

## 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

MCFL/CS /2020-21

June 25, 2020

National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.	BSE Limited. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001.
Symbol: MONTECARLO	Scrip Code: 538836

**Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 - Disclosure on impact of CoVID-19 pandemic**

Pursuant to Regulations 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), and amendments thereto, read with SEBI Circular No. SEBI/HO/CFDI CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status is attached.

You are requested to take the same on record.

Thanking You,

Yours faithfully,

For MONTE CARLO FASHIONS LIMITED



**ANKUR GAUBA**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**



Encl: as stated

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### COVID-19 Pandemic Situation- Update on Operations

#### Current Operational Status

Complying with the Central and State Government directives regarding the nation-wide lockdown, and as intimated in our earlier communication to stock exchanges, the Company had temporarily closed its manufacturing facilities, corporate office and retail stores from 23<sup>rd</sup> March 2020 to prevent the spread of Novel Coronavirus ("Covid-19"). The Company post receipt of approval from concerned authorities in the State of Punjab subject to fulfilment of certain conditions has partially resumed operations of its manufacturing facility at Ludhiana, Punjab from 21<sup>st</sup> April 2020.

In-line with the Government's safety and security norms from Covid-19, the Company's offices and factory's is now operational. We are currently operating at 70% capacity utilisation with a limited workforce at our factory in Ludhiana. The Company is trying to ramp up the capacity further as early as possible.

The Company is currently operating with below capacities across distribution channels.

Channel	Operational Stores as on 21 <sup>st</sup> March 2020	Operational Stores as on date
EBO –COCO	37	32
EBO –FOFO	241	207
MBO	2500+	1800+
NCS	506	112
SIS	128	96

Considering that the situation is unprecedented and is changing dynamically, the Company is planning production based on its estimate of demand. Monte Carlo has zero reliance on exports and has a presence in the domestic markets across India with an extensive distribution network. We are currently present in 20 States & 3 Union Territory. The Company continues to work with its business partners across all channels, i.e. COCO, FOFO, National Chain Stores, Large Format stores and Multi-brand outlets.

Healthy credit terms with our suppliers help us operate the business smoothly. The Company has always been focusing on a digital transformation journey to enhance customer engagement and emphasized to drive sales through its own portal site.

#### Employees Safety

The Company has taken various measures to take care of the livelihoods of workers and their safety and security. The steps include providing masks, hand sanitizers, disinfectants, conducting regular temperature checks and being very vigilant on workers and essential visitors at our operational facilities. The Company has also emphasised on providing medical facilities to workers inside the factory premises, and sanitization and fumigation in the whole factory. We have ensured that employees of our Clearing and Forwarding Agents (C&F agents) and distributors' frontline field forces are observing necessary safety precautions.

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### **New Products**

The Company's product development team in May 2020, launched a new range of products in the Medical Textile Range, i.e. Face Masks (3 PLY Masks, KN95 Mask and N95 Mask) and Personal Protective Equipment (PPE Kit), considering its shortage and massive demand from medical workers and the general public due to Novel Coronavirus (COVID19).

### **Liquidity Position**

The Company is confident in the underlying strength of its business model, and that its medium-term liquidity needs are well covered. The Company continues to enjoy a comfortable net cash position. With adequate banking limits in place, the Company's ability to service its debts and financing obligations on time remains unaffected.

### **Financial Performance**

The COVID-19 pandemic followed by the nation-wide lockdown announced by the Government has impacted the Company's operations. The last ten days of March 2020 and the first fortnight of April 2020 witnessed significant disruptions in the business and operations of the Company. The company is dealing with challenging times with best efforts and is successful in reducing the costs such as Rent payable for the stores / showrooms & other costs.

For the Financial Year ended on March 31, 2020, the Company reported a Net Revenue from Operations of ₹ 725.61 crore as compared to ₹ 656.37 crore for Last Year. The Company has been able to maintain Profit after Tax of ₹ 62.69 crore as compared to ₹ 59.60 crore for Last Year.

### **Future outlook**

The Company continues to evaluate the impact of the pandemic as the situation evolves. The Company is not in a position to gauge with certainty, the future impact on its operations but expects that there shall be an adverse impact in H1FY21 due to the economic slowdown and lower demand. However, our strong presence in winter wear market along with well-diversified product portfolio across ranges will help us to minimise the impact of COVID-19 for the full financial year 2021.

The Company has implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic. The Company is hopeful to sustain normal growth without any significant capex. While the safety and well-being of employees is our priority, we have given utmost importance to incident management and stakeholder communication. All departments are in constant touch to take inputs and to ensure business continuity.

We have a regular internal financial reporting process and controls which are running efficiently through the use of technology. The Company is fully geared to withstand the challenges as the situation unfolds on the back of its financial and operational strengths.

