



“Monte Carlo Fashions Limited Q1 FY 2017
Earnings Conference Call”

August 12, 2016



ANAND RATHI



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Moderator: Ladies and gentlemen, good day and welcome to Monte Carlo Q1 FY2017 Earning Conference Call, hosted by Anand Rathi Share and Stock Brokers. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. I now hand the conference over to Mr. Ajay Thakur from Anand Rathi, thank you and over to Sir!

Ajay Thakur: Hello every one and welcome to Q1 FY2017 Earnings Conference Call of Monte Carlo Fashions Limited. From the management we have Mr. Sandeep Jain – Executive Director, Mr. Dinesh Gogna, Director, representing the company. We shall begin the call with a brief on the Q1 FY2017 results and then the management will take over for Q&A session. I would now like to handover the floor to Mr. Sandeep Jain and Mr. Dinesh Gogna. Over to you Sir!

Sandeep Jain: A very good morning everyone. Welcome to the conference call of Monte Carlo for the first quarter financial year 2016–2017. It is a great pleasure to greet to you all once again on behalf of our Board of Directors and the Senior Management. We begin by thanking all of you for having spared time in joining us here today.

For any new participants on the concall, I would like to start with a short brief on our company. Our brand Monte Carlo was launched in 1984 as exclusive woolen wear by Oswal Woollen Mills Limited. Our flagship brand Monte Carlo has emerged bigger each year and it is today a clear market leader making us enjoy a head start in this space.

Over the years we have successfully diversified and created a comprehensive range of woollen, cotton and cotton blended knitted and woven apparels and home furnishings. We believe we have successfully positioned ourselves as a lifestyle brand with a well-diversified product offering.

One of our key strength is wide and growing distribution network with a diversified presence across India. We have presence through 2200 plus multi brand outlets, 228 EBOs and 164 national chain store outlets. Majority of our net revenues comes from MBOs and franchise EBOs where we primarily sell on a pre-ordered outright basis. By virtue of this business model there is no major inventory risk and we remain adequately protected from normal hazards of the branded apparel business.

Now, talking about our financial performance during the quarter. Our current financial year 2017 has started on positive note as per Q1 FY2017 revenues from operation increased by 9.8% on Y-o-Y basis for 75.6 Crores. Further I would like to highlight that exclude the sale of raw material that is fabric and yarn our adjusted revenue has actually increased by 16.5% to Rs.63.2 Crores.

Our gross margin is stable at 71.2%. Overall growth outlook is stable and positive due to good with building on the order book. Our Q1 financial 2017 EBITDA without other income remains flat at 9.48 Crores on year-on-year basis. Our EBITDA margins are 12.5%. This was primarily due to increase in advertisement and marketing expense, which increased by 24.8% to 10 Crores as compared to 8.02 Crores on Y-o-Y basis.



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The current strategy to establish our brand visibility on a pan India basis along with increased focus of Southern and Western India; therefore, the increase in advertising and marketing expense should be seen as an investment, which would lead to a long-term benefit of enhancing our overall brand record.

The management feels that the sale from southern and western India will increase exceeding 10% overall revenue in financial 2017 from 8% in financial 2016 which shows its acceptance and good growth potential of selling our products in this said region.

During the current quarter we opened 7 in EBOs stores and this growth tempo will be maintained on the EBO front in future also. We also planned to penetrate into leather accessories business starting with shoes.

No major capex is planned for the next two years therefore positive operative leverage expected as a production gain scale during the course of the year. Time now to share with us future outlook. We also plan to diversify our pan India presence by penetrating further into the central, southern and western region of India. We are strongly focused on optimizing asset utilization, quality, efficiency and relationships.

We have a strong balance sheet with low leverage and strong cash balance. With this we once again thank all of you for having spared your valuable time and joining us here today. Now we can open the floor for question and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Deepan Shankar from Trustline PMS. Please go ahead.

Deepan Shankar: Good morning Sir. Thanks a lot for the opportunity; we would like to understand more about order book for the current winter season, so what kind of the expectation we have on the volumes for winter wear for the current season?

Sandeep Jain: The current order book is still I think not complete. So we are getting the order I think it will be completed by another 10-15 days. So then we will be able to tell you about the effect woollen growth we can expect in this coming winter.

Deepan Shankar: Okay, Sir overall as compared with last 2-3 years how do you feel the current momentum?

