

**MONTE CARLO FASHIONS LIMITED**

**Press Release for the Quarter ended September 30, 2015**



**Q2 FY16 Revenue increased by 8.7% YoY at INR 136.6 crore**

**Q2 FY16 EBIDTA increased by 45.1% YoY at INR 26.6 crore**

**Q2 FY16 PAT increased by 75.1% YoY at INR 13.6 crore**

**9<sup>th</sup> November 2015, Ludhiana – Monte Carlo Fashions (MCFL), the Ludhiana-based Branded (woollen and cotton) apparel manufacturer, announced its Second Quarter and First Half FY16 Results today.**

MCFL has reported Revenues growth of 8.7 % to Rs. 1366.2 mn. Revenues have increased mainly due to overall growth across all segments. Gross Margins improved by 452 bps to 52.7%. Overall Growth Outlook is stable and positive due to good visibility on the Order book.

EBIDTA w/o Other income for the quarter increased by 45.1 % YoY to Rs. 266.3 mn. EBIDTA Margin increased by 489 bps YoY to 19.5% from 14.6% in Q2 FY15 due to robust Growth in Volumes and Better Product Mix.

Further, Marketing & Advertising expenses decreased by 27.9% to Rs. 25.1 mn as compared to Rs. 34.8 mn in Q2 FY15. There has been rationalization of Marketing & Advertising expenses as larger share of advertising expenses were incurred in Q1 FY16.

With No Major capex planned for next 2 years, Positive Operating leverage being witnessed as the production gains scale during the course of the year.

PAT for the quarter increased by 75.1 % YoY to Rs. 136.3 mn. PAT Margin increased by 377 bps YoY to 10.0 % from 6.2% in Q2 FY15.

Commenting on the Balance sheet, Inventory figures of September are not comparable to March as the Company manufactures woollen apparels for the upcoming winter season, therefore Inventory peaks in the month of September and receivables peak in the December quarter.

In terms of its business operations, MCFL has added 4 exclusive retail outlets. Total Number of EBOs as on 30<sup>st</sup> September 2015 is at 218. Company is on track to improve its presence and penetration on a Pan India Basis.

## **MONTE CARLO FASHIONS LIMITED**

**Press Release for the Quarter ended September 30, 2015**

### **About Monte Carlo Fashions Ltd (MCFL) :**

Monte Carlo Fashions Ltd is a leading manufacturer and retailer of woollen products, including sweaters and cardigans, and cotton knitted garments such as t-shirts and track suits. It also supplies accessories including belts, ties, inner wears, thermal wears and socks. MCFL's manufacturing facilities are primarily located in Ludhiana, Punjab, and are fully backed by capabilities in product development, design studio and an efficient sampling infrastructure. It follows an asset-light model for its cotton knitted garments and woven garments by primarily outsourcing the production of its knitted and woven products.

The strength of its brand 'MONTE CARLO' has significantly contributed to the success of the business. 'MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since Fiscal 2003 by International Society for Superbrands.

The Company is listed on the Bombay Stock Exchange (BSE) (BSE: 538836) and the National Stock Exchange (NSE) (NSE: MONTECARLO, ISIN: INE950M01013), with a market capitalisation of Rs 952.5~ crore as on 6th November 2015

For any Further Details, Please Contact:-

Mr. Dinesh Gogna

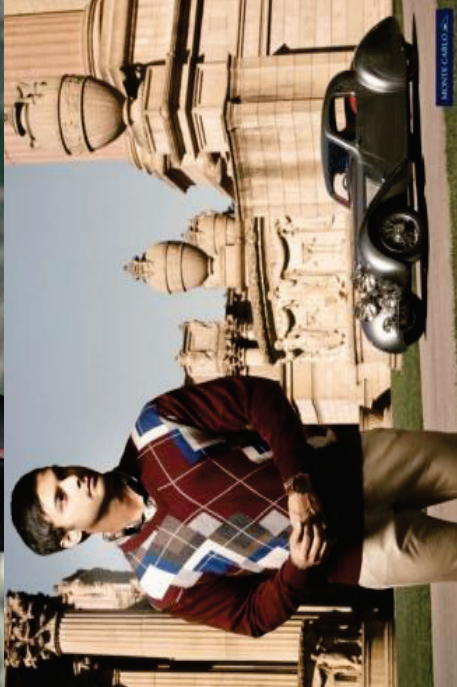
Director

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**MONTE CARLO** *MC*

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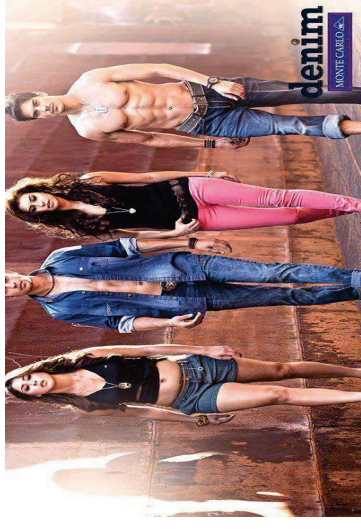
**Q2 & H1 FY16 INVESTOR PRESENTATION**  
**November 2015**

# DISCUSSION SUMMARY



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- Q2 & H1 FY16 RESULTS HIGHLIGHTS
- OPERATIONAL HIGHLIGHTS
- FINANCIALS
- COMPANY OVERVIEW – ABOUT US
- UNDERSTANDING OUR BUSINESS MODEL
- SUSTAINABLE COMPETITIVE ADVANTAGES
- FUTURE GROWTH STRATEGY
- ANNEXURE

