MONTE CARLO
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GSTN : 03AAFCM7888Q1ZK
PAN - AAFCM7888Q
TAN - JLDM04272C
CIN - L51494PB2008PLC032059

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

November 7, 2020

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: Q2 & H1 FY21 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 Half Year ended September 30, 2020.

You are requested to take the same on record.

Thanking You,

FOR MONTE CARLO FASHIONS LIMITED

MONTE CARLO FASHIONS LTD. LUDHIANA B-XXIX-106, G.T. ROAD, SHERPUR

ANKUR GAUBA
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI MEMBERSHIP NO. : F10577

Encl. As Above

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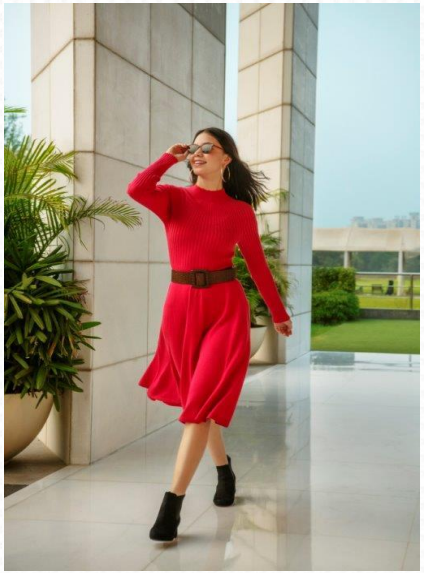

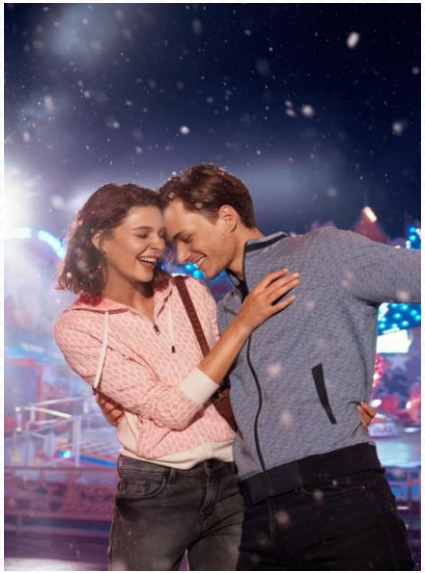

MONTE CARLO FASHIONS LIMITED

Q2 & H1 FY21 INVESTOR PRESENTATION

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you make me feel

MONTE CARLO
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DISCUSSION SUMMARY

#		Page No
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02	Q2 & H1FY21 Highlights	08
03	Monte Carlo Advantage	14
04	Annexure	24

01

COMPANY OVERVIEW

MONTE CARLO: INDIA's FIRST ORGANISED LIFESTYLE APPAREL BRAND

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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, & Healthcare.

DIVERSIFIED PRODUCT PORTFOLIO

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Range	Woollen	Cotton	Home Furnishing	Kids	Healthcare
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	-	-	-
MC Healthcare	-	-	-	-	Face Masks (3 PLY, KN95 and N95) and Personal Protective Equipment (PPE) Kit

TWEENS MONTE CARLO

CLOAK & DECKER

rock.it

WHAT IS OUR BUSINESS MODEL

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BUSINESS CYCLE FOR WINTER SEASON SALES

January	Feb -March	April	May Till July	Aug Onwards
• Product development & Sampling process • Design process is finalised • **Sample sets sent to our commissioned agents (CA)**	• 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**	• The dealers and distributors of the MBOs place orders with the CAs • **Pre-booking of orders from MBOs and franchise EBOs**	• Production of pre-ordered designs commences	• Dispatching of winter wear products to EBOs and MBOs • **Peak Inventory in September, at the beginning of the winter season**

BUSINESS CYCLE FOR SUMMER SALES

August	September	October	November Till January	February Onwards

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

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MINIMUM GOODS RETURNED

LOW CREDIT RISK

COMMANDS PRICING POWER

ORDER TO PRODUCE MODEL

	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

02

Q2 & H1 FY21 HIGHLIGHTS

Q2 FY21: REVENUE DETAILS

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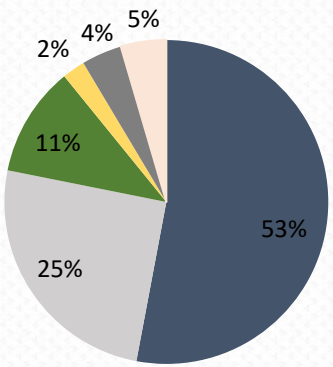
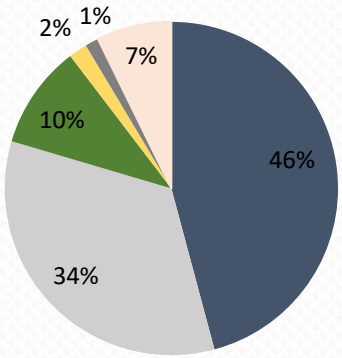
REVENUE BREAKUP– REGION WISE (Including Online Sales)

