



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

Manufacturers & Exporters of High Class Woollen Hosiery Knitwear, Textiles & Exclusive Fully Fashion Knitwears

December 08, 2017

National Stock Exchange of India Limited
Exchange Plaza, 5th 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: PRESENTATION FOR INVESTOR AND ANALYST MEETING

Dear Sir / Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Presentation for the scheduled Investor and Analyst Meeting.

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

Thanking You,

For MONTE CARLO FASHIONS LIMITED


CO. SECRETARY & COMPLIANCE OFFICER

Encl. As Above



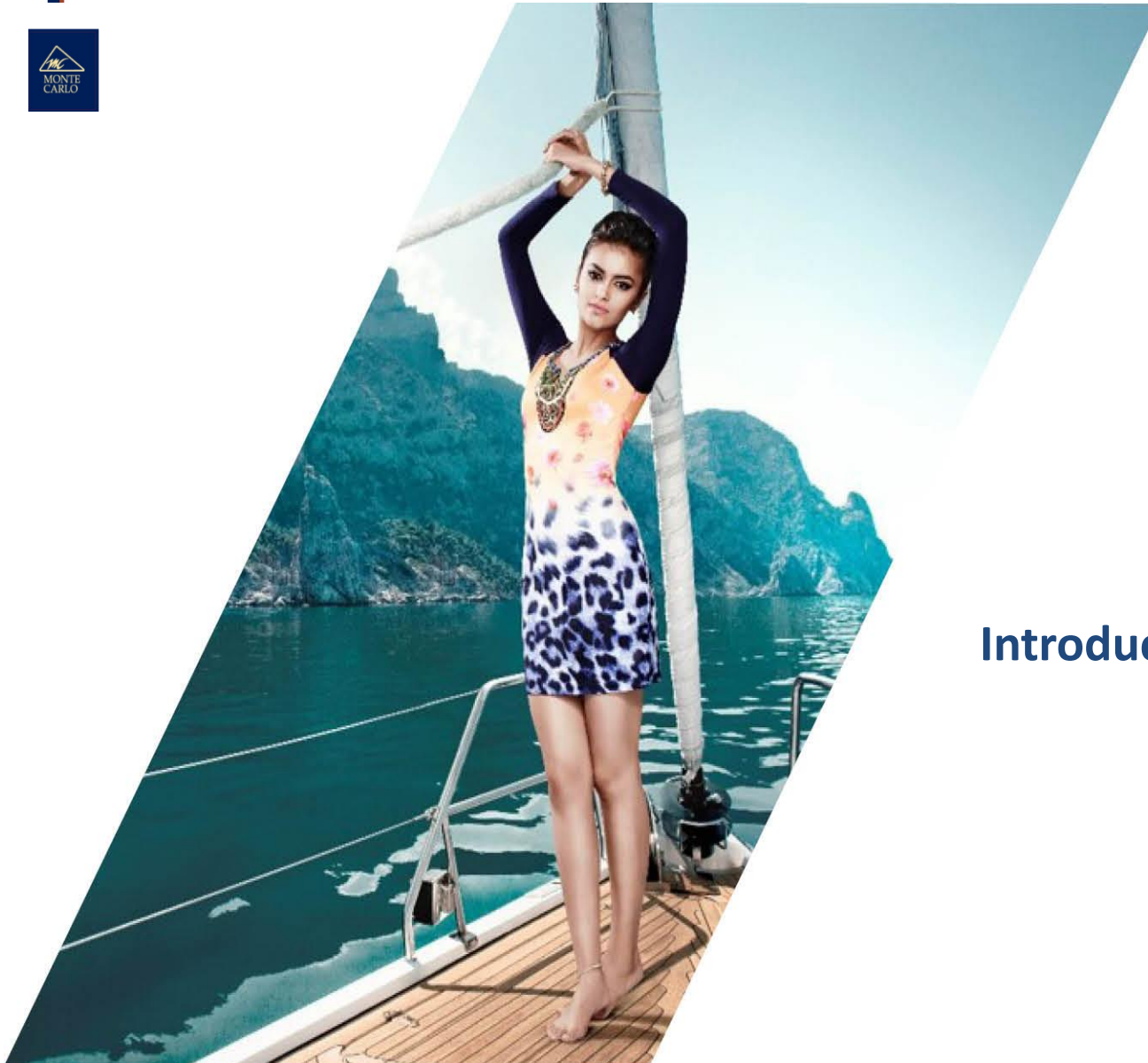


Its the way you make me feel

Investor & Analyst Forum

December 2017





Introduction to Monte Carlo



- Part of Nahar Group, Launched in 1984 as an exclusive woollen brand by Oswal Woollen Mills Limited (“OWML”).
- Recognized as a ‘Superbrand’ for woollen knitted apparel in each edition of Consumer Superbrands India
- Successfully diversified with a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the ‘Monte Carlo’ brand

STRONG PEDIGREE



- Branded apparel business was demerged into Monte Carlo Fashions Limited (MCFL) in 2011. Ownership of the brand ‘Monte Carlo’ is with the listed Company
- ‘Monte Carlo’ is the flagship brand with a portfolio of woollen apparel and cotton and cotton blended apparel
- Launched different ranges under the Umbrella Brand “Monte Carlo”

OUR BRAND & PRODUCT PORTFOLIO



- Strong Network of EBOs and MBOs including NCS. Strong distribution network and wide presence across the country
- MBOs - Products are supplied through 21 exclusive commission agents to over 2400+ MBOs on outright basis
- EBOs – 240* EBOs (21 EBO – COCO, 219 EBO – FOFO), and 249 NCS
- Online presence through own portal montecarlo.in & tie-ups with other platforms like Amazon, Flipkart, Jabong, Myntra





























OUR REACH & PRESENCE



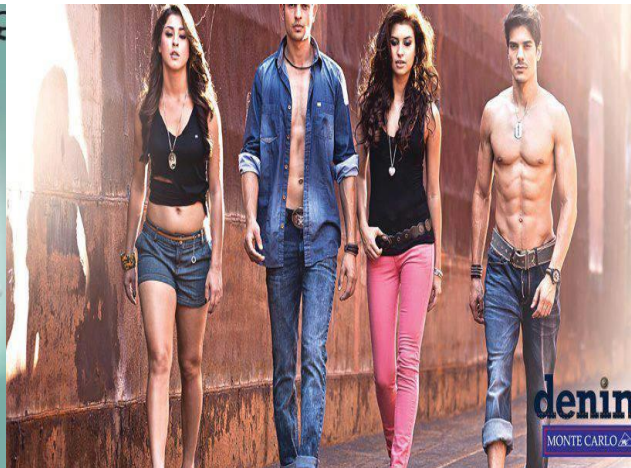
- Consolidated Revenues, EBITDA and PAT were Rs. 5,841 mn, Rs. 776 mn and Rs.423 mn in 2017
- Strong balance sheet with Net Debt to Equity of 0.13x and high cash balance of INR 1,361 mn (includes cash and bank balance along with current and non-current investments) as on March 2017

OUR FINANCIALS

INTRODUCTION TO MONTE CARLO – Our Product Portfolio

| | | | |
|-----------------------|---|--|---|
| Woollens |  | Sweaters, Shawls |    |
| Cottons |    | T-shirt, Shirts, Trousers, Jackets |    |
| Kids |  | Sweaters Jackets, T-shirt, Sweat Shirts |   |
| Economy range |  | T-Shirts, Sweatshirts, Thermal-wear |    |
| Home Furnishing Range |  | Mink Blankets, Bed Sheets, Quilts |   |
| Sports Wear |  | Tank, Polo T-Shirts, Shorts, Track Pants |    |
| Accessories |  | Vest, Purse, Mufflers, Scarf, Socks |    |

