

**MONTE CARLO**   
It's the way you make me feel



**MONTE CARLO FASHIONS LIMITED**  
**Q4 & FY20 INVESTOR PRESENTATION**



It's the way  
you make me feel



**MONTE CARLO**   
It's the way you make me feel

## DISCUSSION SUMMARY

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# 01

## COMPANY OVERVIEW





## 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

## WIDE REACH

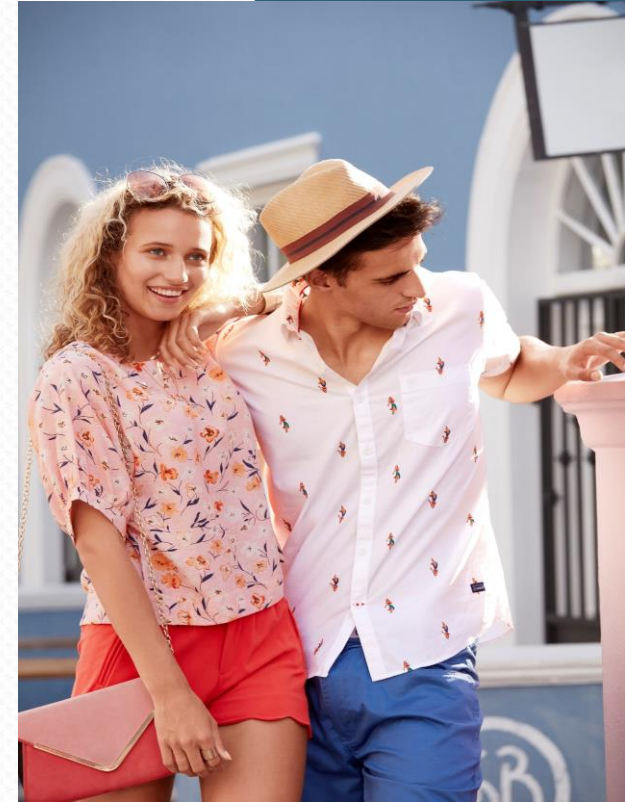
- Presence across India through a judicious mix of EBOs, MBOs and Shop in shop ,distributors and national chain stores and online
- Located in 20 states & 3 union territory

## IN HOUSE DESIGNING TEAM

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

## DIVERSIFIED PRODUCT PORTFOLIO

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



# DIVERSIFIED PRODUCT PORTFOLIO

Range	Woollen	Cotton	Home Furnishing	Kids
<b>Monte Carlo</b> 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	-
<b>Luxuria -</b> Mid Premium / Premium	Cash wool sweaters , blazers ,coats	Cotton Shirts, trousers and t-shirts	-	-
<b>Denim-</b> Mid Premium / Premium	-	Denim Trouser (jeans) and Shirts	-	-
<b>Alpha –</b> Women wear	Sweaters , cardigans	Shirts, Tshirts, Trousers , jackets and sweat-shirts	-	Sweat Shirts
<b>Tweens –</b> Kids wear (7-13 years)	-	-	-	Sweaters, Cardigans, Shirt , T-Shirts and Bottoms
<b>Cloak &amp; Decker–</b> Men’s wear	Sweaters , cardigans	Cotton and cotton blended Tshirts	-	-
<b>Rock It –</b> Sports wear	-	Tank , Polo T-Shirt, Shorts, Track Pants	-	-



# WHAT IS OUR BUSINESS MODEL



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



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



**MINIMUM GOODS RETURNED**



**LOW CREDIT RISK**



**COMMANDS PRICING POWER**



**ORDER TO PRODUCE MODEL**

	MBO and Distributors	NCS	Shop In Shop	EBO-COCO	EBO –FOFO
<b>Distribution Sale Model</b>	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
<b>Goods Return Risk</b>	No	Yes	No	N.A	Minimal 5% - 10 % of Products Return Allowed
<b>Discount Sharing</b>	No	Yes	Yes	Yes	Yes Range of 5% - 17.5%
<b>Payment Collection Credit Risk</b>	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