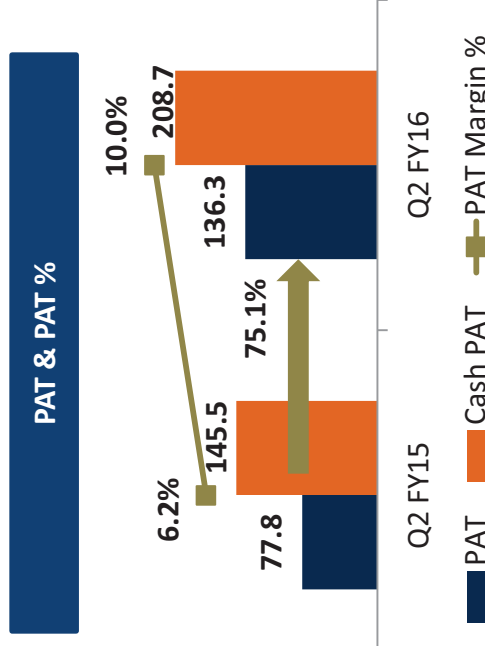
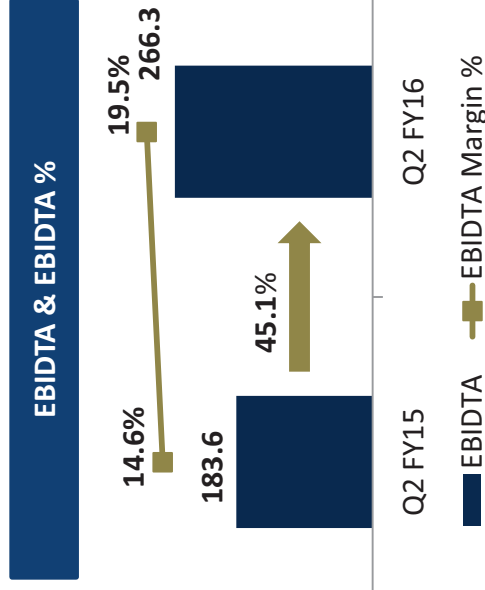
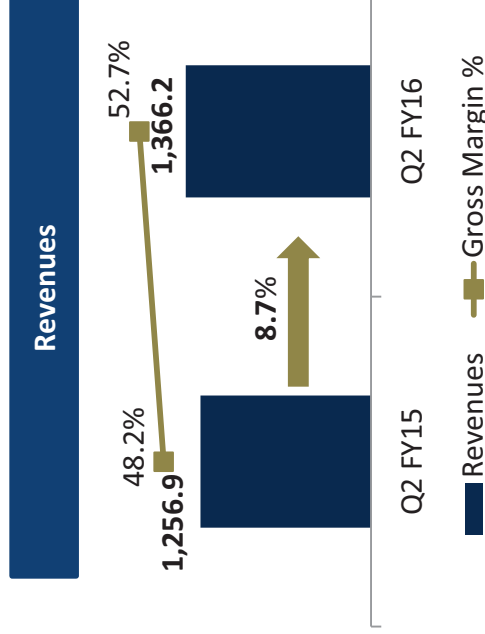


# Q2 & H1 FY16 – RESULTS HIGHLIGHTS

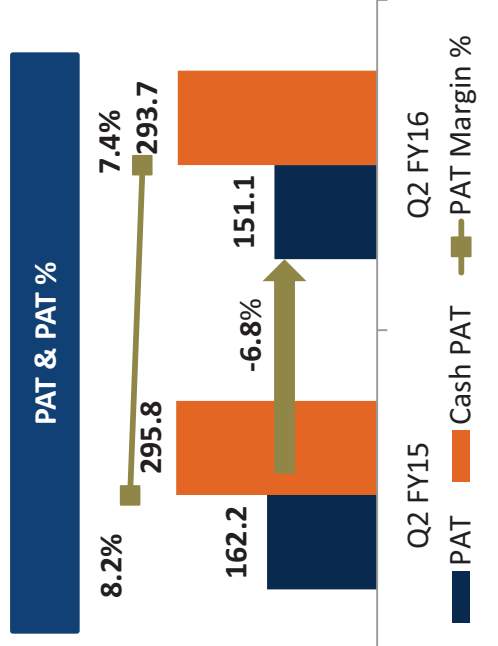
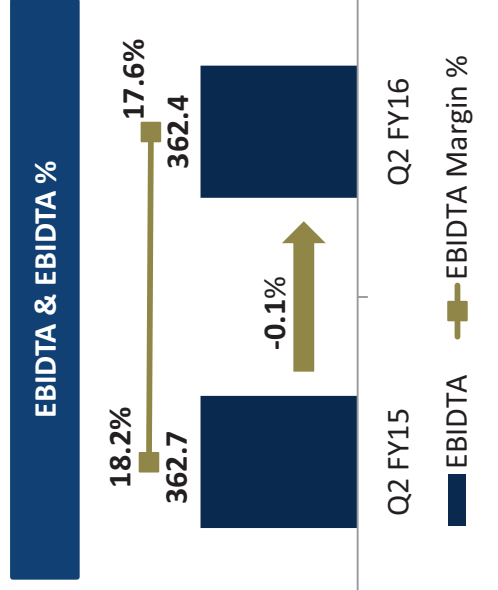
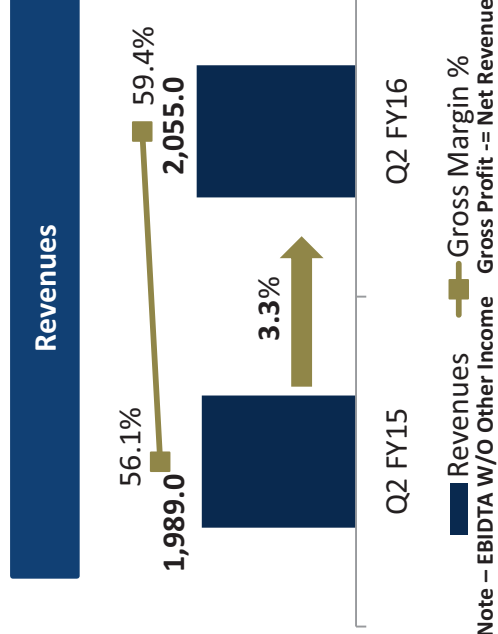