MONTE CARLO FASHIONS - Our Product Portfolio



Our Product Portfolio



MONTE CARLO FASHIONS – Stores Images



BOARD OF DIRECTORS

STRONG CORPORATE GOVERNANCE

| Name / Position | Qualification | Experience |
|--|---|--|
| Mr. Jawahar Lal Oswal, Chairman & Managing Director and Promoter | Commerce Graduate | <ul style="list-style-type: none"> • More than 50 years of experience in the textile and woollen industry. • Started Monte Carlo Business in 1984 as CMD of OWML., business demerged under his leadership in 2011 into Monte Carlo Fashions Ltd. • 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 • Previously Nominated on the Board of PNB by the central government |
| Mr. Sandeep Jain, Executive Director | Bachelor's degree in pharmacy from Dr. H.L. Thimmegowda College of Pharmacy, Bangalore University and also holds diploma in export management from the FTPC, Ludhiana. Certificate course in wool from the AWTA Ltd., Australian wool testing authority | <ul style="list-style-type: none"> • More than 17 years of experience in administration. • Prior to joining Monte Carlo in 2008, he has worked with Oswal Woollen Mills Limited • He Joined Board of Monte Carlo with effect from July 7, 2008 |
| Ms. Ruchika Oswal, Executive Director | Holds a bachelor's degree in commerce from the Government College for Women, Punjab University. | <ul style="list-style-type: none"> • More than 15 years of experience in the field of Manufacturing & Administration. • Prior to joining Monte Carlo in 2010, she has worked with Oswal Woollen Mills Limited • She Joined Board of Monte Carlo with effect from October 30, 2010 |
| Ms. Monica Oswal, Executive Director | Holds a bachelor's degree in commerce from the Government College for Women, Punjab University. | <ul style="list-style-type: none"> • More than 15 years of experience in retail and administration • Prior to joining Monte Carlo in 2010, she was involved with Oswal Woollen Mills Limited and Nahar Spinning Mills Limited • She Joined Board of Monte Carlo with effect from October 30, 2010 |
| Mr. Dinesh Gogna, Non Executive, Non Independent Director | Holds a bachelor's degree in law from University of Rajasthan. Successfully completed Money and Capital Market "Seminar Course" from New York institute of finance, USA. | <ul style="list-style-type: none"> • More than 35 years of experience in the field of Corporate Finance and Taxation. • Involved with the Company since incorporation. • Presently holding directorship on the Board of various group companies. • He Joined Board of Monte Carlo with effect from July 7, 2008 |

BOARD OF DIRECTORS

STRONG CORPORATE GOVERNANCE

Mr. Paurush Roy **Non-Executive Director**

More than 14 years of experience in financial services. Prior to joining Samara India Advisors in 2018, he has worked with HSBC, Citibank and Deutsche Bank.

Dr. Sainen Kumar Chaudhuri **Independent Director**

More than 38 years of experience in the textile industry. Previously he has worked with Australian Wool Innovation Limited, Modi Carpets Limited, Bombay Dyeing and Tirupati Woollen Mills Limited.

Dr. yash paul Sachdeva **Independent Director**

More than 22 years of experience as a management academic. Currently a professor at the School of Business Studies, Punjab Agricultural University, Ludhiana

Mr. Ajit Singh Chatha **Independent Director**

Been in IRS and IAS for more than 34 Years. Also held various positions with Central & State Government. Previously served as M.D of Punjab State Ind. Dev. Corp. and chairman of the Punjab State Electricity Board.

Mr. Suresh Kumar Singla **Independent Director**

More than 32 years of experience in the field of academics. Presently the Director at GNA Institute of Management and Technology and has previously been associated with the Punjab Agricultural University.

Dr. Manisha Gupta **Independent Director**

More than 13 years of experience in academics. Presently she is a director at Punjab Institute of Management and Technology.

Dr. Amrik Singh Sohi **Additional Director**

More than 38 years of experience in Teaching and Entomology Research. Retired from Punjab Agriculture University, as Sr. Entomologist. Presently working as Consultant in PGR Cell, Sri Rattan Tata Trust, Mumbai.

Mr. Alok Kumar Misra **Independent Director**

More than 41 years of experience in field of Finance, Accounting, Management & Admin Matters. Previously held the position of CMD of Bank of India and Executive Director of Canara Bank.

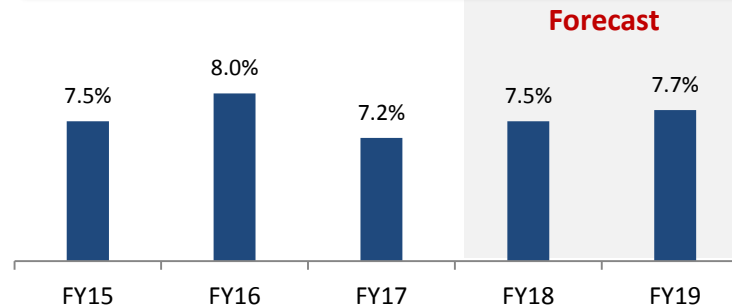


Macroeconomic Overview

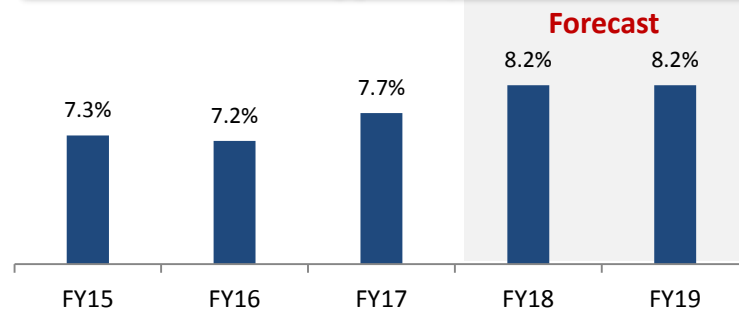
INDIAN ECONOMY ON A STRONG FOOTING

CONSUMPTION IS SET TO RISE IN INDIA

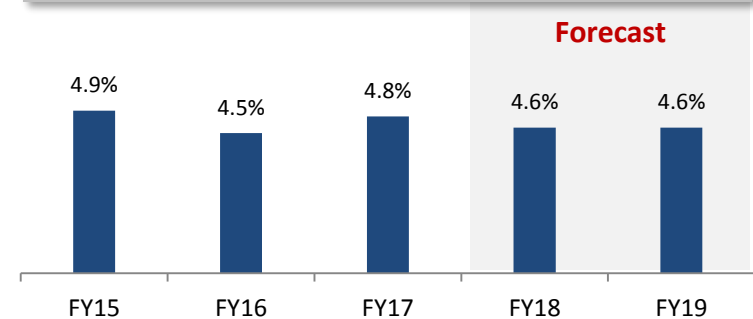
GDP Growth expected to claw back above 7.5%



Private consumption has helped economy towards strong growth path



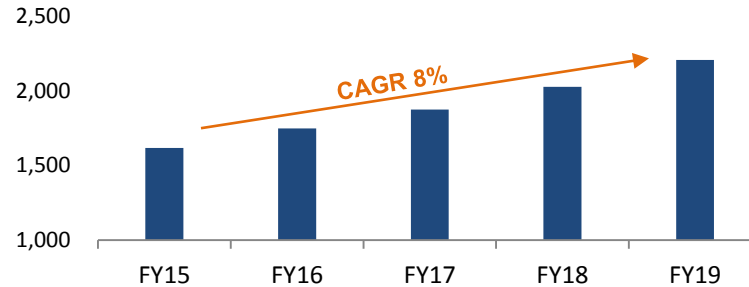
And Inflation cool-off has also benefited strong growth