Sandeep Jain: See, I would see that the current phase is common to every one. There is a slowing economy and which is I think evident with all the business wherever we are seeing and we have seen the first quarter results also. So, overall economy has not improved yet. Yes, there is optimism in the year because of good monsoons, because of GST, because of so many other factors. So that shows that the in coming quarters the economy is going to pickup which will help each and every industry and definitely the spending will increase in apparels also as Seventh Pay Commission has released lot of money into the system. I think that that would be extra benefit to our brand also.

Deepan Shankar: Okay, Sir what is our overall expectation on current winter season, So, how it will be panning out and what kind of volume estimates, we could expect over for this current season?



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- Sandeep Jain:** See volume estimation is not right now possible for me, but overall optimism is there in the business. The reason being is that good monsoon, so whenever we have good monsoon, we have seen over the last 15 years there has always been a good winter followed by the good monsoons. And secondly as I told earlier also other factors like the GST, which will definitely invite lot of money from overseas markets also, and also Seventh Pay Commission where the money will be come into the system. So, I think that we should have a good winter season as compared to last year.
- Deepan Shankar:** Sir more update on this leather accessories business so can management throw more colour on the products what we are envisioning over this line and what kind of distribution line we would be looking into and what kind of contribution it could throw to overall business?
- Sandeep Jain:** This is, we decided to foray into footwear business, but we are not doing it ourselves. We have entered into an agreement with a company, who is already in this business from last so many years. So they have given certain projections and also they given us a minimum guarantee which we will get if these same projections are not met so the sales projection for first year is 6 Crores and 9% is our royalty that we will get and it will be the minimum guarantee also which is going to get if the sales is not like reaching at that point and then second and third year we are projecting a sale of 10 Crores and 16 Crores. So this is how this business has been shaped up, but we are confident that because of the brand equity we enjoy in the market, I think this is a very good business to enter into and they have already like done with different footwear retailers on their behalf and they are going to launch in September itself.
- Deepan Shankar:** Sir only in to footwear not into other like belts and purse and those things are not there?
- Sandeep Jain:** No, only footwear right now.
- Deepan Shankar:** Only footwear okay. Sir distribution line we will also be including MBOs into this?
- Sandeep Jain:** Distribution will be done by that company only as we will not be handing this business. We will be getting the royalty payment, 9% of the overall sales.
- Deepan Shankar:** Sir ad expenses particularly even this quarter we have spent around 10 Crores so will this run rate will continue or how is it like?
- Sandeep Jain:** See, overall guidance will remain same. Yes it may vary quarter-to-quarter and some quarter it is more and some quarter it is less, but overall guidance we have given is around 4 to 5% of our total revenues that will stand by the guidance.
- Deepan Shankar:** Okay, so most of these been spent on southern markets only?
- Sandeep Jain:** No, it is not like that it is spent to pan India, but yes, the emphasis is more on Southern India.
- Deepan Shankar:** Thanks a lot. I will come back in queue.
- Moderator:** Thank you Mr. Shankar. We have the next question from the line of Samip Kasbekar from Emkay Global. Please go ahead.



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- Samip Kasbekar:** Good Morning Sir. Thank you for taking my question. Sir, I just want to understand the impact of cotton prices on our margin since we procure cotton on the spot rates? Just want to understand the impact of the rising cotton prices since we procure cotton on spot for our in-house manufacturing? I understand a small portion but if you could be throw some color on that?
- Sandeep Jain:** As far as this summer, which went by, and this winter already we are covered. So I do not think there is any impact of rise in cotton prices in the coming quarter and the last quarter, which has gone by, but yes, now the prices are slightly going up so the summer booking is still pending. It is going to happen in I think last week of September so whatever hike is there spreading the market definitely would like to pass on the hike to the consumers as well.
- Samip Kasbekar:** Understood Sir, any particular reason why our interest and depreciation cost are down year-on-year?
- Sandeep Jain:** Because no capex has been made in last year. That is why depreciation is coming down. So, interest is basically I think it has come down because of interest rate reduction.
- Samip Kasbekar:** Could you provide us the gross debt number?
- Sandeep Jain:** The long-term debt is 21.19 Crores and this 40.75 is short term which payable within one year.
- Samip Kasbekar:** My last question regarding our woolen revenues, we have some returns since we see booked negative revenues in terms of mix if you could just explain that?
- Sandeep Jain:** It is because of the returns we got of last winter season. That is why it is like.
- Samip Kasbekar:** So is the inventory build up in the system that could impact our cotton volumes during the third quarter?
- Sandeep Jain:** See, what happens is that actually it is known to everyone that the last winter is very bad and the retailers are definitely stocking up with the inventories, but there is certain limit they can like keep inventories and there is certain limit was also that we can take certain quantities from EBOs also. So, that is why the system is definitely stock up because of the bad winter season, but I think that this is going to be over once we have a good winter season and all the reasons, which are explained earlier also.
- Samip Kasbekar:** So, these returns are mainly from our EBOs because MBOs we have already signed a contract about?
- Sandeep Jain:** You are right.
- Samip Kasbekar:** Thanks. That is all from my side Sir.
- Moderator:** Thank you. The next question is from the line of Anand Krishnan from Infina Finance. Please go ahead.
- Anand Krishnan:** Good afternoon. I just had questions with respect to your cotton side. I have just taken a bit of feedback from few ex-agents of yours, who actually say that the design and styles actually which