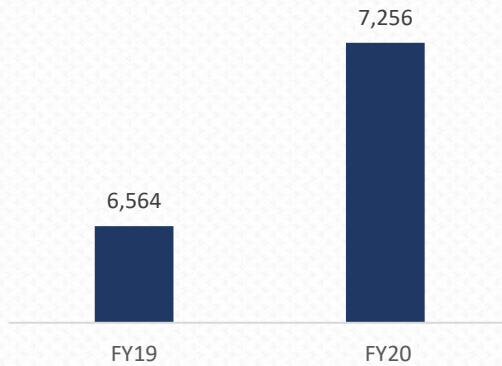




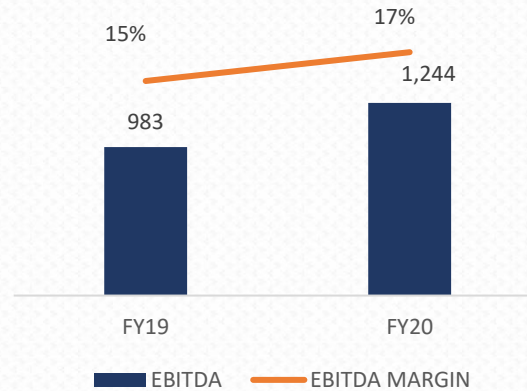
# FY20: FINANCIAL HIGHLIGHTS

In Rs Mn

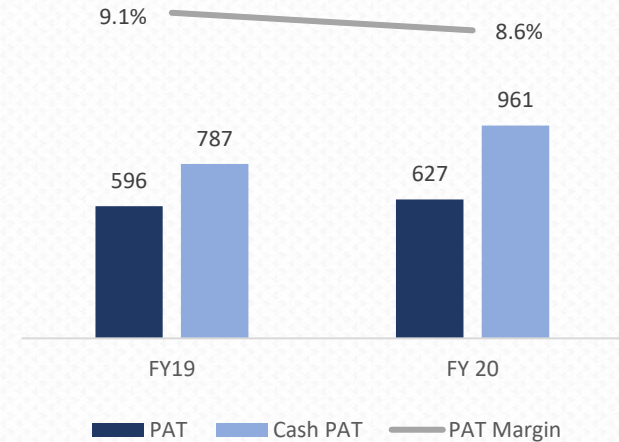
## REVENUES



## EBITDA & EBITDA MARGIN% \*



## PAT, CASH PAT & PAT MARGIN %



Revenue figures does not include sale of raw material (fabric, yarn, & trims sales)

\*EBITDA figures does not include other income

# Q4 FY20: REVENUE DETAILS

## REVENUE BREAKUP- REGION WISE (Including Online Sales)

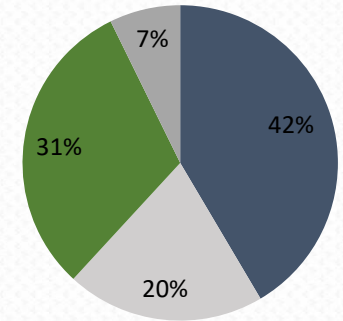
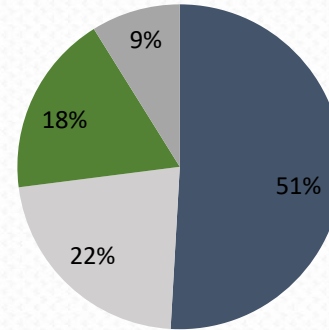
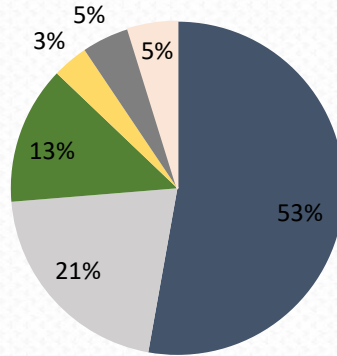
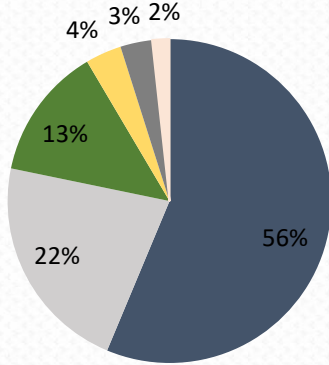
## REVENUE BREAKUP – CHANNEL WISE