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## Q2 FY16 YoY ANALYSIS



## H1 FY16 YoY ANALYSIS



Note – EBIDTA W/O Other Income Gross Profit -= Net Revenues – COGS

## Q2 FY16 – FINANCIAL HIGHLIGHTS



### FINANCIAL UPDATE -

- Q2 FY16 Revenues from Operations increased by 8.7 % to Rs. 1,366.2 mn. Revenues have increased mainly due to overall growth across all segments. Gross Margins improved by 452 bps to 52.7%.
- **Overall Growth Outlook is stable and positive due to good visibility on the Order book.**
- **Q2 FY16 EBIDTA w/o Other income increased by 45.1 % YoY to Rs. 266.3 mn. EBIDTA Margin increased by 489 bps YoY to 19.5% from 14.6% in Q2 FY15 due to -**
  - Driven by Robust Growth in Volumes and Better Product Mix.
  - Rationalization of Marketing & Advertising expenses as larger share of advertising expenses were incurred in Q1 FY16. Marketing & Advertising expenses decreased by 27.9% to Rs. 25.1 mn as compared to Rs. 34.8 mn in Q2 FY15.
  - Employee expenses have increased as the company has recently started in-house manufacturing at the cotton facility . No Major capex planned for next 2 years. Therefore, Positive Operating leverage witnessed as the production gains scale during the course of the year.
- **Q2 FY16 PAT increased by 75.1 % YoY to Rs. 136.3 mn. PAT Margin increased by 377 bps YoY to 10.0 % from 6.2% in Q2 FY15.**
- **Balance Sheet Update** - Inventory figures of September are not comparable to March as the Company manufactures woollen apparels for the upcoming winter season, therefore Inventory peaks in the month of September and receivables peak in the December quarter.

# OPERATIONAL HIGHLIGHTS

## REVENUE ANALYSIS – SEGMENT WISE



Segment wise Revenues – Product Category wise (In Rs mn)					
	Q2 FY16	FY15	FY14	FY13	FY12
<b>Total Revenues **</b>	<b>1077.9</b>	<b>5271.8</b>	<b>4566.7</b>	<b>3686.0</b>	<b>3346.9</b>
<b>% Revenue Share – Segment wise</b>					
Woollen Segment	36.7%	34.5%	36.5%	42.7%	41.6%
Cotton Segment	48.2%	52.6%	50.8%	47.5%	57.3%
Home Furnishings	12.6%	8.4%	8.0%	6.5%	0.1%
Kids	2.5%	4.6%	4.7%	3.3%	1.0%

Segment wise Revenues – Channel wise (In Rs mn)					
	Q2 FY16	FY15	FY14	FY13	FY12
<b>Total Revenues**</b>	<b>1077.9</b>	<b>5271.8</b>	<b>4566.7</b>	<b>3686.0</b>	<b>3346.9</b>
<b>% Revenue Share –Channel wise</b>					
MBO including NCS / Institutional	65.3%	63.5%	65.0%	59.6%	60.2%
Retail Outlets - EBO – COCO	2.9%	5.5%	5.0%	1.8%	7.7%
Retail Outlets - EBO - FOFO	31.8%	30.9%	30.0%	38.5%	32.1%

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

Note \*\* - Revenues Excluding Fabric Sales

# OPERATIONAL HIGHLIGHTS

## REVENUE ANALYSIS – REGION WISE



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Segment wise Revenues –Region wise					
	Q2 FY16	H1 FY16	FY15	FY14	FY13

### % Revenue Share – Region wise

North	48.2%	48.5%	51.3%	58.8%	57.1%
East	29.1%	30.1%	27.1%	25.1%	22.0%
Central	13.5%	12.9%	13.8%	9.0%	12.7%
South	4.2%	4.6%	3.1%	2.7%	3.7%
West	4.4%	3.6%	4.6%	4.3%	4.0%
Overseas	0.5%	0.4%	0.1%	0.2%	0.5%

**STRATEGIC FOCUS TO REDUCE DEPENDENCE ON NORTH REGION AND IMPROVE MARKET PRESENCE AND MARKET SHARE ACROSS PAN INDIA.**



# OPERATIONAL HIGHLIGHTS

## STORE NETWORK ANALYSIS



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- Total Number of EBOs – 218, spread across Pan India. Major Presence in North, Central & East.
- Increasing Footprint in South.
- Have strong Distribution presence across more than 1600 Multi-Brand Outlets pan India.
- Have presence in 145 National chain store Outlets
  - Presence through 6 National Retail chains such as – Reliance Retail, Shoppers stop, Pantaloons, Metro, Carrefour and Madura Outlets.

Total Network details	
As on Sept-15	
No of Own EBO	20
No of Franchise EBO	198
No of MBO	1600+
No of NCS Presence	145

Retail store - Exclusive Brand Outlets Network details (EBO)							
	Sep-15	Jun-15	Mar-15	Dec-14	Mar-14	Mar-13	Mar-12
Existing - No of Stores	220	214	214	193	166	152	144
New Opened	4	6	6	28	28	20	12
Closed	6	0	6	7	1	6	4
<b>Total Number of Retail outlets</b>	<b>218</b>	<b>220</b>	<b>214</b>	<b>214</b>	<b>193</b>	<b>166</b>	<b>152</b>

