknowledge the receipt.

Thanking You,

FOR MONTE CARLO FASHIONS LIMITED

ANKUR GAUBA

**COMPANY SECRETARY & COMPLIANCE OFFICER** 

**Encl. As Above** 



# MONTE CARLO MC

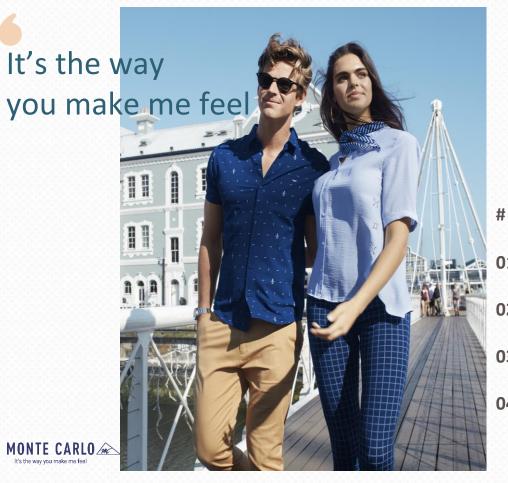
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MONTE CARLO FASHIONS LIMITED Q4 & FY20 INVESTOR PRESENTATION



## **DISCUSSION SUMMARY**

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01

COMPANY OVERV

## **ABOUT US**



#### STRONG PEDIGREE

- Leading Winter wear Brand, launched in 1984 and part of Oswal Woollen Mills Ltd
- Recognised as "Superbrand" for woollen knitted apparel in each edition of Consumer Superbrands India

# IN HOUSE DESIGNING TEAM

 Strong design team of over 30 professionals closely tracking the trending global fashion

#### WIDE REACH

- Presence across India through a judicious mix of EBOs, MBOs and Shop in shop, distributors and national chain stores and online
- Located in 20 states & 3 union territory

# DIVERSIFIED PRODUCT PORTFOLIO

 Successfully diversified brand across segments like Woollen, Cotton, Kids, Home Furnishing



## **DIVERSIFIED PRODUCT PORTFOLIO**



Range	Woollen	Cotton	Home Furnishing	Kids
Monte Carlo Mid Premium / Premium	Sweaters, Pullovers thermals, woollen accessories (caps, mufflers, shawls, stoles)	Shirts, trousers, t-shirts, track-suits and jackets	Mink blankets, bed sheets and quilts	-
Luxuria - Mid Premium / Premium	Cash wool sweaters , blazers ,coats	Cotton Shirts, trousers and t-shirts	-	-
Denim- Mid Premium / Premium	-	Denim Trouser (jeans) and Shirts	-	-
Alpha – Women wear	Sweaters , cardigans	Shirts, Tshirts, Trousers , jackets and sweat-shirts	-	Sweat Shirts
Tweens – Kids wear (7-13 years)	-	-	-	Sweaters, Cardigans, Shirt , T-Shirts and Bottoms
Cloak & Decker- Men's wear	Sweaters , cardigans	Cotton and cotton blended Tshirts	-	-
Rock It – Sports wear	-	Tank , Polo T-Shirt, Shorts, Track Pants	-	-











## WHAT IS OUR BUSINESS MODEL



Aug May Feb -March **January** April **Onwards Till July BUSINESS CYCLE FOR WINTER SEASON SALES** · Commissioned agents display the Product development · Production of pre-Dispatching of winter · The dealers and samples to dealers and distributors wear products to EBOs & Sampling process ordered designs distributors of the and MBOs commences · Company organizes fashion shows to MBOs place orders · Design process is with the CAs showcase proposed products to the finalised Peak Inventory in MBOs and EBOs Pre-booking of orders September, at the Sample sets sent to · CAs procure orders from MBOs and from MBOs and our commissioned beginning of the winter act as an interface between the franchise EBOs agents (CA) season **Company and MBOs BUSINESS CYCLE FOR SUMMER SALES November February** September October **August Onwards Till January** 

DESIGNING IS AN ONGOING PROCESS THROUGHOUT THE YEAR FOR BOTH COTTON AND WOOLLEN GARMENTS / PRODUCTION OF PLAIN AND BASIC DESIGNS CONTINUE THROUGHOUT THE