Q4 FY19: Rs 956 Mn

Q4 FY20: Rs 1,109 Mn

Q4 FY19: Rs 956 Mn

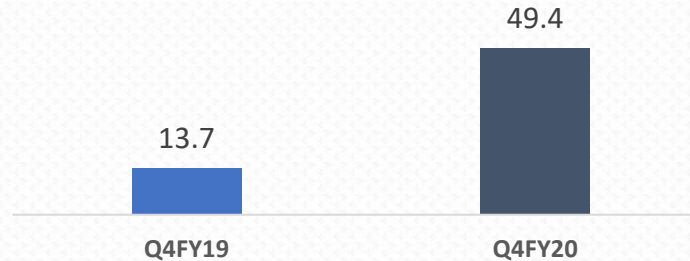
Q4 FY20: Rs 1,109 Mn



■ North ■ East ■ Central ■ South ■ West ■ Others Including Online

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

Online Sales Growth  
INR (Mn)

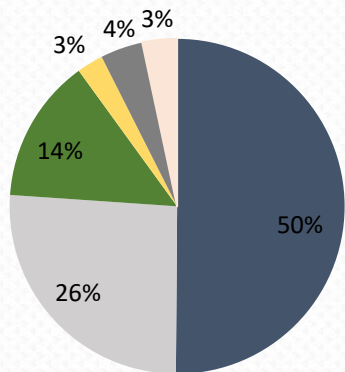




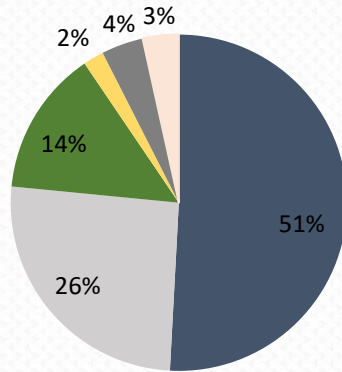
# FY20: REVENUE DETAILS

## REVENUE BREAKUP- REGION WISE (Including Online Sales)

FY19: Rs 6,715 Mn



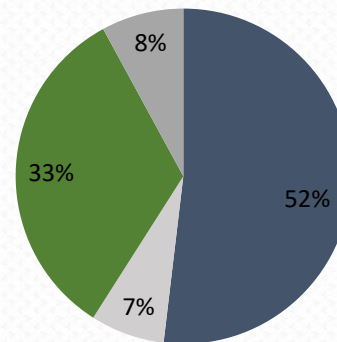
FY20: Rs 7,235 Mn



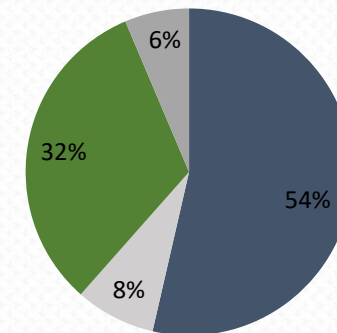
■ North ■ East ■ Central ■ South ■ West ■ Others Including Online