# FINANCIALS

## P&L STATEMENT



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Particulars (in million)	Q2 FY 16	Q2 FY 15	% Change	H1 FY16	H1 FY15	% Change	FY 15
Net Sales	1,363.2	1,253.6	8.7%	2,050.3	1,984.8	3.3%	5,810.8
Other Operating Income	3.0	3.3	-7.3%	4.8	4.2	12.8%	15
<b>Total Income from Operations</b>	<b>1,366.2</b>	<b>1,256.9</b>	<b>8.7%</b>	<b>2,055.0</b>	<b>1,988.9</b>	<b>3.3%</b>	<b>5,825.8</b>
Cost of Goods Sold	647.5	652.6	-0.8%	836.5	875.9	-4.5%	2,922.5
<b>Gross Profit</b>	<b>718.7</b>	<b>604.3</b>	<b>18.9%</b>	<b>1,218.5</b>	<b>1,113.1</b>	<b>9.5%</b>	<b>2,903.2</b>
<b>Gross Margin</b>	<b>52.7%</b>	<b>48.2%</b>	<b>452 bps</b>	<b>59.4%</b>	<b>56.1%</b>	<b>335 bps</b>	<b>49.80%</b>
Personnel Expenses	118.5	112.6	5.2%	235.9	210.0	12.4%	418.8
Advertisement Expenses	25.1	34.8	-27.9%	105.3	80.6	30.6%	269.8
Other Expenses	308.8	273.3	13.0%	514.8	459.9	12.0%	985
<b>EBITDA</b>	<b>266.3</b>	<b>183.6</b>	<b>45.1%</b>	<b>362.4</b>	<b>362.7</b>	<b>-0.1%</b>	<b>1,229.7</b>
<b>EBITDA Margin</b>	<b>19.5%</b>	<b>14.6%</b>	<b>489 bps</b>	<b>17.6%</b>	<b>18.2%</b>	<b>-60 bps</b>	<b>21.1%</b>
Other Income	55.3	42.9	28.9%	92.8	87.6	6.0%	189.5
<b>EBITDA Margin (incl. Other Income)</b>	<b>23.5%</b>	<b>18.0%</b>	<b>552 bps</b>	<b>22.2%</b>	<b>22.6%</b>	<b>-48 bps</b>	<b>24.4%</b>
Depreciation	72.4	67.7	6.8%	142.6	133.6	6.7%	334
Interest Expense	43.8	40.4	8.5%	79.4	71.6	11.0%	170.8
<b>PBT</b>	<b>205.5</b>	<b>118.5</b>	<b>73.5%</b>	<b>233.2</b>	<b>245.1</b>	<b>-4.8%</b>	<b>914.5</b>
Taxes	69.2	40.5	71.1%	82.1	82.8	-0.9%	316.8
<b>PAT</b>	<b>136.3</b>	<b>77.8</b>	<b>75.1%</b>	<b>151.1</b>	<b>162.2</b>	<b>-6.8%</b>	<b>597.7</b>
<b>PAT Margin</b>	<b>10.0%</b>	<b>6.2%</b>	<b>377 bps</b>	<b>7.4%</b>	<b>8.2%</b>	<b>-80 bps</b>	<b>10.3%</b>
<b>EPS</b>	<b>6.3</b>	<b>3.6</b>	<b>75.1%</b>	<b>6.9</b>	<b>7.5</b>	<b>-6.8%</b>	<b>27.5</b>

# FINANCIALS

## Balance Sheet



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Particulars (Rs Million)	H1 FY16	FY15	Particulars (Rs Million)	H1 FY16	FY15
<b>Equities &amp; Liabilities</b>			<b>Assets</b>		
<b>Shareholder's Funds</b>			<b>Non-Current Assets</b>		
Share Capital	217.3	217.3	Fixed Assets	1,737.9	1,820.8
Reserves & Surplus	4,067.6	3,916.4	Non-Current Investments	294.6	249.6
<b>Total Shareholder's Funds</b>	<b>4,284.9</b>	<b>4,133.8</b>	Deferred Tax Assets (net)	1.0	-
Share Application Money	-	-	Long-term Loans & Advances	110.8	56.8
Minority Interest	-	-	<b>Current Assets</b>		
<b>Non-Current Liabilities</b>			Current Investments	185.0	230.0
Long-term Borrowings	470.5	621.9	Trade Receivables	1,361.3	1,200.8
Other Long-term Liabilities	113.8	107.5	Inventories	2,806.0	1,840.3
Deferred Tax Liabilities (net)	-	2.6	Cash & Bank Balance	947.0	1,178.6
<b>Current Liabilities</b>			Short-term Loans & Advances	369.9	181.9
Short-term Borrowings	1,016.9	391.8	Other Current Assets	50.6	62.1
Trade Payables	1,129.0	817.5	<b>Total Assets</b>	<b>7,864.2</b>	<b>6,820.9</b>
Other Current Liabilities	587.2	433.7			
Short-term Provisions	261.9	312.2			
<b>Total Equity &amp; Liabilities</b>	<b>7,864.2</b>	<b>6,820.9</b>			

# COMPANY OVERVIEW – ABOUT US

## BRIEF OVERVIEW



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### OUR PEDIGREE

- Launched in 1984 as an exclusive woollen brand by Oswal Woollen Mills Limited (“OWML”), “Monte Carlo” has emerged as one of the leading Indian apparel brands. Experienced management team led by Mr. Jawahar Lal Oswal who has over 50 years experience in the textile and woollen industry and with Mr. Sandeep Jain Executive Director .
- ‘Monte Carlo’ has been recognized as a ‘Superbrand’ for woollen knitted apparel in each edition of Consumer Superbrands India since its first edition in September 2004.
- Launched as an exclusive woollen brand, Company has successfully diversified with a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the ‘Monte Carlo’ brand

### OUR BRAND & PRODUCT PORTFOLIO

- Branded apparel business was demerged into Monte Carlo Fashions Limited (MCFL) in 2011. Ownership of the brand ‘Monte Carlo’ is with the Company
- ‘Monte Carlo’ is the flagship brand with a portfolio of woollen apparel and cotton and cotton blended apparel
- Have Launched different ranges under the Umbrella Brand “Monte Carlo” - ‘Platine’ is our premium range for men, ‘Denim’ is our exclusive range for denim apparel, ‘Alpha’ is our exclusive range for women and ‘Tweens’ is our exclusive range for kids.