Q2 FY20: Rs 1,511 Mn



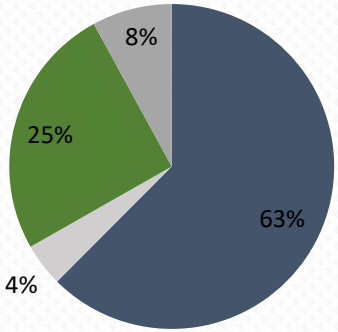
Q2 FY21: Rs 973 Mn



North East Central South West Others Including Online

REVENUE BREAKUP – CHANNEL WISE

Q2 FY20: Rs 1,511 Mn



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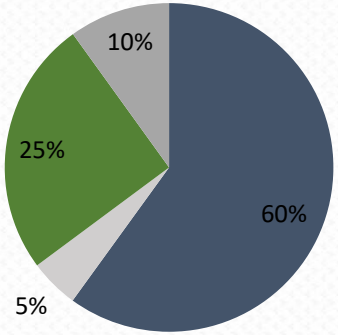

MBO+NCS EBO-COCO EBO-FOFO Others including online

Online Sales
Rs (Mn)

H1 FY21: REVENUE DETAILS

MONTE CARLO
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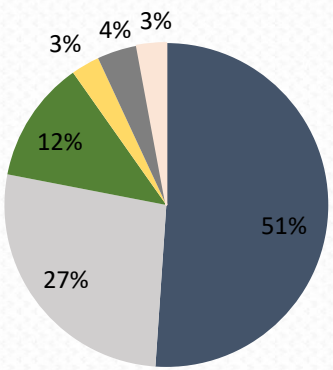
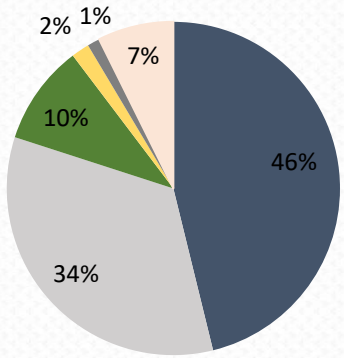
REVENUE BREAKUP– REGION WISE (Including Online Sales)

H1 FY20: Rs 2,080 Mn



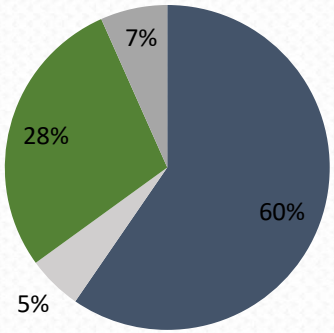
H1 FY21: Rs 1,057 Mn



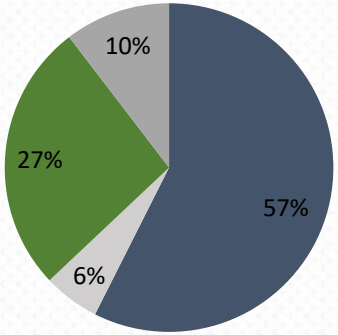
North East Central South West Others Including Online

REVENUE BREAKUP – CHANNEL WISE

H1 FY20: Rs 2,080 Mn



H1 FY21: Rs 1,057 Mn



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

Online Sales
Rs (Mn)

Q2 & H1 FY21: REVENUE ANALYSIS

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REVENUE BREAKUP - SEGMENT WISE						
In Rs Mn	FY19	FY20	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
Total Revenues*	**6,715**	**7,235**	**1,511**	**973**	**2,080**	**1,057**
Woollen Segment	25.5%	22.3%	22.12%	16.11%	12.81%	11.90%
Cotton Segment	60.1%	59.1%	54.32%	41.75%	62.38%	45.21%
Home Textiles	9.1%	11.7%	19.28%	35.22%	20.10%	36.70%
Kids	5.3%	6.9%	4.28%	4.78%	4.71%	4.14%
MC Healthcare			-	2.13%	-	2.05%