YEAR FOR BOTH WOOLLEN AND COTTON GARMENTS

## **DISTRIBUTION MODEL**







COMMANDS PRICING POWER



	MBO and Distributors	NCS	Shop In Shop	EBO-COCO	EBO –FOFO
Distribution Sale Model	Pre-Booking of orders Outright Sales	SOR – Sale or Return / Outright Sales	Pre-Booking of orders Outright Sales	Inventory owned by Company	Pre-Booking of orders Outright sale
Goods Return Risk	No	Yes	No	N.A	Minimal 5% - 10 % of Products Return Allowed
Discount Sharing	No	Yes	Yes	Yes	Yes Range of 5% - 17.5%
Payment Collection Credit Risk	Exclusive commissioned agents are liable to pay	Reputed retail chains	Exclusive commissioned agents are liable to pay	-	Bank guarantee's and PDC taken from franchise







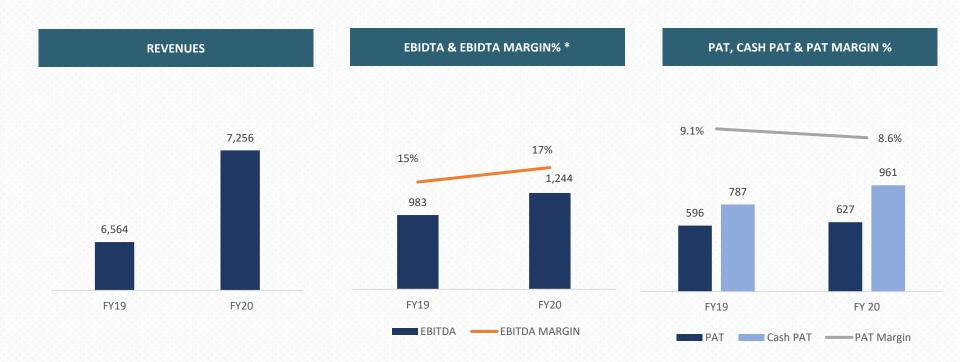


Q4 & FY20 HIGHLIGHTS

## **FY20: FINANCIAL HIGHLIGHTS**



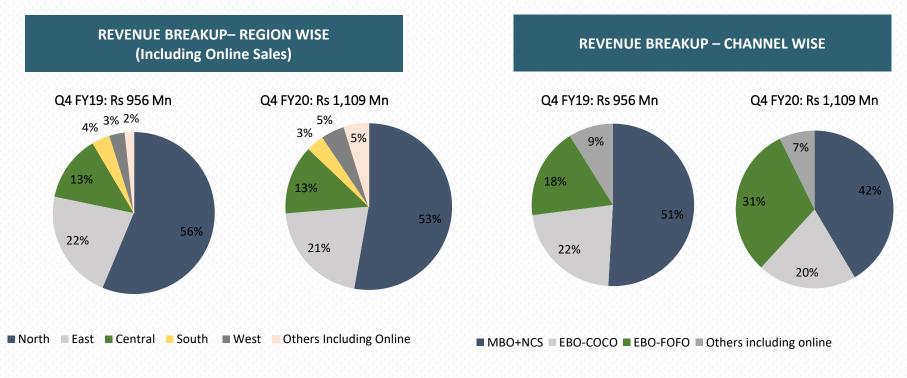
In Rs Mn

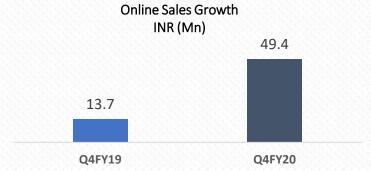


Revenue figures does not include sale of raw material (fabric, yarn, & trims sales) \*EBITDA figures does not include other income