### OUR REACH & PRESENCE

- Brands distributed through a network of Monte Carlo EBOs and MBOs including national chain store. Strong distribution network and wide presence across the country. In south & west the company has adopted distribution system through distributors.
- **MBOs** - Products are supplied through 21 exclusive commission agents to over 1600+ MBOs on outright basis.
- **EBOs – COCO - 20** stores are leased, managed by company personnel. Inventory is owned by MCFL
- **EBOs – FOFO** – 198 EBOs are on Franchise basis. Products are supplied on Pre-order Outright basis.
- Also supplying through National Chain Stores for 6 Retail chains. E-commerce presence through own portal montecarlo.in and tie-ups with Digital platforms such as Flipkart, Snapdeal etc

### OUR FINANCIALS

- Consolidated Revenues, EBITDA and PAT were Rs. 5,810.8 mn, Rs. 1229.7 mn and Rs.597.7 mn in 2015
- Virtually debt-free balance sheet with Total Debt to Equity at 0.3 x as of Mar-15. Strong Cash Balance at Rs. 1408.6 mn as on Mar-15. (Excluding Non Current investments of Rs. 249.6 mn)
- Healthy Return Ratios: 2015 ROCE of 20.9%, Cash Adjusted ROCE of 30.0% and ROE of 15.1%.
- Virtually the business model has no inventory risk and credit risk, thus protected from normal hazards of Branded Apparel Business

# COMPANY OVERVIEW – ABOUT US

## SHAREHOLDING STRUCTURE



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Market Data	As on 05.08.2015 (BSE)
Market Capitalization (Rs Mn)	9,540
No. of shares outstanding (Mn)	21.73
Face Value (Rs.)	10.00
52 week High-Low (Rs.)	632.45-415.00

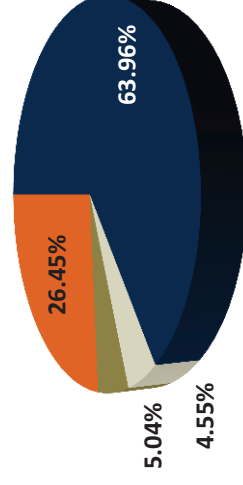
Source – BSE

Key Institutional Investors	% Holding
Kanchi Investments Ltd (Samara Capital) *	10.94
Birla Sun Life Trustee Co.	4.19
Goldman Sachs India	2.34
Aditya Birla Pvt Ltd	1.57
DB International (Asia) Ltd	1.30
ICICI Prudential Life Insurance	1.53

Source – Company / BSE

Note - \* - Lock in for 1 year along with Promoter Holding

### Sep-15 Shareholding



■ Promoter ■ FII ■ DII ■ Public

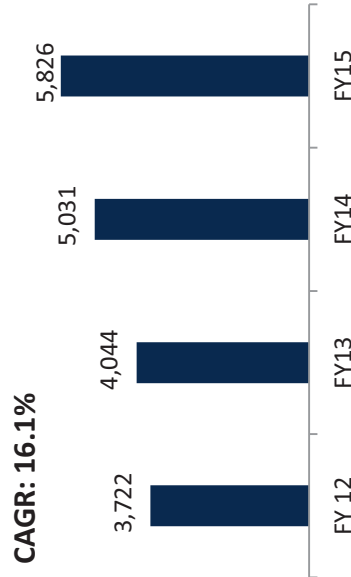
# COMPANY OVERVIEW – ABOUT US

## FINANCIAL HIGHLIGHTS

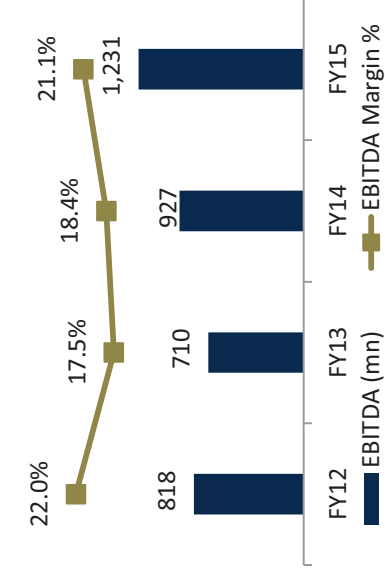


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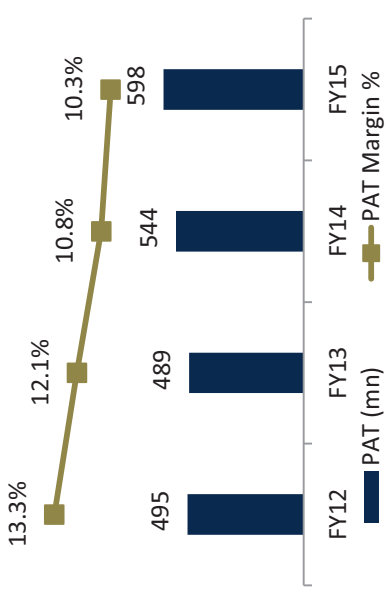
### REVENUES