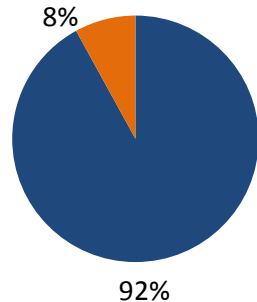
PER CAPITA DISPOSABLE INCOME IS INCREASING IN INDIA

LEADING TARNSITION FROM UNORGANIZED TO ORGANIZED RETAIL

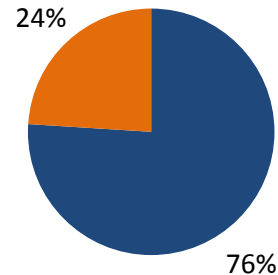
INCREASING PER CAPITA INCOME IN INDIA



FY2015



FY2020



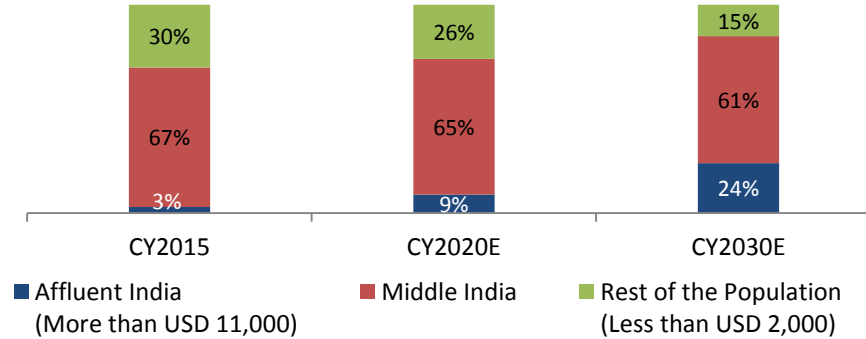
■ Unorganized

■ Organized

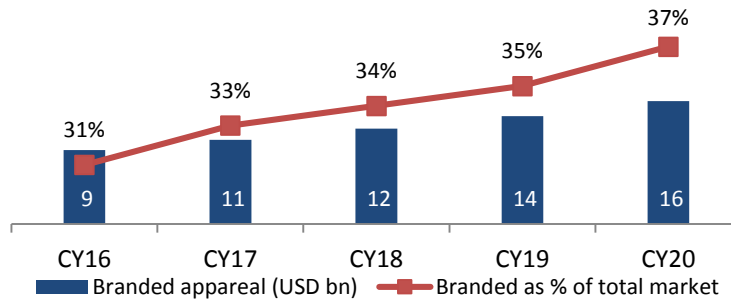
With rising income level retail will shift towards organized players. India is trailing other South East Asian nations in comparison to share of organized retail

CONSUMPTION ASPIRATION IMPROVING WITH CHANGING INCOME PROFILE

Rising share of affluent population



INCREASING PER CAPITA INCOME IN INDIA



- Readymade apparel market is expected to grow at 9% during CY16-20
- Branded apparel is expected to grow at faster rate of 13% in the corresponding period
- Shift towards organized and branded apparel is also supported by growing urbanization in India



Business Overview

BUSINESS OVERVIEW

DIVERSIFIED PRODUCT PORTFOLIO

MONTE CARLO 

RANGES LAUNCHED UNDER THE BRAND – “MONTE CARLO”

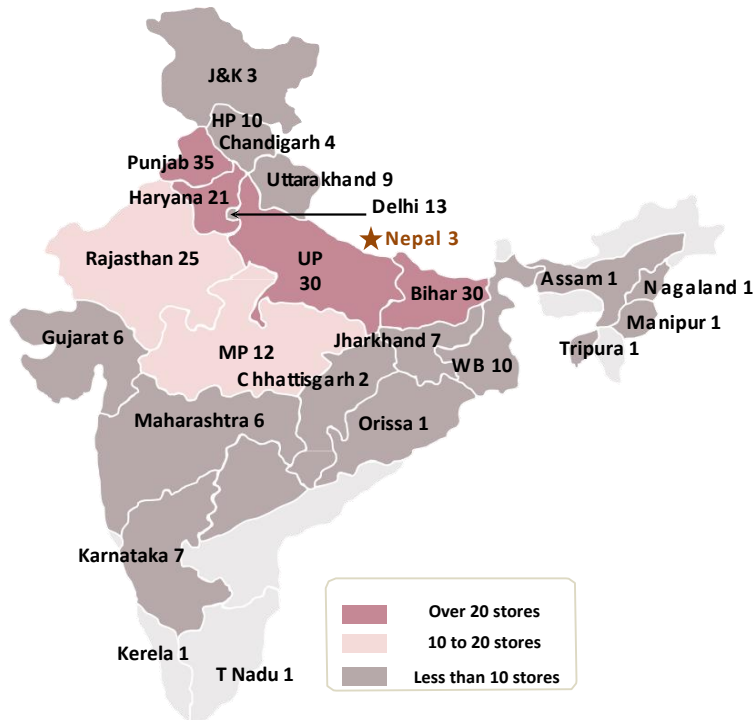


| Range | Woollens & Woollen-blended | Cottons & Cotton-blended | Home Furnishing | Kids |
|---|--|---|---|---|
| Monte Carlo – Premium and mid-premium segments for men | Sweaters, thermals, woollen accessories (caps, mufflers, shawls, stoles) | Shirts, trousers, t-shirts, track-suits and jackets | Mink blankets, bed sheets and quilts | |
| Luxuria – Premium range for Men | cash-wool sweaters, blazers, coats | Cotton shirts, trousers and t-shirts | | |
| Denim – Mid-premium Range | | Denim trousers (jeans) and shirts | | |
| Alpha – Exclusive range for Women | Sweaters, cardigans | Shirts, t-shirts, tops, trousers, jackets and sweat-shirts | | Sweat-shirts |
| Tweens – Exclusive Kids wear Collection for 7-13 years age group | | | | Sweaters, Cardigans, Shirts, t-shirts and Bottoms |
| Cloak & Decker – Economy range for men | | Cotton and cotton-blended t-shirts | | |
| Sportswear – fitness & fashion wear range “Rock.it” | | Tank, Polo T-Shirts, Shorts, Track Pants | | |

BUSINESS OVERVIEW

OUR RETAIL PRESENCE

PAN INDIA PRESENCE ACROSS 19 STATES & 1 UNION TERRITORY



STORE NETWORK

| Type of Store | FY16 | FY17 | As on Date |
|---------------|----------------------------------|--------|------------|
| EBO – COCO | 21 | 20 | 21 |
| EBO – FOFO | 202 | 211 | 219 |
| MBO | 2,000+ | 2,300+ | 2400+ |
| NCS | 164 | 198 | 249 |
| E-Commerce | Amazon, Flipkart, Myntra, Jabong | | |

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet

COCO – Company own Company operated, FOFO – Franchise own Franchise operated, NCS – National Chain Stores



DIFFERENTIATED BUSINESS MODEL

PRICING POWER

- Being a premium brand, Monte Carlo enjoys strong pricing power
- No discount sharing with MBOs
- Limited discount sharing with franchisee owned EBO