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have been provided by your end is not that great because of which the cotton. There is no pull factor in the cotton as with respect to the pull factor being in your woollen side, so how is that the company is actually trying to address this concern of the retailers and your distributors.

Sandeep Jain: I would suggest that when you are speaking to the ex-agent, I do not think if it is ex then he might have spoken something positive about the company. Please speak to some current agents and current distributors also and then I think the correct opinion can be formed, but as far as we are concerned I think we have been doing a very good marketing exercise before we go for our presentation and we have been getting very good feedback that is why the brand has been growing because of design strength, so please do not take opinion of only ex-agents, so it would be prudent if you can speak to many people who are in the business, who are associated with Monte Carlo, then only I think right opinion can be formed.

Anand Krishnan: I actually even spoke to one of your MBOs, which actually retails your woollen part of the clothing and they said that because there has been no demand pull for the cotton side of clothing, that is why they do not stack up on the woollen as in cotton part of your line up is what they were actually saying?

Sandeep Jain: I think what you said is absolutely right. There has been less awareness in southern region as compared to the past, but we have taken up that in the last quarter and last to last quarter also you have seen in the advertisement expenses have also gone up. So this problem will be taken up care of in coming quarters and awareness will be more as compared to last year, I do not say that I will become equal, as it is in north but it is improving year-by-year and quarter-by-quarter.

Anand Krishnan: Any investments that you have actually done on the designing front to actually improve or get it up to standards with your competition as such?

Sandeep Jain: Yes, that is the continuous process.

Anand Krishnan: Thank you so much.

Moderator: Thank you Mr. Krishnan. The next question is from the line of Sunil Jain from Aditya Birla. Please go ahead.

Sunil Jain: Sandeep Ji, Good morning. How is the overall working capital position? Has it increased or decreased as compared to Q1 last year?

Sandeep Jain: Sir, it has increased as compared to last year, there are two reasons. One is increase in inventory because of more returns as compared to last year and secondly because of increased in debtors, because of slow recovery from our MBOs. So, that is why the working capital has increased, but at the same time it is little bit compensated by the increasing creditors also. So, what we did is that we used to make payments in 60 to 65 days, which we have increased to 100 days to our creditors, if you see that the creditors which were 72.27 has gone to 91.55 so 70% to 75% of increase has been compensated by the increase of creditors also and we will keep the same process in coming quarters also.



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- Sunil Jain:** So overall like, what is the overall increase / decrease in working capital, if you can just give some numbers?
- Sandeep Jain:** So overall it has increased 52 Crores as compared to last year?
- Sunil Jain:** 52 Crores as compared to last year so this is excluding that fixed deposit for short term period & all that?
- Sandeep Jain:** Yes, this processes on separate.
- Sunil Jain:** This leather business that you will do, so the leather business will there be any inventory risk on that leather business?
- Sandeep Jain:** No Sir, it is no risk on Monte Carlo because this is totally a business which will be run by the company with whom we have made an agreement, they are going to run it independently and but our check is on quality, our check on the goods, we only have an exception agency which is going to have a check on that otherwise it is totally managed by the company which we entered into an agreement and there is a clause of 9% royalty payments whatever sales they will do in a year, 9% of the revenues will come as a royalty to Monte Carlo.
- Sunil Jain:** That will be the only revenue?
- Sandeep Jain:** Yes.
- Sunil Jain:** The 9% royalty that we will receive?
- Sandeep Jain:** Yes.
- Sunil Jain:** No cost associated with that?
- Sandeep Jain:** No cost association as far as working is concerned.
- Sunil Jain:** Who will do the advertisement and all for that?
- Sandeep Jain:** They will do the advertisement, but in our main campaign we will write shoes also so we will complement them by mentioning wherever we do in our main campaign but no separate advertisement is planned for shoes as far as Monte Carlo Company is concerned.
- Sunil Jain:** On this increasing working capital Sir, how much of that will be in terms of woollen and how much of cotton, can you just tell us?
- Sandeep Jain:** It is mainly woollen sir, it is mainly 90% is woolen only.
- Sunil Jain:** 90% woollen?
- Sandeep Jain:** Yes.
- Sunil Jain:** Thank you Sir.