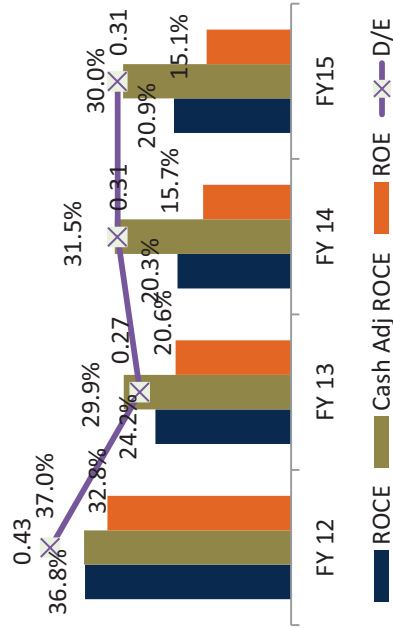
### EBITDA & EBITDA Margin



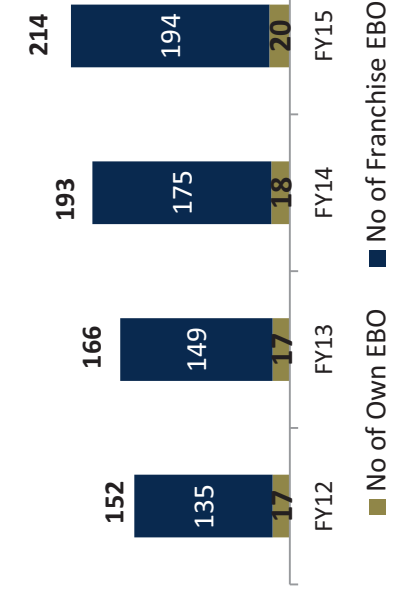
### PAT & PAT Margin



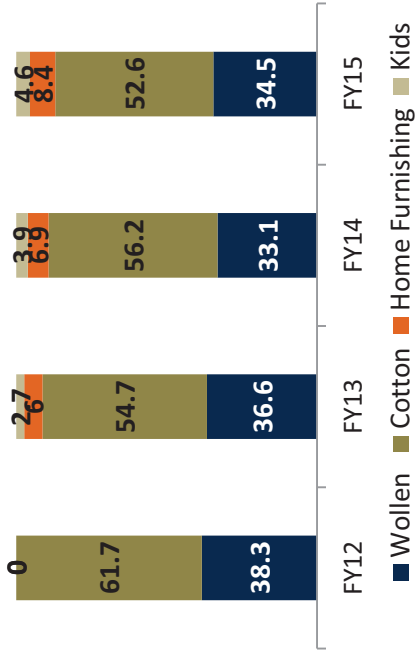
### LEVERAGE & RETURN RATIOS



### EBO – STORE GROWTH



### REVENUE – SEGMENT WISE













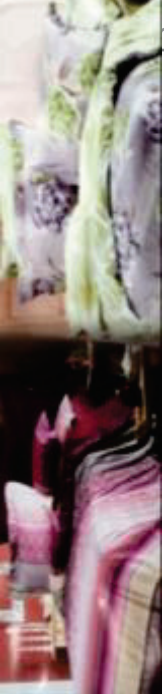
Source - RGP  
 Note – ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&CE)]

# COMPANY OVERVIEW – ABOUT US

## OUR PRODUCT PORTFOLIO



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<p>Woollens</p>		<p>Sweaters Jackets, Shawls</p>	
<p>Cottons</p>	 	<p>T-shirt, Shirts, Trousers</p>	
<p>Kids</p>		<p>Sweaters Jackets, T-shirt, Sweat Shirts</p>	
<p>Economy range</p>		<p>T-Shirts, Sweatshirts, Thermal-wear</p>	
<p>Home Furnishing Range</p>		<p>Mink Blankets, Bed Sheets, Quilts</p>	

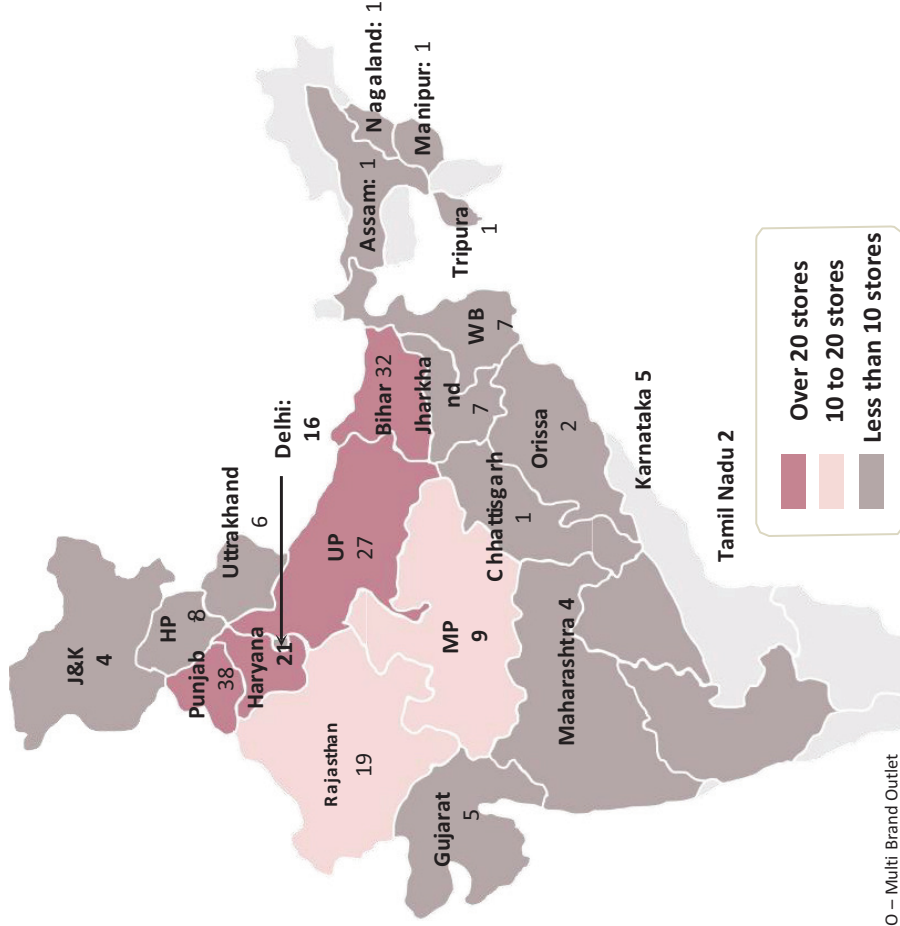
# COMPANY OVERVIEW – ABOUT US

## OUR RETAIL PRESENCE & RETAIL NETWORK



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Monte Carlo exclusive brand outlets (EBO)# -Total 218 EBOs with presence across India. Mainly into North, East & Central



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

- Brands distributed through a network of Monte Carlo EBOs and MBOs including national chain stores
- MBOs - Products were supplied by 21 exclusive commission agents to over 1,600 MBOs on outright basis
- EBOs – Company-Owned-Company-Operated
  - With a focus to develop brand equity by opening stores at High streets at Premium Retail Locations and showcasing an extensive range of products.
  - 20 stores are leased and managed by company personnel. Inventory is owned by MCFL
- EBOs – Franchisee-Owned-Franchisee-Operated
  - Fit-outs layout and fixtures defined by MCFL. But franchisees lease premises for stores and bear staff and operational costs
  - With no major capex from the company side, the format is highly scalable
- NCS – Products are also supplied to 89 National chain stores (NCS) on Consignment / Outright basis. Supply to 5 Retail chains such as Reliance retail, Shopper stop, Madura, Pantaloons, Metro.
  - Entered into distribution agreements with online sales through digital commerce platforms