ORDER TO PRODUCE MODEL

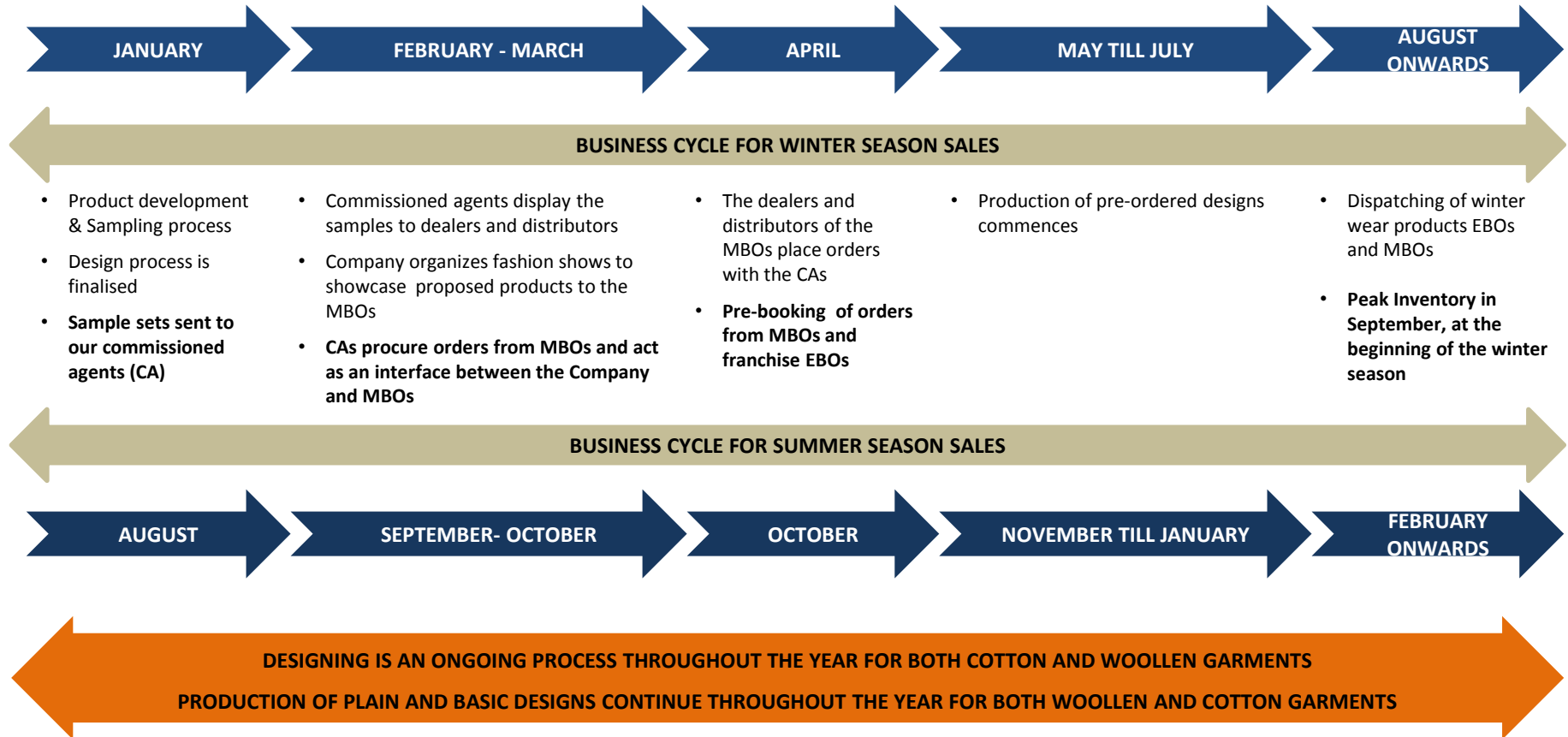
- Majority of revenues come from outright sales
- Sales to MBOs and franchisee owned EBOs (FOFO) are pre-booked and on outright basis
- Inventory is owned only in case of Company owned EBOs (COCO)

MINIMUM GOODS RETURNED

- Goods sold have minimum risk
- Product return is only allowed in case of NCS (<10% of sales) and franchisee owned EBOs (5-15% return allowed)
- No inventory risk in case of sales to MBOs

LOW CREDIT RISK

- Zero bad debts till date
- MBO sales are through exclusive commissioned agents and distributors
- Franchisee owned EBOs work on bank guarantee and PDC



| | MBO | NCS | EBO-COCO | EBO –FOFO |
|-------------------------------------|--|--|-------------------------------|--|
| Total Number of Outlets (Sep17) | 2,400+ | 249 | 21* | 219* |
| % of Revenue Contribution – FY17 | 57% (NCS Contribute less than 10%) | | 39% | |
| Distribution Sale Model | Pre-Booking of orders Outright Sales | SOR – Sale or Return / Outright Sales | Inventory owned by Company | Pre-Booking of orders Outright sale |
| Inventory Risk | No | Yes | Yes | Minimal 5% - 15 % of Products Return Allowed |
| Discount Sharing | No | Yes | Yes | Yes Range of 5% - 17.5% |
| Payment Collection – Credit Risk | Exclusive commissioned agents are liable to pay | Reputed retail chains | - | Bank guarantee's and PDC taken from franchise |

**ROBUST DISTRIBUTION MODEL ASSURES MINIMAL INVENTORY RISK AND CREDIT RISK
TILL DATE, THERE HAS BEEN NO BAD DEBTS OR RECEIVABLES WRITE OFF FOR THE COMPANY**

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet

COCO – Company own Company operated, FOFO – Franchise own Franchise operated, NCS – National Chain Stores

*as on date

IN-HOUSE DESIGN & PRODUCT DEVELOPMENT:

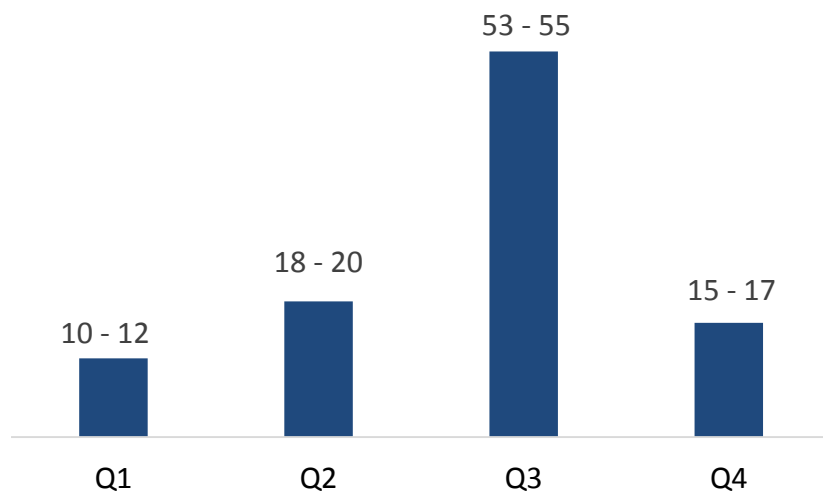
- Strong design team of over 30 professionals closely tracking the trending global fashion
- Focus on developing new products, improving existing ones and forecasting fashion trends
- Regular market surveys done by exclusive commissioned agents to understand consumer tastes and feedback

MANUFACTURING CAPABILITIES:

- Three manufacturing facilities in Ludhiana, Punjab -
 - One for woollen apparels
 - Two for cotton apparels
 - The manufacturing facilities include facilities for product development, design studio and sampling infrastructure
- In-house manufacturing of woollen knitted apparels
- Outsourced manufacturing of cotton and cotton-blended apparels
- Recently started in-house manufacturing of cotton t-shirts and thermals



SEASONALITY IMPACT ON REVENUES (In % terms)



BUSINESS SEASONALITY:

- Q3 generates highest quarterly revenues in any fiscal year
- Q3 typically involves sale of winter products –
 - Woollens / woollen blended - sweaters, jackets, cardigans
 - Cotton / cotton blended - cotton jackets, suits, sweat shirts, full sleeve t-shirts and shirts
- Winter products are sold during October to January.
- Winter products are higher in value in terms of both revenues and cost
- The Company is expanding presence in western and southern markets as well as expanding its product offerings in home furnishing and kids segments in order to reduce the overall seasonality impact



Its the way you make me feel

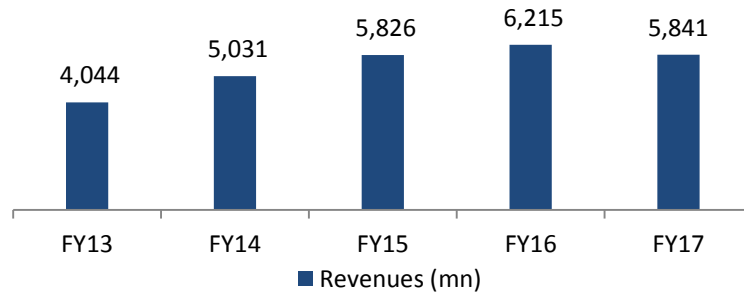
Financials

COMPANY OVERVIEW

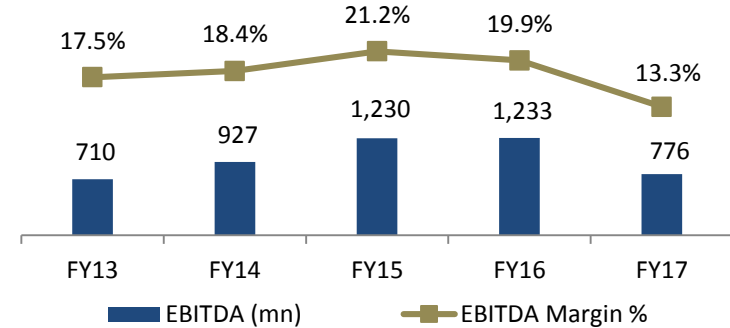
FINANCIAL HIGHLIGHTS

REVENUES

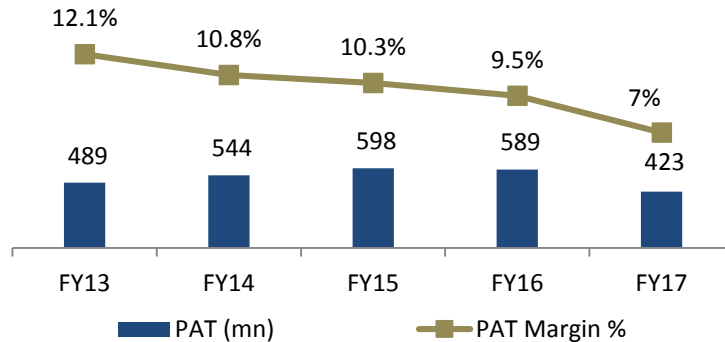
FY13 - FY17 : CAGR 9.6%



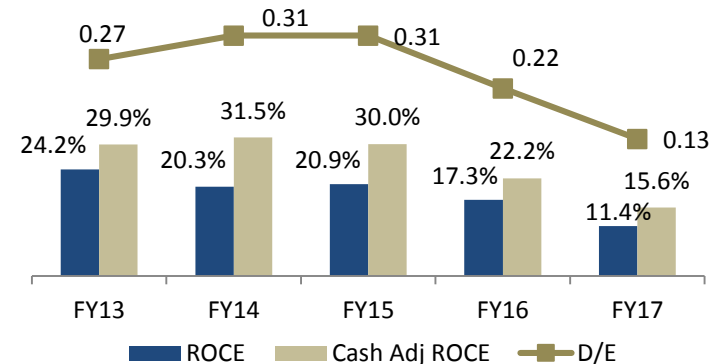
EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



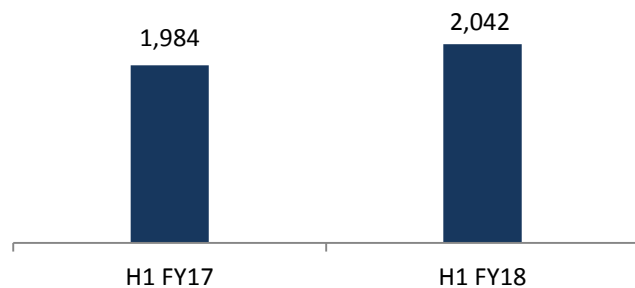
LEVERAGE & RETURN RATIOS



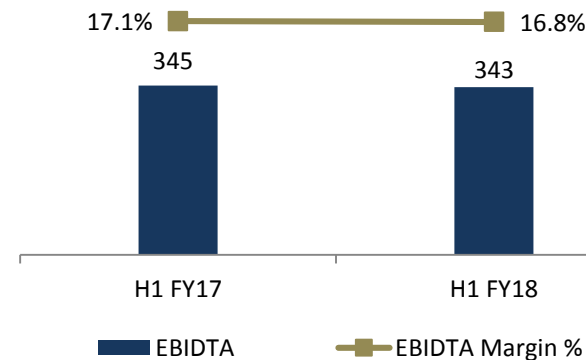
Note –Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&CE)]