## Q4 FY20: REVENUE DETAILS

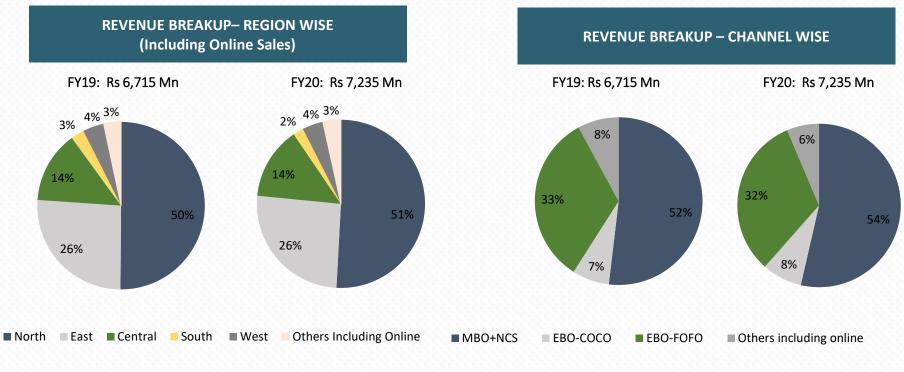


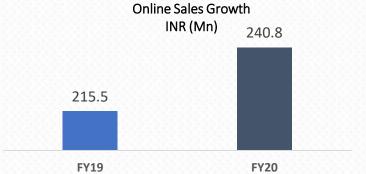




## **FY20: REVENUE DETAILS**







## Q4 & FY20: REVENUE ANALYSIS



	REVENUE BREAKUP -	SEGMENT WISE		
In Rs Mn	Q4 FY19	Q4 FY20	FY19	FY20
Total Revenues*	956	1,109	6,715	7,235
Woollen Segment	11.0%	12.6%	25.5%	22.3%
Cotton Segment	81.6%	74.9%	60.1%	59.1%
Home Textiles	2.8%	6.4%	9.1%	11.7%
Kids	4.6%	6.1%	5.3%	6.9%

#### **FOCUS ON PRODUCT DIVERSIFICATION**

- Positioning as all fashion brand to reduce seasonality impact, woollen segment contribution has moved marginally lower in FY20 to 22.3% Revenue from core products (Excluding Yarn, Fabrics & Miscellaneous sales)
- \* Q4 FY19 Sales of scrap and accessories was Rs.8.9 Mn, Other Operating revenue was Mn & INDAS adj. was Rs. -10.0Mn
- \* Q4FY20 Sales of scrap and accessories was Rs. 18.3 Mn, Other Operating revenue was Mn& INDAS adj. was Rs. -34.7 Mn
- \* FY19 Sales of scrap and accessories was Rs.29.6 Mn, Other Operating revenue was Mn & INDAS adj. was Rs.-194.4 Mn
- \* FY20 Sales of scrap and accessories was Rs.80.3Mn, Other Operating revenue was Mn & INDAS adj. was Rs. -70.7Mn

## **COVID19: Business Continuity Update**



#### □ Current Operational Status

- Complying with Government directives on nation-wide lockdown the manufacturing facilities, corporate
  office and retail stores were temporarily closed from 23<sup>rd</sup> March, 2020
- Resumed operations at manufacturing facility from 21<sup>st</sup> April 2020; currently operating at 70% capacity utilisation with limited workforce
- Launched new products in healthcare segment i.e. Face Masks (3 PLY Mask, KN95 Mask and N95 Mask) and
   Personal Protective Equipment (PPE) Kit

#### ☐ Liquidity Position

- Company's medium-term liquidity needs are well covered; continues to enjoy comfortable net cash position
- Adequate banking limits; ability to service debts and financing obligations on time remains unaffected

#### Outlook

- Expect adverse impact on Financial performance in H1FY21 due to economic slowdown and lower demand
- Company's strong presence in winter wear market and well-diversified product portfolio to minimise the impact of COVID-19 for the full financial year 2021
- Fully geared to withstand the challenges on the back of our financial and operational strengths

## Q4 & FY20: PROFIT AND LOSS STATEMENT



Particulars (In Rs Mn)	Q4 FY20	Q4 FY19	YoY%	FY20	FY19	YoY%
Revenue From Operations	1,095	958	14%	7,256	6,564	11%
Material Cost	591	656	-10%	3,831	3,444	11%
Gross Margin	504	302	67%	3,425	3,120	10%
Gross Margin %	46.0%	31.5%		47.2%	47.5%	
Personnel Expenses	186	155	20%	696	595	17%
Advertisement Expenses	76	138	-45%	301	360	-16%
Other Expenses	240	264	-9%	1,167	1,135	3%
CSR Expenditure	1	47	-98%	16	47	-66%
Operating EBITDA	1	-302	-100%	1,244	983	27%
EBITDA Margin %				17.1%	15.0%	
Other Income	10	57	-82%	115	182	-37%
Depreciation	90	49	83%	334	191	75%
Finance cost	33	15	120%	170	89	90%
PBT	-112	-310	64%	855	885	-3%
Tax Expense	-10	-122	-93%	228	289	-21%
PAT	-102	-188	46%	627	596	5%
PAT Margin %				8.6%	9.1%	
EPS (Rs.)				30	27	