## REVENUE BREAKUP – CHANNEL WISE

FY19: Rs 6,715 Mn

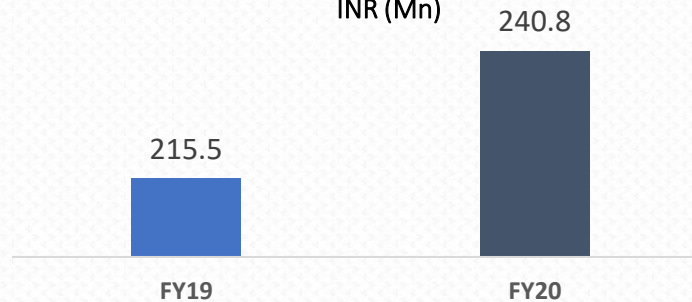


FY20: Rs 7,235 Mn



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

### Online Sales Growth INR (Mn)



## 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



## ❑ **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%
<b>Revenue From Operations</b>	<b>1,095</b>	<b>958</b>	<b>14%</b>	<b>7,256</b>	<b>6,564</b>	<b>11%</b>
Material Cost	591	656	-10%	3,831	3,444	11%
<b>Gross Margin</b>	<b>504</b>	<b>302</b>	<b>67%</b>	<b>3,425</b>	<b>3,120</b>	<b>10%</b>
<b>Gross Margin %</b>	<b>46.0%</b>	<b>31.5%</b>		<b>47.2%</b>	<b>47.5%</b>	
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%
<b>Operating EBITDA</b>	<b>1</b>	<b>-302</b>	<b>-100%</b>	<b>1,244</b>	<b>983</b>	<b>27%</b>
<b>EBITDA Margin %</b>	-	-	-	<b>17.1%</b>	<b>15.0%</b>	
Other Income	10	57	-82%	115	182	-37%
Depreciation	90	49	83%	334	191	75%
Finance cost	33	15	120%	170	89	90%
<b>PBT</b>	<b>-112</b>	<b>-310</b>	<b>64%</b>	<b>855</b>	<b>885</b>	<b>-3%</b>
Tax Expense	-10	-122	-93%	228	289	-21%
<b>PAT</b>	<b>-102</b>	<b>-188</b>	<b>46%</b>	<b>627</b>	<b>596</b>	<b>5%</b>
<b>PAT Margin %</b>	-	-	-	<b>8.6%</b>	<b>9.1%</b>	
EPS (Rs.)	-	-	-	30	27	



# FY20: BALANCE SHEET STATEMENT

Particulars (Rs In Mn)	FY20	FY19
<b>Equities &amp; Liabilities</b>		
Equity Share Capital	207	207
Other Equity	5,244	4,630
<b>Total Equity</b>	<b>5,451</b>	<b>4,837</b>
<b>Non-Current Liabilities</b>		
Long-term Borrowings	163	129
Other financial Liabilities	169	153
Lease Liability	704	-
Other Long-term Liabilities	12	13
Provisions	19	20
<b>Total of Non-current liabilities</b>	<b>1,067</b>	<b>315</b>
<b>Current Liabilities</b>		
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
<b>Total Current Liabilities</b>	<b>2,586</b>	<b>2,731</b>
<b>Total Equity &amp; Liabilities</b>	<b>9,104</b>	<b>7,883</b>

Particulars (Rs In Mn)	FY20	FY19
<b>Non-Current Assets</b>		
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
<b>Financial Assets</b>		
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
<b>Total non-current assets</b>	<b>2,971</b>	<b>2,190</b>
<b>Current Assets</b>		
Inventories	2,162	1,912
<b>Financial Assets</b>		
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
<b>Total Current Assets</b>	<b>6,133</b>	<b>5,693</b>
<b>Total Assets</b>	<b>9,104</b>	<b>7,883</b>