H1 FY18 – YoY Analysis

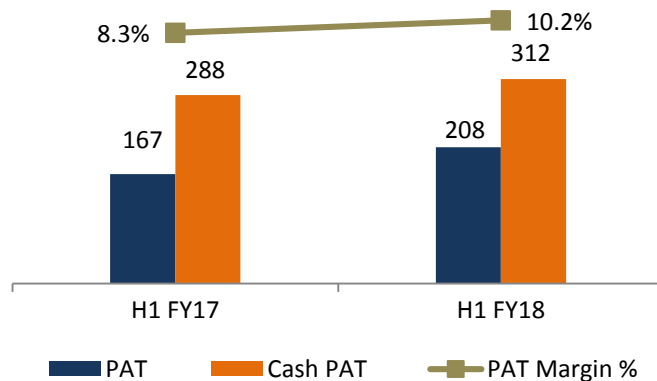
REVENUES *



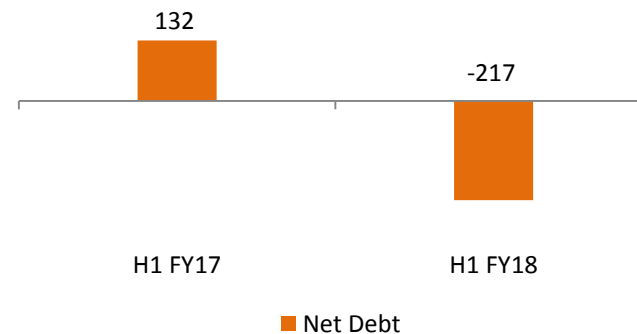
EBIDTA & EBIDTA MARGIN%



PAT, CASH PAT & PAT MARGIN %



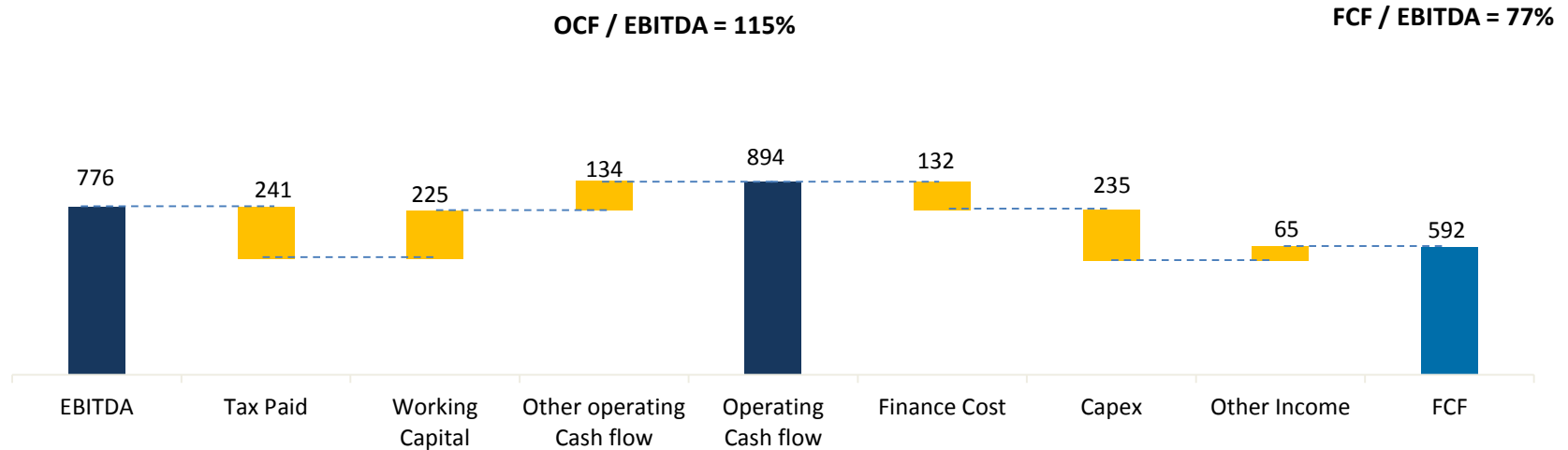
Net Debt



*Cash includes Cash and Bank Balance, Current and Non Current Investments

FY17 – FREE CASH FLOW ANALYSIS

In Rs Mn



FREE CASH FLOW GENERATED DURING THE YEAR IS 6.2% OF MARKET CAP OF FY2017^

^ Market cap as on 30th May 2017

Q2 & H1 FY18 – CONSOLIDATED PROFIT & LOSS

| Particulars (Rs. mn) | Q2FY 18 | Q2 FY 17 | YoY% | H1FY18 | H1FY17 | YoY% | FY17 |
|---|----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|
| Net Sales | 1,375.0 | 1,230.9 | 11.7% | 2,033.7 | 1,979.6 | 2.7% | 5,828.6 |
| Other Operating Income | 1.8 | 2.4 | -25.0% | 3.7 | 4.8 | -22.9% | 12.4 |
| Total Income from Operations | 1,376.8 | 1,233.3 | 11.6% | 2,037.4 | 1,984.4 | 2.6% | 5,841.0 |
| Cost of Goods Sold | 721.3 | 559.4 | 28.9% | 907.5 | 776.4 | 16.9% | 3,281.2 |
| Gross Profit | 655.5 | 673.9 | -2.7% | 1,129.9 | 1,208.0 | -6.5% | 2,559.8 |
| Gross Margin | 47.6% | 54.6% | -700 bps | 55.4% | 60.9% | -550 bps | 43.8% |
| Personnel Expenses | 135.5 | 126.5 | 7.1% | 264.4 | 247.9 | 6.7% | 492.3 |
| Advertisement Expenses | 32.0 | 42.2 | -24.2% | 84.4 | 142.2 | -40.6% | 299.2 |
| Other Expenses | 229.1 | 258.8 | -11.5% | 437.8 | 472.7 | -7.4% | 992.2 |
| EBITDA | 258.9 | 246.4 | 5.1% | 343.3 | 345.2 | -0.6% | 776.1 |
| EBITDA Margin | 18.8% | 20.0% | -120 bps | 16.8% | 17.4% | -60 bps | 13.3% |
| Other Income | 33.9 | 55.1 | -38.5% | 87.9 | 94.5 | -7.0% | 221.0 |
| EBITDA Margin (incl. Other Income) | 21.3% | 24.4% | -310 bps | 21.1% | 22.2% | -110 bps | 17.1% |
| Depreciation | 52.5 | 61.1 | -14.1% | 104.3 | 120.5 | -13.4% | 247.4 |
| Interest Expense | 18.6 | 44.1 | -57.8% | 35.7 | 78.4 | -54.5% | 119.6 |
| CSR Expenditure | - | - | - | 0.8 | - | - | 3.0 |
| PBT | 221.7 | 196.3 | 12.9% | 290.4 | 240.8 | 20.6% | 627.1 |
| Taxes | 66.1 | 61.7 | 7.1% | 82.7 | 73.8 | 12.1% | 203.9 |
| PAT | 155.6 | 134.6 | 15.6% | 207.7 | 167.0 | 24.4% | 423.2 |
| PAT Margin | 11.3% | 10.9% | 40 bps | 10.2% | 8.4% | 180 bps | 7.2% |
| Total Comprehensive income | 154.6 | 134.5 | 14.9% | 206.0 | 166.8 | 23.5% | 423.2 |
| EPS | 7.16 | 6.19 | 15.7% | 9.56 | 7.69 | 24.3% | 19.47 |

Note – *Quarterly figures are as per Indian Accounting Standards (INDAS) whereas the annual figures are as per Indian GAAP.

* Revenues includes sale of raw materials (Fabric & Yarn). Fabric & Yarn sales: Q2 FY17 – Rs 253 Mn, Q2 FY18 – Rs 313 Mn FY16 – Rs 425.9 Mn, FY17 – Rs 498 Mn

H1 FY18 – CONSOLIDATED BALANCE SHEET

| Particulars (Rs mn) | Sep-17 | FY17 |
|---|----------------|----------------|
| Equities & Liabilities | | |
| Shareholder's Funds | | |
| Share Capital | 217.3 | 217.3 |
| Reserves & Surplus | 4,960.4 | 4,667.7 |
| Total Shareholder's Funds | 5,177.7 | 4,885.0 |
| Non-Current Liabilities | | |
| Long-term Borrowings | 141.0 | 153.8 |
| Deferred Tax Liabilities (net) | - | - |
| Other Long-term Liabilities | 146.0 | 143.2 |
| Total of Non-current liabilities | 287.0 | 297.0 |
| Current Liabilities | | |
| Short-term Borrowings | 1,003.6 | 343.8 |
| Trade Payables | 1,409.3 | 1,033.3 |
| Other Current Liabilities | 338.1 | 367.4 |
| Short-term Provisions | 11.4 | 35.8 |
| Total of Current liabilities | 2,762.4 | 1,780.3 |
| Total Liabilities | 8,227.1 | 6,962.3 |

| Particulars (Rs mn) | Sep-17 | FY17 |
|---------------------------------|----------------|----------------|
| Assets | | |
| Non-Current Assets | | |
| Fixed Assets | 1,554.0 | 1,655.7 |
| Non-Current Investments | 159.0 | 215.0 |
| Deferred Tax Assets (net) | 36.8 | 49.3 |
| Long-term Loans & Advances | 199.5 | 69.8 |
| Other non-current assets | 130.1 | 165.1 |
| Total non-current assets | 2,079.4 | 2,154.9 |
| Current Assets | | |
| Current Investments | 912.5 | 855.0 |
| Inventories | 2,766.0 | 2,020.1 |
| Trade Receivables | 1,815.2 | 1,463.1 |
| Cash & Bank Balance | 289.7 | 259.7 |
| Short-term Loans & Advances | 22.9 | 182.1 |
| Other Current Assets | 341.4 | 27.3 |
| Total Current Assets | 6,147.7 | 4,807.3 |
| Total Assets | 8,227.1 | 6,962.3 |