# COMPANY OVERVIEW – ABOUT US

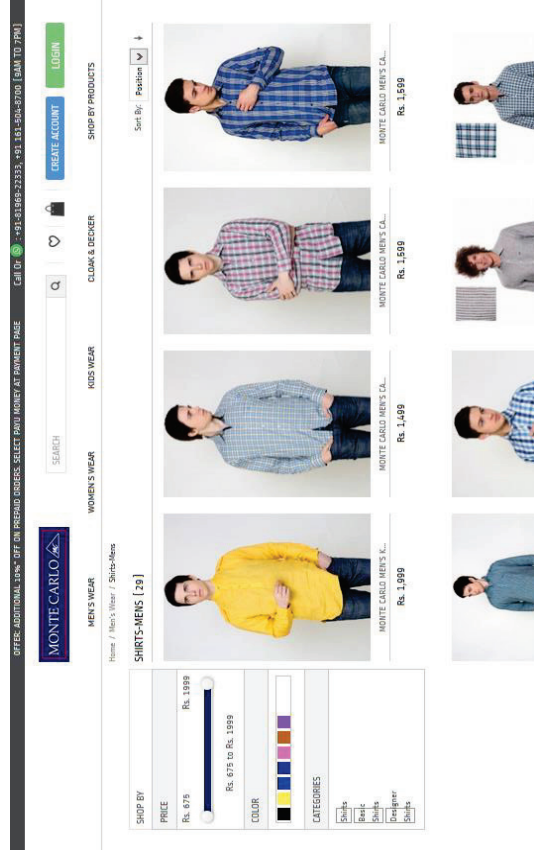
## OUR RETAIL PRESENCE THROUGH E-COMMERCE



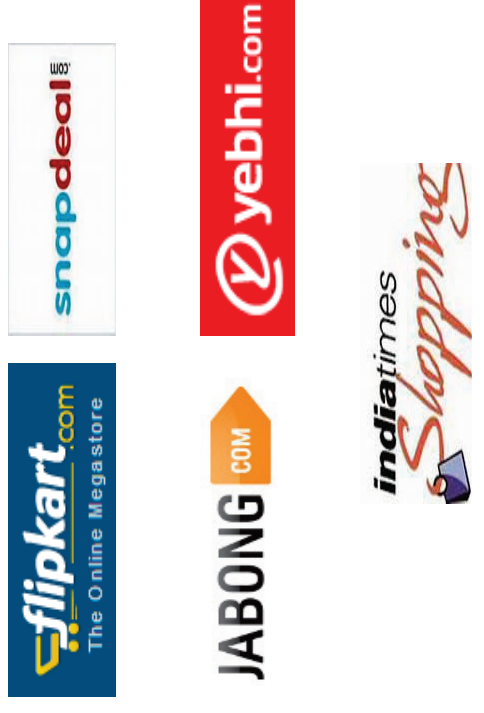
### RETAIL PRESENCE THROUGH E-COMMERCE -

- Recently started online e-commerce sale through our own portal [www.montecarlo.in](http://www.montecarlo.in) as well as tie-ups with several online portals. The e-Retail portal and online business completely belongs to the company.
- Have Entered into distribution agreements with some of the leading Indian digital commerce platforms for sale of our products online.

### OWN PORTAL – [WWW.MONTECARLO.IN](http://WWW.MONTECARLO.IN)



### TIE-UPS WITH ONLINE PLATFORMS



# COMPANY OVERVIEW – ABOUT US

## IN-HOUSE DESIGN & PRODUCTION CAPABILITIES



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### IN-HOUSE DESIGN & PRODUCT DEVELOPMENT

- In-House dedicated design team of over 30 professionals which travels and follows the emerging global fashion trends for creation of the designs for our new collections.
- Focus on developing new products, improving existing ones and forecasting fashion trends.
- In addition, our Exclusive Commissioned Agents have direct access to the dealers, distributors and retailers in India and they conduct regular market surveys to understand consumer demand and feedback.

### MANUFACTURING CAPABILITIES –

- Three manufacturing facilities in Ludhiana, Punjab :-
  - One for woollen apparel products
  - Two for cotton apparel products.
  - The manufacturing facilities include facilities for product development, a design studio and sampling infrastructure.
- Almost all woollen knitted products are manufactured in-house. Recently also commenced in-house manufacturing of some of our cotton t-shirts and thermals in April 2014.
- For the remaining cotton and cotton-blended products, we follow an asset-light model by outsourcing the production to a network of job work entities with which we enjoy a long-term relationship.