03

MONTE CARLO

ADVANTAGE





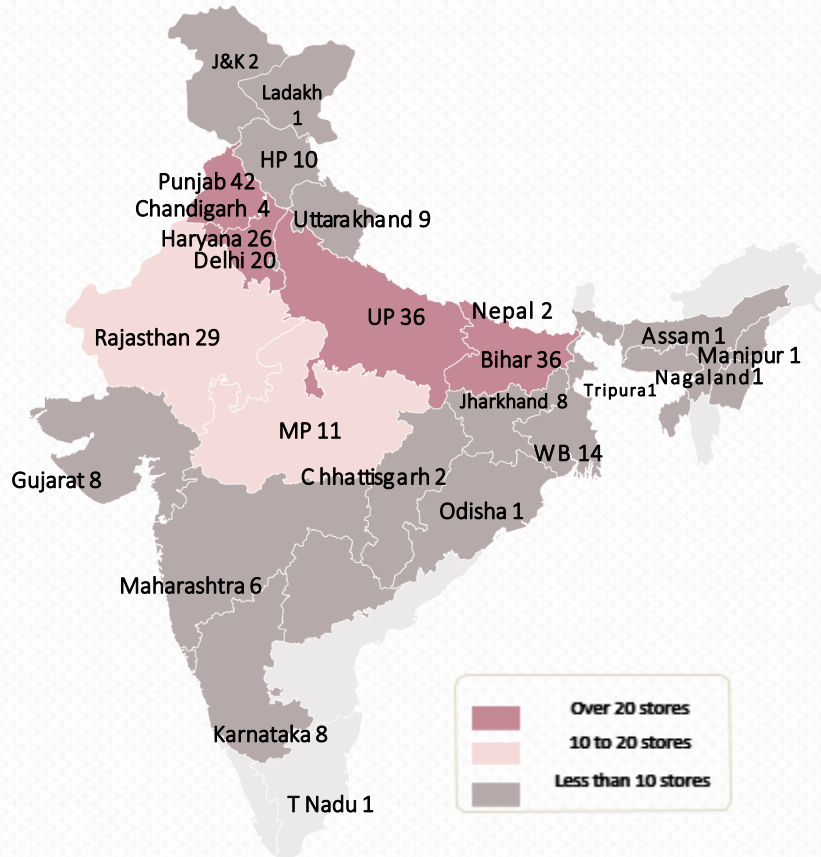
# STRONG BRAND EQUITY ...

- ❖ “Monte Carlo”, has Strong Brand Equity
- ❖ Being a Premium Brand, Monte Carlo enjoys Pricing Power & 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 and Kapsons		

### EBO – NET ADDITIONS

	FY18	FY19	FY20
Existing	231	235	256
New Opened	10	27	31
Closed	6	6	9
<b>Total EBOs</b>	<b>235</b>	<b>256</b>	<b>278</b>