It's the way you make me feel

LEAP INTO THE FUTURE

1949 - 2014

- 1949: Nahar Group started woollen yarn manufacturing operations
- 1984-2000: Entry into branded apparel via launch of Monte Carlo as a brand
- 2001-2002: Came up with own brand of Cotton T-shirts
- 2011: Demerger of MCFL from OWML, brand remained with MCFL
- 2014: Successfully made public issue of Rs. 350 crore via IPO at issue price of 645 through offer for sale

2015-2017

- Successful diversified brand across segments like Woollen, Cotton, Kids, Home Furnishing with ranges as Luxuria, Alpha, Tweens and Clock & Decker
- Woollen share reduced to 35%, enhancing product line towards all season cotton segment
- Expanded geographical footprint to South and West, currently contributing over 10% of sales
- Entered into online space with tie up with Amazon, Flipkart, Jabong and Myntra
- Launched its Exclusive Fitness & fashion Wear Under Brand Rock.IT

WAY FORWARD

- Increasing Footprints across by PAN India presence - with penetration in Southern and Western Regions of India
- Expected to add 10 – 15 EBOs every year
- Revenue to grow by 15 – 20% every year with strong EBITDA margin
- Strategic Brand acquisition based on opportunities ahead
- Focus on shareholder value creation with healthy dividend pay out

Transformation to being an all-season apparel brand with strong retail reach

VISIBILITY FOR STRONG GROWTH

- Well positioned to deliver strong growth for the current year
 - Effect of demonetization and early impact of GST now behind
 - Robust orderbook to deliver strong sales during the winter
- Low inventory from last winter as goods were sold at discount in March quarter

POSITIVE BUSINESS OUTLOOK

- Focus on new markets and new product offerings
- Strong traction in making further inroads in western and southern markets in India
- Launch fitness & fashion wear range “Rock.it”.

CONSISTENT FOCUS ON SHAREHOLDER RETURN

- Low Capex requirement for next two years, near term growth will be achieved from higher capacity utilization
- Committed to generate strong shareholder returns with increasing cash flows in future

IMPROVED WORKING CAPITAL CYCLE

- Reduction in inventory leading to efficient working capital cycle and higher operating cash flow in FY2017
- Working capital increased during H1 FY2018 as we are preparing for strong growth with high inventory & receivables

HEALTHY CASH FLOW & STRONGER BALANCE SHEET

- Strong balance sheet with low overall debt; Long term borrowing at INR 141 mn as of September 2017
- Strong balance sheet is reflected through high cash balance of INR 1,361 mn (includes cash and bank balance along with current and non-current investments)



MARGIN IMPROVEMENT

- Company believes in maintaining strong EBITDA margin, as we move to next leg of growth focus will remain to grow profitably
- With strong brand and product profile, we believe we should be able to maintain 18 – 20% EBITDA margin on a sustainable basis



LOWER WORKING CAPITAL REQUIREMENT

- Maintain current level of working capital as we embark on new phase of growth
- Reduction of net working capital by INR 221mn, primarily due to reduction in inventory and debtors



LOWERING DEBT

- Strong free cash flow led to reduction in long term debt
- Long term debt lowered by INR 139mn, resulting in lower interest cost in 1H FY2018



STRONG RETURN RATIOS

- Monte Carlo delivered strong RoCE of 20-30% on a sustainable basis, however last two years were impacted due to warm winter (FY16) and demonetization (FY17)
- As we cleared inventory in 4Q FY2017, RoCE will again get normalized to 20-30% going forward



REGULAR & STRONG DIVIDEND

- Consistent dividend of INR 10/- per shares reflects strong focus on creating shareholder value
- Dividend pay out ratio in FY2017 was 51.3% excluding dividend distribution tax

FOCUS ON BRAND & PRODUCT PORTFOLIO EXPANSION

- Focus on branding and promotion to further increase our visibility and market share across India
- Focus on a comprehensive range of cotton and cotton-blended products which cater to all seasons in-order to expand our all-season product range and strengthen our pan-India operations.

FOCUS ON RETAIL NETWORK EXPANSION

- Plan to diversify our pan-India presence by penetrating into the southern and western regions of India.
- Focus on Online sales through own portal as well as Tie-ups with e-commerce portals such as Flipkart, Jabong and Myntra

FOCUS ON RETURN RATIOS EXPANSION

- No major capex requirement for over next 2 years. Average sustaining capex is to be in the range of INR 100-150 mn on yearly basis in the next two years
- Ability to sustain Robust growth without any major capex. Therefore Return ratios set to improve.

Aspire to service complete wardrobe requirement of Indian consumers by adding further new products in our portfolio

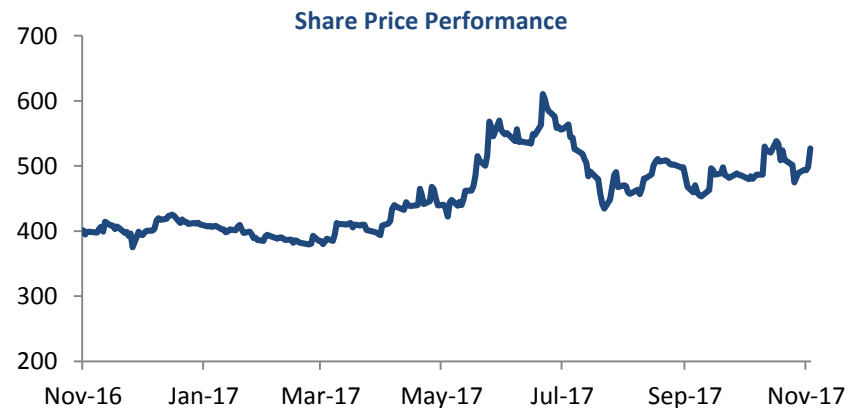


Its the way you make me feel

ANNEXURE

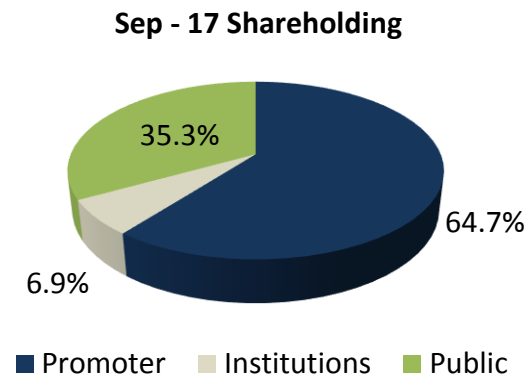
| Market Data | As on 23.11.2017 (BSE) |
|--------------------------------|------------------------|
| Market Capitalization (Rs Mn) | 11,434 |
| Share Price | INR 526.9 |
| No. of shares outstanding (Mn) | 21.7 |
| Face Value (Rs.) | 10.0 |
| 52 week High-Low (Rs.) | 640 – 370 |

Source – BSE



| Key Institutional Investors | % Holding |
|---|-----------|
| Kanchi Investments Ltd (Samara Capital) | 10.94 |
| Goldman Sachs India | 3.64 |
| Birla Sun Life Trustee Co. | 2.89 |
| ICICI Prudential Life Insurance | 1.82 |
| Aditya Birla Pvt Equity Trust | 1.57 |