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)

* FY19 Sales of scrap and accessories was Rs.29.6 Mn, Other Operating revenue was 13.5Mn & INDAS adj. was Rs.-194.4 Mn
* FY20 Sales of scrap and accessories was Rs.80.3Mn, Other Operating revenue was 11.5 Mn & INDAS adj. was Rs. -70.7Mn
* H1 FY21 Sales of scrap and accessories was Rs.8.02Mn, Other Operating revenue was 1.93Mn & INDAS adj. was Rs.27.50 Mn
* H1 FY20 Sales of scrap and accessories was Rs.43.67Mn , Other Operating revenue was 4.20Mn & INDAS adj. was Rs.-0.66Mn

Q2 &H1 FY21: PROFIT AND LOSS STATEMENT

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Particulars (In Rs Mn)	Q2 FY21	Q2 FY20	H1 FY21	H1 FY20
Revenue From Operations	**982**	**1,528**	**1,094**	**2,127**
Material Cost	388	720	396	915
Gross Margin	**594**	**808**	**698**	**1,212**
Gross Margin %	**60.4%**	**52.9%**	**63.8%**	**57.0%**
Personnel Expenses	150	169	235	322
Advertisement Expenses	13	84	17	138
Other Expenses	281	353	440	574
Operating EBITDA	**150**	**202**	**6**	**178**
EBITDA Margin %	**15.2%**	**13.2%**	**0.6%**	**8.4%**
Other Income	45	44	101	70
Depreciation	88	82	166	154
Finance cost	35	47	65	82
PBT	**72**	**117**	**-124**	**12**
Tax Expense	28	49	-33	6
PAT	**44**	**67**	**-91**	**6**
PAT Margin %	**4.5%**	**4.4%**	**-**	**0.3%**
EPS (Rs.)	2.13	3.27	-	0.31

BALANCE SHEET HIGHLIGHT

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Particulars (Rs In Mn)	Sept-20	Mar-20
Equities & Liabilities		
Equity Share Capital	207	207
Other Equity	5151	5,244
Total Equity	**5,358**	**5,451**
Non-Current Liabilities		
Long-term Borrowings	140	163
Other financial Liabilities	176	169
Lease Liability	715	704
Other Long-term Liabilities	11	12
Provisions	22	19
Total of Non-current liabilities	**1,064**	**1,067**
Current Liabilities		
Short-term Borrowings	680	154
Trade Payables	1481	1,674
Lease Liability	109	100
Other financial Liabilities	466	544
Other Current Liabilities	215	92
Short-term Provisions	37	23
Total Current Liabilities	**2,988**	**2,586**
Total Equity & Liabilities	**9,410**	**9,104**

Particulars (Rs In Mn)	Sept-20	Mar-20
Non-Current Assets		
Property,Plant and equipment	1,531	1,518
Right-of-use assets	759	759
Capital work in progress	35	25
Other Intangible Assets	5	6
Financial Assets		
Investments	373	357
Loans	55	40
Other financial assets	101	81
Income Tax Assets	21	89
Deferred tax assets	131	79
Other non-current assets	6	17
Total non-current assets	**3,018**	**2,971**
Current Assets		
Inventories	3,125	2,162
Financial Assets		
Investments	447	979
Trade Receivables	1,916	2,522
Cash & Bank Balance	321	128
Loans	3	6
Other financial assets	29	14
Other Current Assets	551	324
Total Current Assets	**6,392**	**6,133**
Total Assets	**9,410**	**9,104**

03

MONTE CARLO

ADVANTAGE

STRONG BRAND EQUITY …

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- "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 …