## FY20: BALANCE SHEET STATEMENT



Particulars (Rs In Mn)	FY20	FY19
Equities & Liabilities		
Equity Share Capital	207	207
Other Equity	5,244	4,630
Total Equity	5,451	4,837
Non-Current Liabilities		
Long-term Borrowings	163	129
Other financial Liabilities	169	153
Lease Liability	704	-
Other Long-term Liabilities	12	13
Provisions	19	20
Total of Non-current liabilities	1,067	315
Current Liabilities		
Short-term Borrowings	154	317
Trade Payables	1,674	1,346
Lease Liability	100	=
Other financial Liabilities	544	985
Other Current Liabilities	92	70
Short-term Provisions	23	13
Total Current Liabilities	2,586	2,731
Total Equity & Liabilities	9,104	7,883

Particulars (Rs In Mn)	FY20	FY19
Non-Current Assets	FTZU	FILE
	4.540	4 405
Property, Plant and equipment	1,518	1,485
Right-of-use assets	759	
Capital work in progress	25	0.2
Other Intangible Assets	6	9.4
Financial Assets		
Investments	357	477
Loans	40	43
Other financial assets	81	1
Income Tax Assets	89	91
Deferred tax assets	79	71
Other non-current assets	17	13
Total non-current assets	2,971	2,190
<b>Current Assets</b>		
Inventories	2,162	1,912
Financial Assets		
Investments	979	898
Trade Receivables	2,521	2,199
Cash & Bank Balance	127	349
Short-term Loans & Advances	6	12
Other financial assets	14	5
Other Current Assets	324	318
Total Current Assets	6,133	5,693
Total Assets	9,104	7,883



03
MONTE CARLO
ADVANTAGE



## STRONG BRAND EQUITY ...



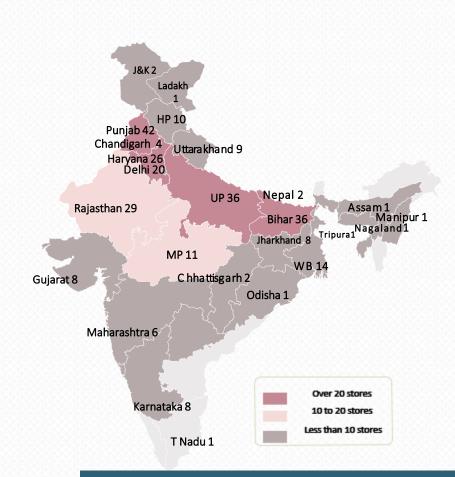
- "Monte Carlo", has Strong Brand Equity
- Being a Premium Brand,Monte Carlo enjoys PricingPower & Customer Loyalty
- Regular Investment in Brand Building & Marketing Initiatives



ASPIRE TO SERVICE END TO END WARDROBE REQUIREMENTS OF INDIAN CONSUMERS BY FURTHER INTRODUCING EXCITING RANGE OF NEW PRODUCTS

## . HAVING PAN INDIA PRESENCE ...





#### **DISTRIBUTION NETWORK**

STORE NETWORK						
Type of Store	FY18	FY19	FY20			
EBO – COCO	21	27	37			
EBO – FOFO	214	229	241			
MBO and Distributors	2,500+	2,500+	2500+			
NCS	283	306	566			
SIS	-	85	126			
E-Commerce Amazon, Flipkart, Myntra, Jabong an Kapsons						

EBO – NET ADDITIONS						
FY18 FY19 FY20						
Existing	231	235	256			
New Opened	10	27	31			
Closed	6	6	9			
Total EBOs	235	256	278			