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

### NEW STORE LAUNCHES

**FOFO:** NORTH (8), CENTRAL (8), EAST (6) WEST (1)

**COCO:** EAST (3), SOUTH (1), NORTH (3) CENTRAL(1)



# ... & REGULAR TECHNOLOGY UPGRADATION

## Whole Garment Machine



3D KNIT

FASHION  
ORIENTED



## Cotton

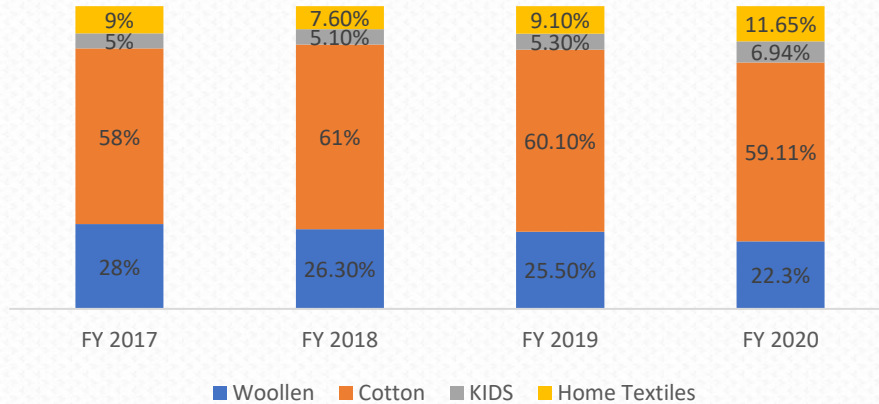


## Woollen

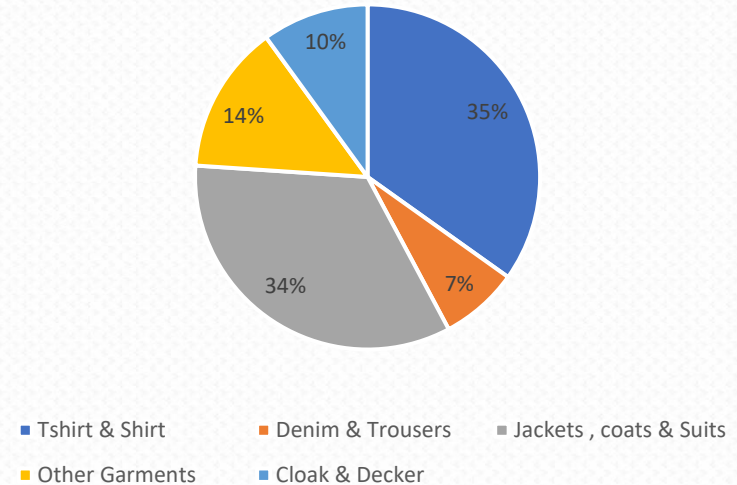


- 30 professionals closely tracking the trending global fashion
- To meet the standards of technology upgradation and modernisation, Company has installed the automatic whole-garment state-of-art manufacturing facility, at the existing Ludhiana's unit.
- This technology, in knit is one entire piece which 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.

## SEGMENT COMPOSITION



## COTTON SEGMENT BIFURCATION- FY20



- 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



## 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

## HEALTHY RETURN RATIOS

- ❖ Ability to sustain Robust growth without any major capex; Return Ratios set to improve

## STABLE WORKING CAPITAL CYCLE

- ❖ Stable core working capital whilst achieving 11% growth in revenues for FY20

## STRONG BALANCE SHEET POSITION

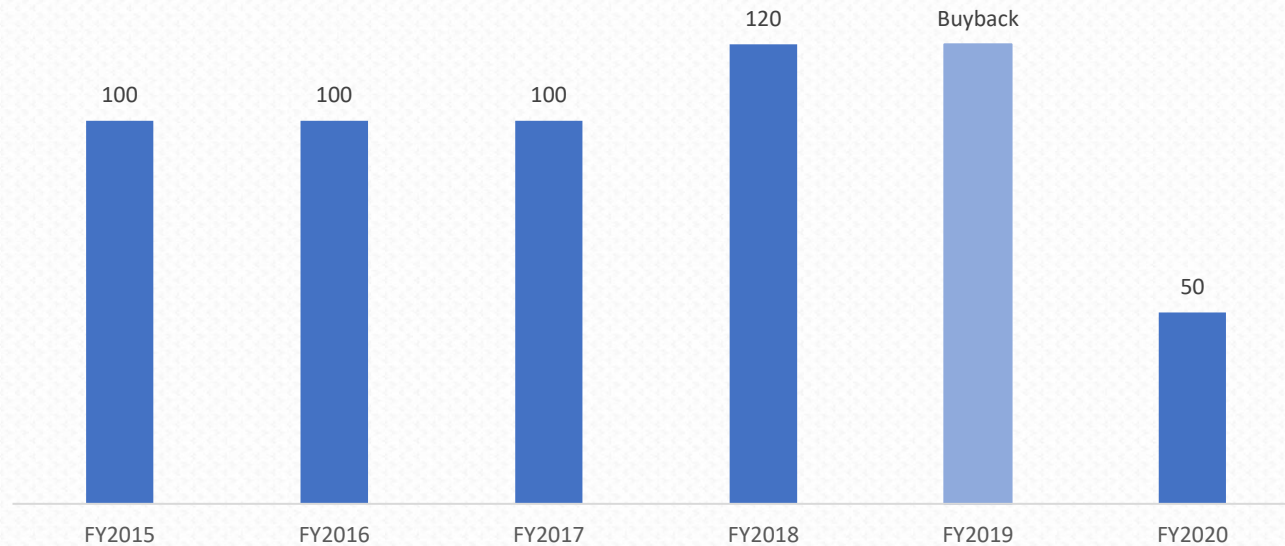
- ❖ Cash balance of Rs 1,464 Mn (includes cash and bank balance along with current and non-current investments)