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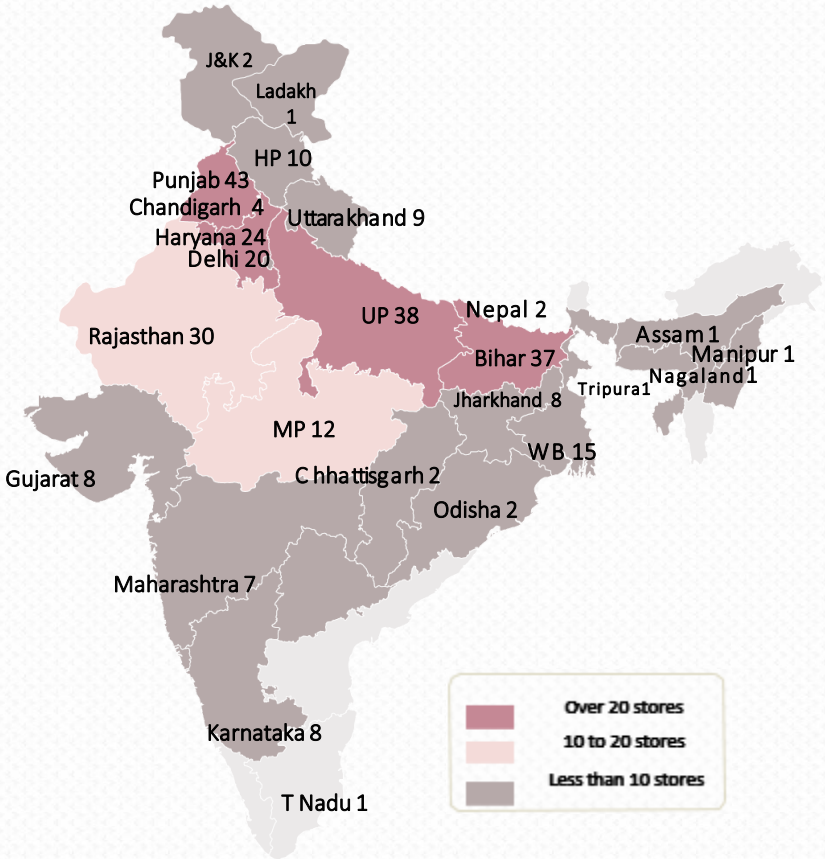

DISTRIBUTION NETWORK

STORE NETWORK

Type of Store	FY19	FY20	Q1 FY21	Q2 FY21
EBO – COCO	27	37	37	41
EBO – FOFO	229	241	242	244
MBO and Distributors	2500+	2500+	2500+	2500+
NCS	306	566	144	279
SIS	85	126	124	146
E-Commerce	Amazon, Flipkart, Myntra, Jabong and Kapsons			

EBO – NET ADDITIONS

	FY20	Q1 FY21	Q2 FY21
Existing	256	278	279
New Opened	31	1	8
Closed	9	0	2
Total EBOs	278	279	285

In addition to 285 EBO'S, company has 2 EBO in Nepal

NEW STORE LAUNCHES

FOFO: CENTRAL (1) NORTH (2) WEST (1)

COCO: NORTH(3) EAST(1)

… & REGULAR TECHNOLOGY UPGRADATION

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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

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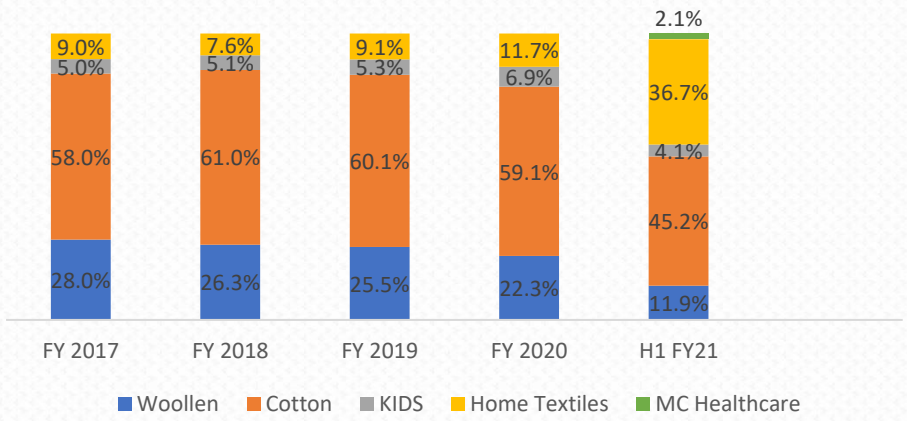
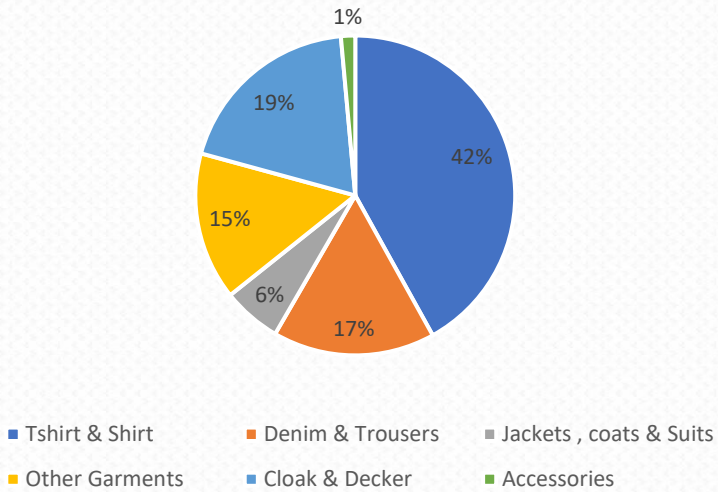
SEGMENT COMPOSITION