In addition to 278 EBO'S company has 2 overseas EBO in Nepal

## ... & REGULAR TECHNOLOGY UPGRADATION



#### **Whole Garment Machine**



#### Cotton



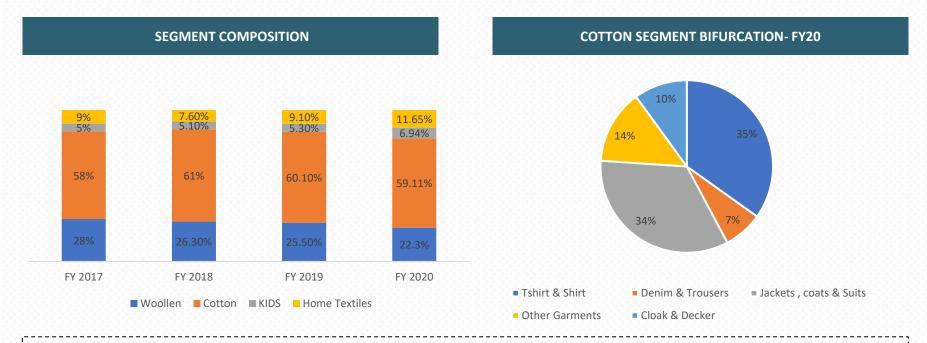
#### Woollen



- 30 professionals closely tracking the trending global fashion
- To meet the standards of technology upgradation and modernisation, Company has installed the automatic whole-garment state-of-art manufacturing facility, at the existing Ludhiana's unit.
- This technology, in knit is one entire piece which provides a seam-free fit and comfort, unmatched by any other knitwear. This helps in elimination of multiple manufacturing processes, thereby, reducing the wastage and increasing the efficiency.

### **DIVERSIFIED PORTFOLIO**





- Woollen share gradually reducing due to diversification, focusing more on cotton products
- Shirts, Tshirts, Cloak & Decker(New economy range) together contributes more than ~40% to the total Cotton contribution
- Company has diversified itself into Fitness Regime through Brand "Rock.It"
- Launched new products in healthcare segment i.e. Face Masks (3 PLY Mask, KN95 Mask and N95 Mask) and
   Personal Protective Equipment (PPE) Kit

## LED BY EXPERIENCED MANAGEMENT ...



# Sh. Jawaharlal Oswal (Chairman & MD)

- Sh. Jawahar Lal has More than 50 years of experience in the textile and woollen industry
- Awarded the 'Udyog Ratna Award' by the PHD Chamber of Commerce and Industry, the 'LMA-Sat Paul Mittal Life Time Achievement Award' by the Ludhiana Management Association and the 'Achievers of the North' by the Economic Times

# Sh. Sandeep Jain (Executive Director)

- Sh. Sandeep Jain is has more than 21 years of experience in the field of administration
- He is Bachelor's degree in Pharmacy, Diploma in Export Management
- Prior to joining Monte Carlo in 2008, he has worked with Oswal Woollen Mills Limited

# Sh. Rishabh Oswal (Executive Director)

- Rishabh Oswal is part of third generation of Oswal family
- Rishabh Oswal completed his BA Hons in Management Studies from University of Nottingham, UK in 2013 and then went on to pursue an Executive MBA from the prestigious Indian School of Business, Hyderabad

# Sh. Dinesh Gogna (Director)

- Sh. Dinesh Gogna has more than 35 years of experience in the field of Corporate Finance and Taxation
- He has Bachelor's Degree in Law, completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance

## **RESULTING IN STRONG FINANCIALS**





## **Consistent Reward to Shareholders**





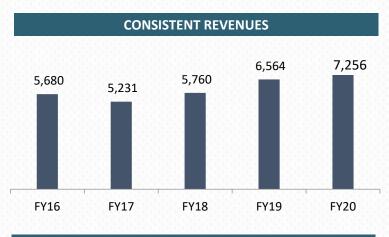


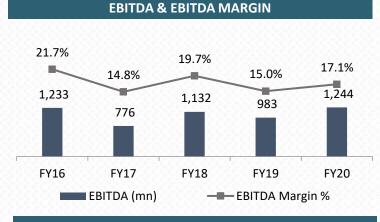
• Company has done buy back of Rs. 550 Mn in FY19 to reward shareholders. Promoters have not participated in the buy back

Strong Track Record and Proven Expertise to Generate Healthy, Predictable and Sustainable Returns

### FINANCIAL PERFORMANCE

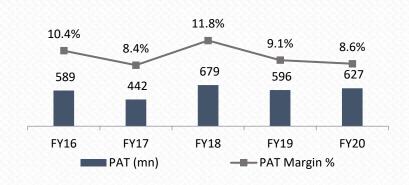


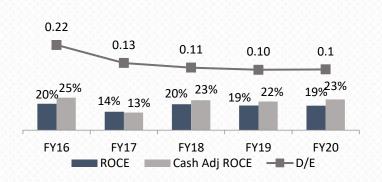












Note – Previous year figures have been recast as per Ind AS to make them comparable with current year figures EBITDA does not include other income

Revenues exclude Raw Material Sales (Yarns, Fabrics & Trims)