Source – Company / BSE as on 30th September 2017



REVENUE * BREAKUP – SEGMENT WISE

| | Q2 FY18 | Q2 FY17 | H1FY18 | H1FY17 | FY17 | FY16 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Revenues (Rs. Mn) | 1,064 | 989 | 1,610 | 1,623 | 5,343 | 5,789 |
| Woollen Segment | 30.9% | 29.0% | 15.3% | 12.5% | 28.1% | 34.2% |
| Cotton Segment | 56.5% | 49.8% | 69.3% | 64.5% | 58.1% | 51.3% |
| Home Furnishings | 9.6% | 17.5% | 11.1% | 18.1% | 9.1% | 9.7% |
| Kids | 3.0% | 3.7% | 4.3% | 4.9% | 4.7% | 4.8% |

FOCUS ON PRODUCT DIVERSIFICATION

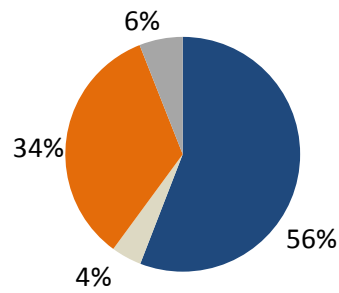
- Consistent growth in Cotton products
- Winter sales have picked up in Northern India, signalling strong winter during the year
- Woollen sales registered strong growth during the quarter

* Revenue from Core Products

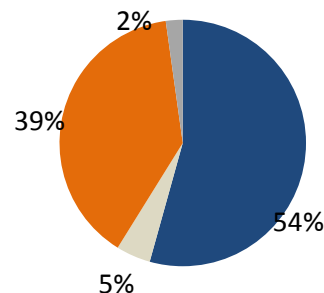
MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet
COCO – Company own Company operated, FOFO – Franchise own Franchise operated

Q2 FY 18 REVENUE * BREAKUP – CHANNEL WISE

Q2 FY17: Rs 989 Mn



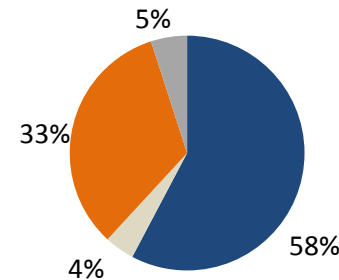
Q2 FY18: Rs 1,064 Mn



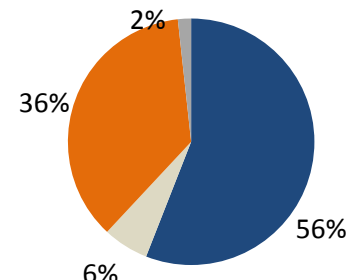
■ MBO + NCS ■ EBO - COCO ■ EBO - FOFO ■ Others inc online

H1 FY 18 REVENUE * BREAKUP – CHANNEL WISE

H1 FY17: Rs 1,623 Mn



H1 FY18: Rs 1,610 Mn



■ MBO + NCS ■ EBO - COCO ■ EBO - FOFO ■ Others inc online

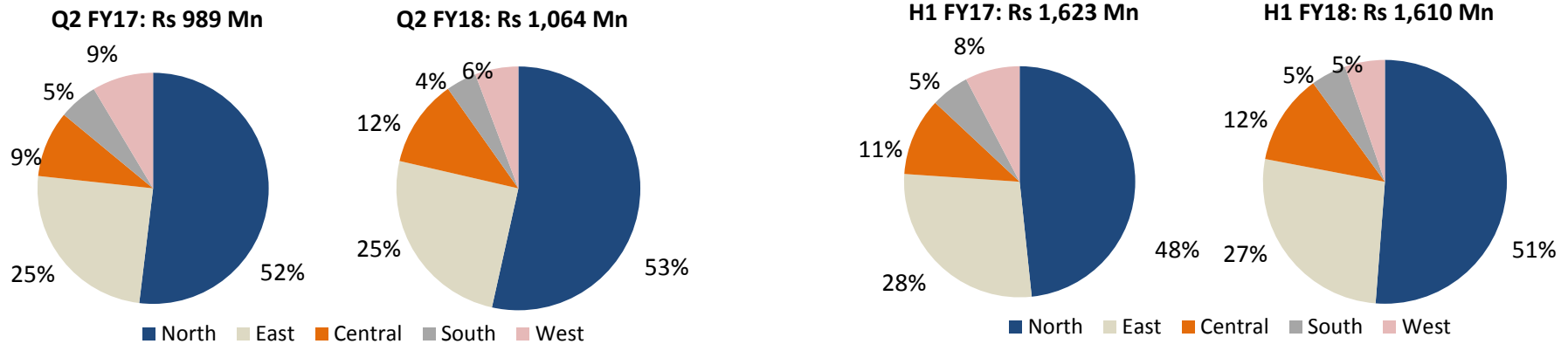
FOCUS ON CHANNEL DIVERSIFICATION

- Improved traction across NCS, including large format stores like Reliance retail, Shopper stop, Madura, Pantaloons, Central, Kapsons.

* Revenue from Core Products

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet
COCO – Company own Company operated, FOFO – Franchise own Franchise operated

REVENUE * BREAKUP – REGION WISE



FOCUS ON REGIONAL DIVERSIFICATION

- Strategic focus to build a pan India presence
- Central region is contributing 12% of the overall sales for the quarter

| STORE NETWORK | | | |
|---------------|--------|--------|------------|
| Type of Store | FY16 | FY17 | As on Date |
| EBO – COCO | 21 | 20 | 21 |
| EBO – FOFO | 202 | 211 | 219 |
| MBO | 2,000+ | 2,300+ | 2400+ |
| NCS | 164 | 198 | 249 |

| EBO – NET ADDITIONS | | | |
|---------------------|------|------|------------|
| | FY16 | FY17 | As on Date |
| Existing | 214 | 223 | 231 |
| New Opened | 24 | 17 | 13 |
| Closed | 15 | 9 | 4 |
| Total EBOs | 223 | 231 | 240 |

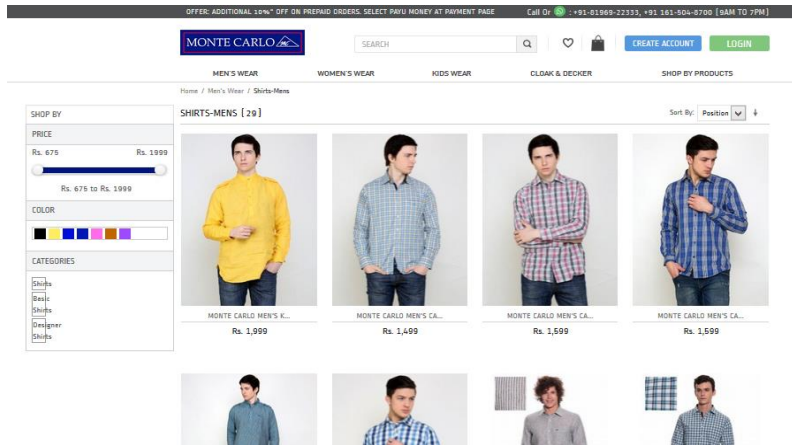
- Strategic focus to build a pan India presence; Focus on increasing presence in Southern and Western markets
- Significant increase in MBO and NCS outlet in FY17, which continued in H1 FY18

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet

COCO – Company own Company operated, FOFO – Franchise own Franchise operated, NCS – National Chain Stores

- Building our presence on e-commerce platform through our own portal www.montecarlo.in
- Have Entered into distribution agreements with some of the leading Indian digital commerce platforms for online sale of our products

OWN PORTAL – WWW.MONTECARLO.IN



TIE-UPS WITH ONLINE PLATFORMS





Dinesh Gogna

Director

Email : gogna@owmnahar.com



Ravindra Bhandari/Pushpa Mani

IR Consultant

Email : Ravindra.bhandari@dickensonir.com /
Pushpa.mani@dickensonir.com

Contact No : +91 92836 14197 / 9911684123

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