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- Moderator:** Thank you Mr. Jain. We have next question is from the line of Rajesh Shah from Individual Investor. Please go ahead.
- Rajesh Shah:** Good Morning Sir. Please throw some right on dividend policy if you have any?
- Sandeep Jain:** Sir, we have not made any formal dividend policy, but we stick to our earlier stand when the company performing good we will definitely have a consistent dividend every year, last year also we gave 100% dividend, this year also we gave 100% dividend and I am 100% sure that if our performance continues dividend will be like that only.
- Rajesh Shah:** Thanks a lot.
- Moderator:** Thank you. We have follow on question is from the line of Sunil Jain from Aditya Birla. Please go ahead.
- Sunil Jain:** The hot topic across the industry is GST. So can you take us through in terms of how you feel that GST impact even though some exact rates have not being coming out as yet but what is your expectation?
- Sandeep Jain:** Sir, one thing, which I can comment is that yesterday I attended a Retail Association of India also where GST was the main topic, so I think one of the thing which is not decided yet is the rate. So somebody was telling me that rate for garment they have discussed with the government is 12% overall the rate should come around 18% to 20%. So if it comes at 12% I do not think it is going to make any difference because already 8% to 9% we are already paying through VAT and GST.
- Sunil Jain:** 18% but rumor is going as 40% on the branded garments being part of the luxury goods kind of thing?
- Sandeep Jain:** Sir, I am coming to that point only, so this is what we discussed and secondly if the rate comes around 18% to 19% definitely there will be increase of 8% to 9% to the garment cost and that will be passed on to the consumers. I think every brand will do that because no one can absorb in such a competitive environment - cost of tax in their operational cost.
- Sunil Jain:** Given the market situation, do you think it is in a position to take another 8% to 9% increase because ultimately pricing is the demand supplies decision?
- Sandeep Jain:** Sir, you have seen in the market situation on the crunch period and we are very optimistic and hopeful that this period is going to be reverse because right now we are sitting in a growing economy and GST is going to come only I think the most possible by September next year, because there are a lot of things to be done, lot of compliances regulatory network has to be maintained so I think by one next one year lot of things will change. I do not think that this situation is going to continue for another one year, I think we will have a demand upswing. We have a demand coming from rural markets as well because of the good monsoons. So that will compensate the slowing economy effect and I think we will be able to increase the prices next winter.



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- Sunil Jain:** How much impact will your input cost have because input cost also you earlier because you had no excise so you were absorbing the entire thing?
- Sandeep Jain:** Yes, I think the total cost with GST if it comes around 18% should go up by 8% to 9%.
- Sunil Jain:** Because competition or your large part of it is unorganized. So they will get impacted by the GST it was there were not being any taxes?
- Sandeep Jain:** Sir, this will be a very big advantage for us because right now in unorganized sector nobody is paying any taxes so when they start paying taxes the difference between our price and their price will come down so then people will have a choice that they can pay Rs.100 or Rs.200 extra they will definitely buy a branded good, which is going to help the organized industry the branded apparel industry because everybody will be covered in the same net. So I think that is a very big boon for us for the branded apparels not only for Monte Carlo but all the branded segment it will help.
- Sunil Jain:** Thank you.
- Moderator:** Thank you. We have a next question is from the line of Bhavesh Jain from Envision Capital. Please go ahead.
- Bhavesh Jain:** Sir, we were planning to stop the sale of this raw material fabric and yarn from our books?
- Sandeep Jain:** Yes Sir, you are right. We tried it, but because of certain problems we are facing from the vendors and suppliers, we have to continue till the GST is in place. So I would again say the same thing that, we wanted to stop it, but we could not do it because there were some practical problems which we faced during that cut off period so in the benefit of the company we tried to continue it, till GST comes into the picture that will definitely stop the fabric and yarn sales because everybody will be adding in the same war.
- Bhavesh Jain:** Sir, how many EBO stores we are planning to open for this year, especially in the south and west?
- Sandeep Jain:** Sir, right now we have planned to open overall around 15 to 20 stores in this financial year out of that I think that 3 to 4 stores will be in south and west.
- Bhavesh Jain:** Sir any impact of rising price of wool because wool prices have also gone up?
- Sandeep Jain:** Woollen prices have not gone up that much, so right now I do not think that it is going to affect us, but yes, if it keeps on raising then we have to rework our prices for the next winter, but this winter already the prices have been fixed, the raw wool has been bought and this supply is going to start next month. So this year I do not think there is any effect of any raw wool prices.
- Bhavesh Jain:** Thank you Sir.
- Moderator:** Thank you. We have a follow on question from the line of Anand Krishnan from Infina Finance. Please go ahead.