COTTON SEGMENT BIFURCATION- H1 FY21



- Woollen share gradually reducing due to diversification, focusing more on cotton products
- During the quarter Shirts, Tshirts, Cloak & Decker(New economy range) together contributes 61% 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 …

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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

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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 1,242Mn (includes cash and bank balance along with current and non-current investments)

LOWER DEBT

- Low overall debt; Long term borrowing at Rs 140 Mn as of Sept 2020

CONSISTENT REWARD TO SHAREHOLDERS

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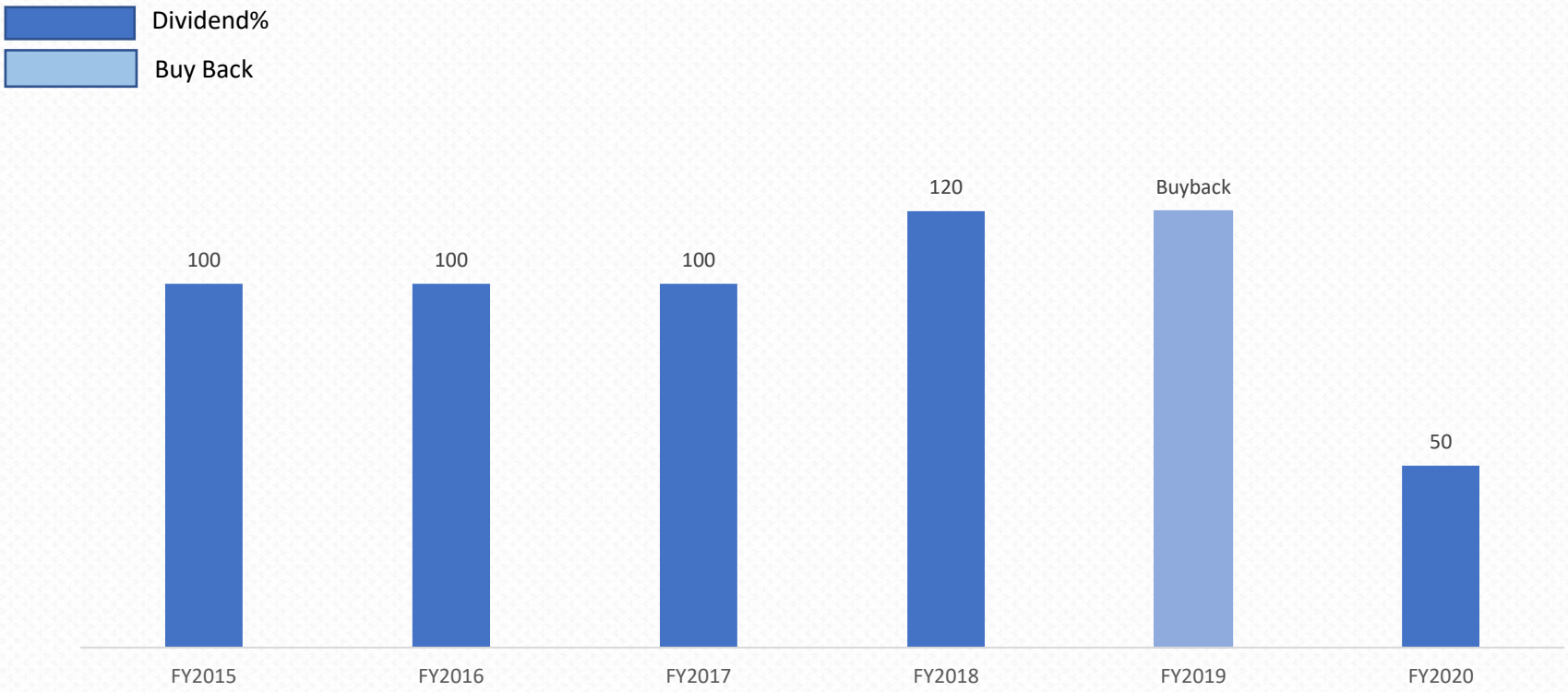