## LOWER DEBT

- ❖ Low overall debt; Long term borrowing at Rs.163 Mn as of March 2020



# Consistent Reward to Shareholders

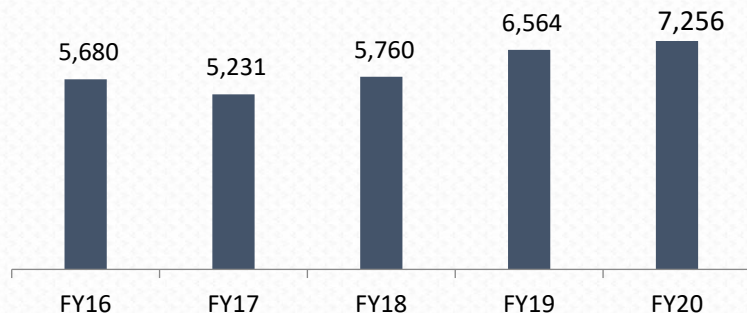


- Company has done buy back of Rs. 550 Mn in FY19 to reward shareholders. Promoters have not participated in the buy back

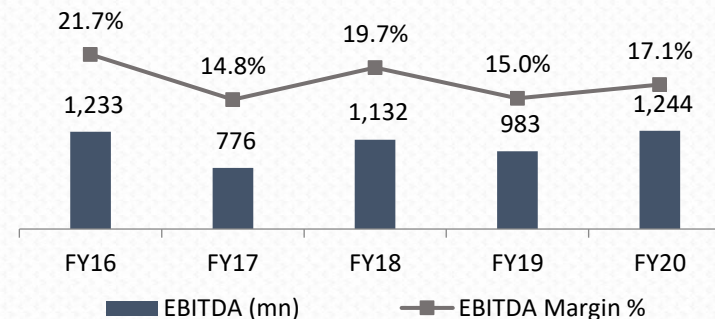
**Strong Track Record and Proven Expertise to Generate Healthy, Predictable and Sustainable Returns**

# FINANCIAL PERFORMANCE

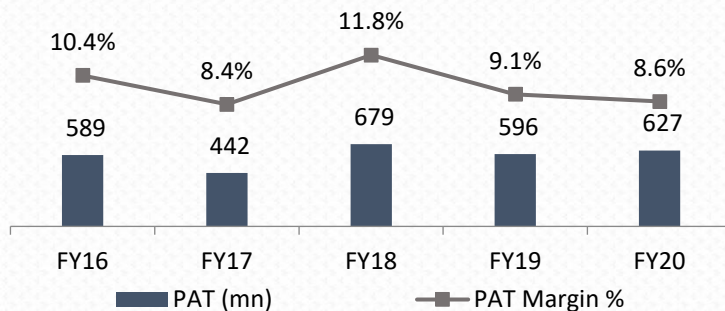
## CONSISTENT REVENUES



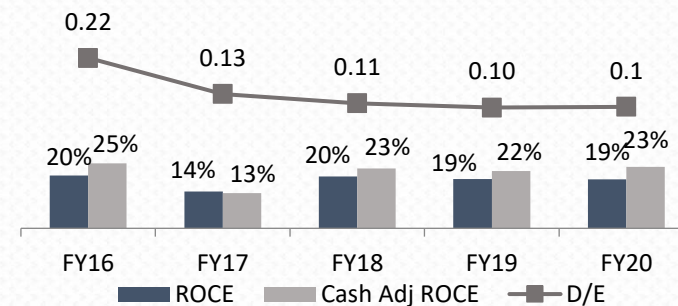
## EBITDA & EBITDA MARGIN



## PAT & PAT MARGIN



## LEVERAGE & RETURN RATIOS



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



**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



Andre Russell (Cricketer)

TIME TO **rock.it**

#RussellForRockIt

## 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

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**DICKENSON**

**Ms. Manasi Bodas**

Consultant

**Mr. Vikash Verma**

Director

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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.*

*In particular, such statements should not be regarded as a projection of future performance of MCFL. It should be noted that the actual performance or achievements of MCFL may vary significantly from such statements.*