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- Anand Krishnan:** Sir, with respect to your NCS presence as in National Chain Stores is that, it is being stagnant between last quarter and this quarter? Is it that you are not trying to add more on that space because that also actually reduces your inventory risk if I am not wrong and gives you better sales?
- Sandeep Jain:** I think as compared to last year, last year in this LFS business, Large Formal Stores will be growing by 20% to 25%, but we do not have aggressive plan of 50% to 60% growth, the point you mentioned very rightly is the inventory risk. So we are cautiously moving ahead. We are testing the locations and seeing the kind of response we are getting for our product so that it can help us to choose the right merchandise for that particular location so that minimum inventory risk is there. So we do not want to put ourselves in a problem by supplying to each and every outlet wherever we do not have expertise and then having the return, which are beyond our limits. So, that is why the growth is not 50% to 60%, but yes 20% to 25% will grow in LFS stores this year also.
- Anand Krishnan:** With respect to your other expenditure as in with respect to your advertisement costs what will be the guidance going forward. Is it that it was onetime expenditure or will it actually continue for this year also?
- Sandeep Jain:** Which expense you are taking about?
- Anand Krishnan:** Advertisement expense
- Sandeep Jain:** See, advertisement expense as I said earlier also that it can keep on varying from quarter-to-quarter. One quarter it may jump and second quarter it may come down, but the overall guidance for the company for Monte Carlo revenue, it should be 4% to 5 % of the revenues.
- Anand Krishnan:** Thank you so much. That is from my end.
- Moderator:** Thank you Mr. Krishnan. We have follow next follow on question from the line of Deepan Shankar from Trustline PMS. Please go ahead.
- Deepan Shankar:** Thanks a lot for the opportunity again. Just want to understand what are all the key challenges we are facing in expanding our distribution strength in southern and western markets?
- Sandeep Jain:** I think the key challenge right now is basically the growth in the areas where we are less present or we are less known because already brands are established in south and western regions and when the economy flows so those brands also started opening some incentives and discounts, so it becomes a difficult for the newer brands to enter and to establish themselves, but I think what we have done is that we are also competing on the incentives and openings also which we were not doing earlier, that will help us to get a place in those markets also, but again it is not a cakewalk, a lot of effort in being them and hopefully and we have decided that this year will be a tying with some of the leading MBOs of south where we are giving some extra incentives and we are projected to grow around 35% to 40% in south alone in MBOs business.
- Deepan Shankar:** Sir in these south and west markets so only the price being competitive advantage for us in the cotton segment?



- Sandeep Jain:** I think the competition is definitely on the price front also because when somebody is established either we have to offer something which is completely different so that the question of price does not come up or we have to compete with the prices in the brand and equal to your brand in brand equity and brand awareness. So price becomes one of the important factor because ultimately the dealer and then the scheme and some discounts or some incentives, which you give to retailer because the retailer ultimately has to earn from your brand. So if he starts earning than he keeps more of your brand than others brand. It all depends how your brand performance in particular MBOs. If your brand is earning more than other brand definitely he is going to give you more space next year as compared to last year. So we are working on next strategy.
- Deepan Shankar:** Okay, so how has been the response of MBOs in these markets?
- Sandeep Jain:** It is good that is I am saying that we should grow around 35% to 40% in this year in MBOs business in south alone.
- Deepan Shankar:** How is growth in this home furnishing and kids segment so have we very much of penetrated in our strength area north and eastern market or still there is growth possible in those areas also?
- Sandeep Jain:** Home furnishing business is doing well and we assume again a double-digit growth in home furnishing and similarly in kids brand as well.
- Deepan Shankar:** Okay Sir, are we well penetrated in north and east for these segments?
- Sandeep Jain:** I would not say that we are well penetrated. I think we have not reached to that level in home furnishing and kids. So there are lots of areas, I think we are working on where we can get penetrated and also there are lot of potential of our increasing of sales in those areas.
- Sandeep Jain:** Thanks a lot and all the best Sir.
- Moderator:** Thank you. We have follow on next question is from the line of Anand Krishnan from Infina Finance. Please go ahead.
- Anand Krishnan:** Sir, with respect to your home furnishing business is that actually a trading business or is it also being manufactured by you?
- Sandeep Jain:** Sir, it is a trading business only.
- Anand Krishnan:** Okay and even for the socks that you are actually trying to get in to the socks business that also going to be a trading business?
- Sandeep Jain:** That is manufacturing business. We are manufacturing the socks and then we are selling it.
- Anand Krishnan:** How is it that you are actually retailing your home furnishing business is that through the same channels that you currently have for your cotton and woolen clothes or is it through separate channels?