Company has done buy back of Rs. 550 Mn in FY19 to reward shareholders. Promoters have not participated in the buy back

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

FINANCIAL PERFORMANCE

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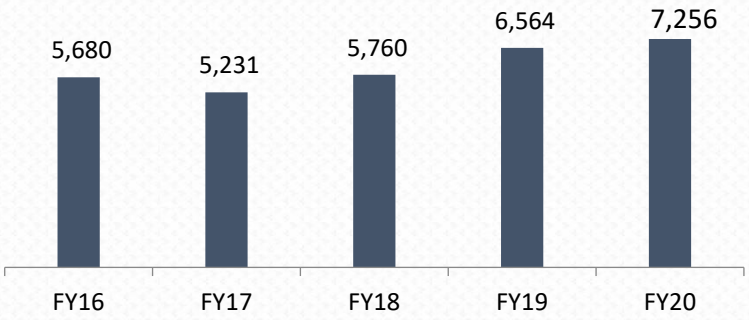
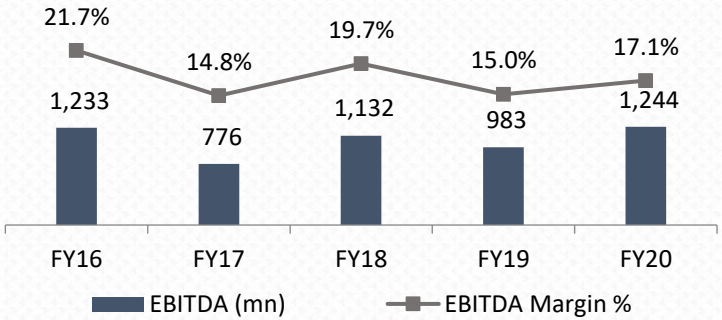
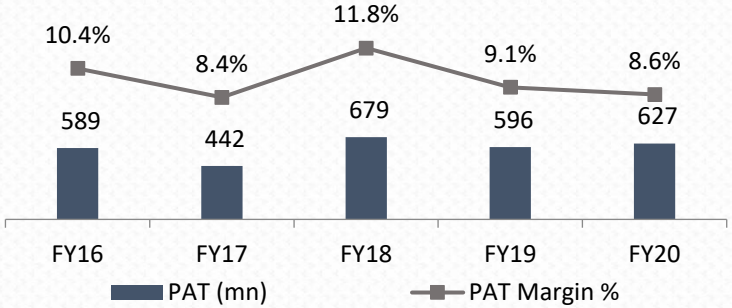
CONSISTENT REVENUES



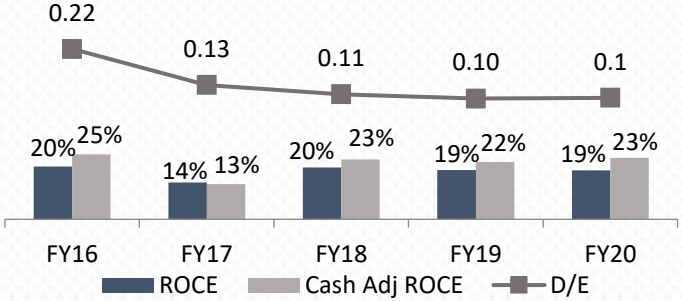
EBITDA & EBITDA MARGIN



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

GROWTH STRATEGY

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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 in Q2 FY21 was Rs 113 Mn from 120 Mn in Q2 FY20

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

04

ANNEXURE

BRANDING INITIATIVES

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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**

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

TIE-UPS WITH ONLINE PLATFORMS

amazon
flipkart.com The Online Megastore
snapdeal
MYNTRA.com
Paytm
JABONG.COM
firstcry.com
TATA CLiQ
pantaloons
AJIO
SHOPPERS STOP START SOMETHING NEW
TRENDS
lifestyle YOUR STYLE. YOUR STORE.
CENTRAL

STRATEGIC TIE-UPS

Airline Tie-ups	Theatres
Air Asia - Overhead Bins	- PVR
Go Air - Overhead Bins	- Cinepolis
Air India - Seat Back Devices + Inflight Magazine	- Inox
Vistara - Inflight Magazine	- Carnival
Indigo - Inflight Magazine	- SRS
	- **800** + screens across India

CSR ACTIVITIES

MONTE CARLO
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OSWAL FOUNDATION review

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

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