Inventory Data related to FY18 onwards is according to the cost method of valuation and the data related prior to FY18 is according to retail method of valuation

### **GROWTH STRATEGY**



PRODUCT MIX MOVING TOWARD COTTON

- Cotton share maintained over 59.11% of total FY20 revenue reflecting shift towards Cotton from Woollen segment
- Textile and Kids segment delivered robust growth, contributing higher revenue to the overall business

FOCUS ON RETAIL NETWORK EXPANSION

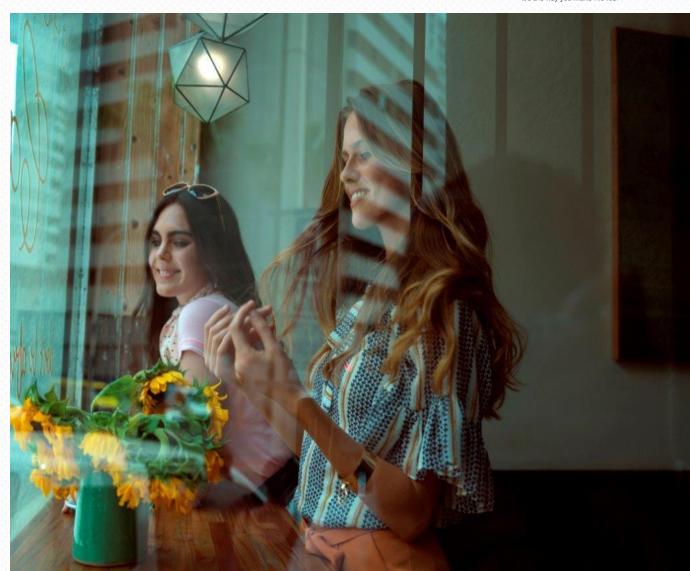
- Sales through SIS Model
- Focus on Online Sales through own portal
- Own Portal sales has gradually increased to Rs 51.2 Mn in FY 19-20 from 41.6 Mn in FY 18-19

FOCUS ON RETURN RATIOS EXPANSION

- Capex of Rs ~Rs100-150mn for FY20-21 majorly for de-bottlenecking and modernization of existing facilities
- Ability to sustain Robust growth without any major capex; Return Ratios set to improve



05 ANNEXURE



## **BRANDING INITIATIVES**



#### Proven track record in building brands in India

Clothing partner for the blockbuster Bollywood films
Saaho, Barfi, Mary Kom, Bhaag Milkha Bhaag, and Student of
the Year



#### **TIE-UPS WITH ONLINE PLATFORMS**







## Clothing Partner for reality Shows like Big boss, Khatron ke Khiladi





#### **Other Strategic Tie-ups**

#### **Airline Tie-ups**

Air Asia - Overhead Bins

Go Air - Overhead Bins

Air India - Seat Back Devices + Inflight

Magazine

Vistara - Inflight Magazine

Indigo - Inflight Magazine

#### **Theatres**

- PVR
- Cinepolis
- Inox
- Carnival
- SRS
- 800 + screens across India





## **BRAND AMBASSADOR**

- Celebrate life by going fit- Andre Russell way!!
- Rock It India's premium athleisure brand starts the season in pomp as it ropes in Mr. Russell as the brand ambassador.

#### **TIE-UPS WITH ONLINE PLATFORMS**







#### WE BELIEVE IN "FULFILLING ASPIRATIONS AND TRANSFORMING LIVES"

Education



The organization has worked towards the betterment of various schools & institution at Dhandari Kalan Government Primary school, Govt School (Magra Lulu), Brailee Bhawan Ludhiana by providing them operational & Financial support

**Environment** 



Oswal Foundation renovated fountain chowk in Ludhiana also planted numerous trees to promote greenery and to enhance the flora and fauna

**Sports** 



Contributed in this field by organizing on open women Taekwood Championship at LETC, Katani Kalan, Ludhiana

Health



In this sector Oswal Foundation has done its bit by organizing eye camp & by providing medical support to those in need ,through various means

## THANK YOU



MONTE CARLO It's the way you make me feel

Mr. Dinesh Gogna

Director

Email: gogna@owmnahar.com

DICKENSON

Ms. Manasi Bodas Consultant

Mr. Vikash Verma

Director

Email: monte.carlo@dickensonworld.com

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These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond MCFL's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of MCFL.

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