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- Sandeep Jain:** There is a separate channel altogether which is a textile and home furnishing segment where the agents are also different and the shops are also different.
- Anand Krishnan:** Thank you Sir.
- Moderator:** Thank you Mr. Krishnan. We have a next question is from the line of Dhruv Aggrawal from Cresita Investment. Please go ahead.
- Dhruv Aggrawal:** Good afternoon Sir. My question is regarding the shoes business that you are getting into I think I missed that part so if you do not mind if you could repeat that again sir please?
- Sandeep Jain:** Shoes business we have entered into an agreement with a company, which will manufacture, distribute and market our shoes as Monte Carlo brand and will be getting the 9% royalty from the sales so the minimum sales we are estimating for first year is 6 Crores and second and third year is 10 to 15 Crores, 10 Crores for second year and 15 Crores for third year. Otherwise, they will give us a minimum guarantee, which is fixed at 54 lakhs.
- Dhruv Aggrawal:** So we are just lending the brand our Monte Carlo brand to them and the rest of the activities will be carried out by that company.
- Sandeep Jain:** Definitely yes.
- Dhruv Aggrawal:** And any investment that is being going in to this joint venture?
- Sandeep Jain:** No not of our investment. Investment will be purely of the person company who has entered in to the agreement with us.
- Dhruv Aggrawal:** And that the name of the company will be announced in due course of time if I am not wrong,
- Sandeep Jain:** Yes.
- Dhruv Aggrawal:** Okay and what are the target markets for that? I think we will be targeting exclusively in India, so which states will be targeting?
- Sandeep Jain:** I think this is pan India. They will cover all these states. They are targeting mainly online also because there are lot of potential online selling shoes. They have already tied up some of the channel partners besides that they have talked with certain large format stores like Reliance and other stores who will be marketing this.
- Dhruv Aggrawal:** Okay, when can we expect the announcement regarding that company name them and other details to come out?
- Sandeep Jain:** September
- Dhruv Aggrawal:** Thank you so much.



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- Moderator:** Thank you Mr. Agarwal. We have the next question from the line of Ajay Thakur from Anand Rathi. Please go ahead.
- Ajay Thakur:** Sir, two questions actually, one is Sir, what is our revenue from the online sales, what percentage of revenue will be coming from online sales and how are we looking to increase that sales, any idea on that front?
- Sandeep Jain:** So, we have been growing handsomely in the online sales. We started three years back only and this year I accept depending upon the season that we should do revenue of 4% to 5% in this financial year from online sales.
- Ajay Thakur:** Sir, also if we have to look at the revenue we make from north and east versus south and west, what will be the proportion broadly?
- Sandeep Jain:** I think last year it was around 92%, 8% came from south and west, this year we are projecting 10% should come from south and west. So, it is increasing it used to be below just 5% two years back, so it is increasing every year and this year I think we should touch 10% from south and west and balance from other regions.
- Ajay Thakur:** Thank you Sir.
- Moderator:** Thank you Sir. As there are no further questions, I would like to hand the floor back to the management for closing comments. Over to the Management!
- Sandeep Jain:** Thank you very much for sparing your valuable time and listening to us. I think we have answered to all the questions correctly and if there is any query please e-mail us or please speak to call handler so thank you very much.
- Moderator:** Ladies and gentlemen. On behalf of Anand Rathi Shares and Stocks Brokers, that concludes this conference. Thank you for joining us.