# COMPANY OVERVIEW

## UNDERSTANDING OUR BUSINESS MODEL



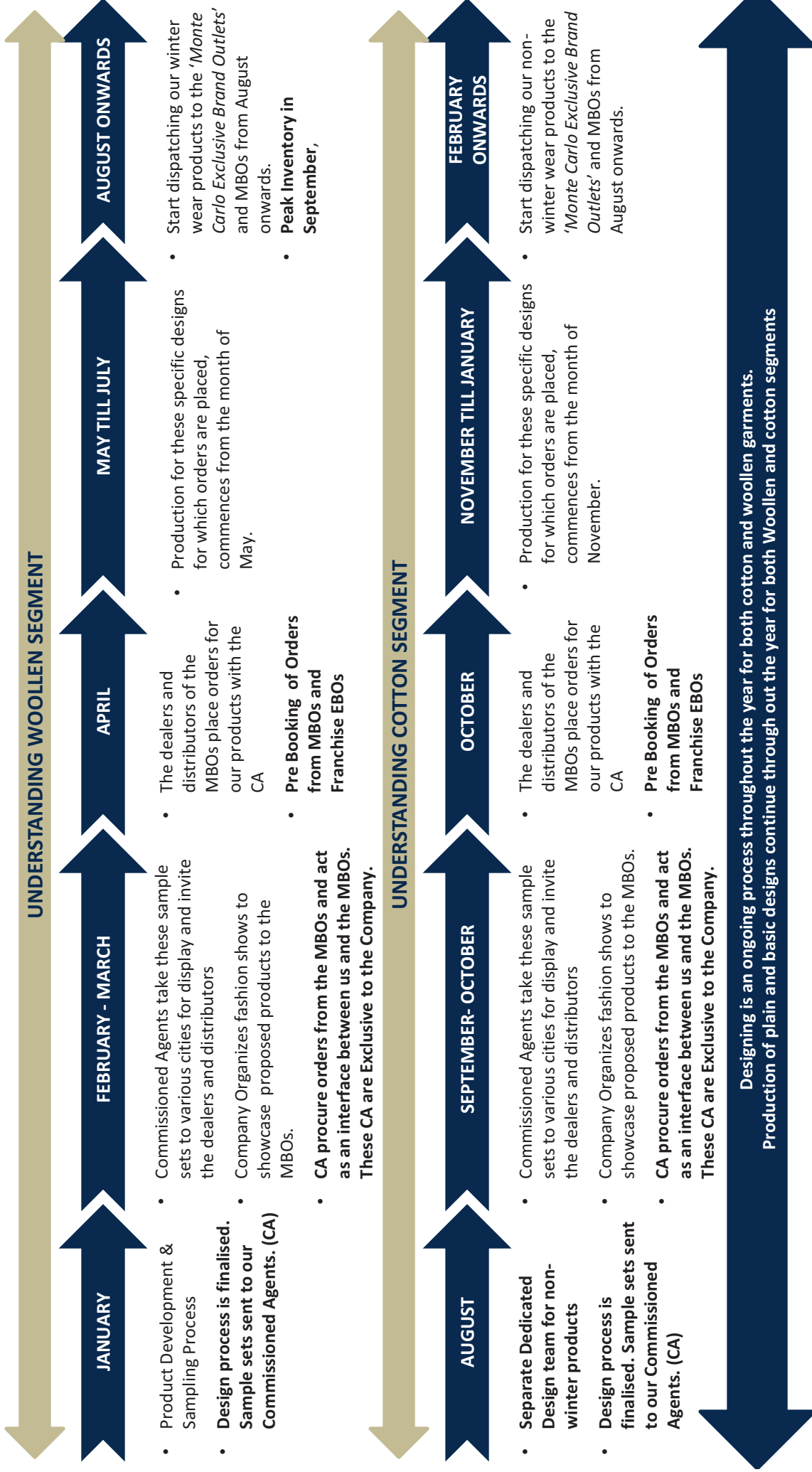
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OWML – Oswal Woollen Mills Ltd  
 NSML – Nahar spinning Mills Ltd  
 IWS - (an international body for regulating the spinning and hosiery industry)

# COMPANY OVERVIEW

## UNDERSTANDING OUR BUSINESS MODEL



# COMPANY OVERVIEW

## UNDERSTANDING SEASONALITY



	Total Revenues (Rs. Mn)	% of Revenues in Third Quarter	Avg. Ticket price (Rs.)
FY 2012	3,722	53.6 %	~2000 Winter wear - Sweater, Jackets & Cardigans
FY 2013	4,044	59.9 %	~1000 Shirts
FY 2014	5,037	53.4 %	~900 Denim
			~900 Trouser
			~600 T-shirt

Winter clothing usually comprises of high-ticket products, with approximately 4 months of winter revenues comparable to 8 months of summer business

- Significant amount of revenue generated primarily during the third quarter of each fiscal year.
- The seasonality is primarily because the sales of our winter products which includes sweaters, jackets, cardigans and sale of certain cotton and cotton-blended products such as cotton jackets, suits, sweat shirts, full sleeve t-shirts and shirts in the winter mainly occurs between October and January.
- Winter products are typically higher in value in terms of production cost as well as sales revenue, and accordingly generate higher revenue, in comparison with the non-winter products.

# SUSTAINABLE COMPETITIVE ADVANTAGE

## STRONG BRAND & BRAND RECALL



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- The strength of our brand 'MONTE CARLO' has significantly contributed to the success of our business.
- **The Ownership of the 'Monte Carlo' brand as well as all the sub-brand ranges are the registered trademarks and belong to the Company.**
- Monte Carlo enjoys significant premium and brand recall on a pan-India basis
- **Leading Indian Apparel brand by revenue** – as per Technopak report 2014
- As per the Technopak Report, 2014, we are the leading woollen knitted apparel brand in India in the premium and mid-premium segment.
- **In 2014, Monte Carlo was honoured as one of ASIA'S BEST MARKETING BRANDS by World Consulting & Research Corporation (WCRC)**
- **MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since September 2004 by International Society for Superbrands.**
- Introduced successfully a number of ranges under the umbrella brand and seek to build its brand-equity based on new products
- **Showcases our ability to anticipate, identify and respond to changing fashion trends in a timely manner.**
- Scale of our business provides us the ability to increasingly focus on branding and promotion to further increase our visibility and market share across India



# SUSTAINABLE COMPETITIVE ADVANTAGE

## WELL DIVERSIFIED PRODUCT MIX



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- Launched as an exclusive woollen brand , the Company now offers a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the 'Monte Carlo' brand.
- The woollen and woollen blended product category contribute 33 % of revenues in FY14.**
- Over last 3 years , New ranges have been successfully launched under the Umbrella Brand – “Monte Carlo” :
  - An exclusive women’s wear range ‘Alpha’
  - Kids wear range ‘Tweens’ - for age group 7-13’
  - Premium men’s range of woollen sweaters under ‘Platine’ and
  - Economy range for men under ‘Cloak and Decker’
- Also Introduced its range of home furnishing products like mink blankets, quilts and sheets

### Range, positioning and products offered

Range	Woollens & Woollen-blended	Cottons & Cotton-blended	Home Furnishing	Kids
<b>Monte Carlo</b> - Premium and mid-premium segments for men	Sweaters, jackets, thermals, woollen accessories (caps, mufflers, Shawls, stoles)	Shirts, trousers, t-shirts, track-suits	Mink blankets, bed sheets and quilts	
<b>Platine</b> - Premium range for Men	Cashmere and cash-wool sweaters, blazers, coats	Cotton shirts, trousers and t-shirts		
<b>Denim</b> - mid-premium Range		Denim trousers (jeans) and shirts		
<b>Alpha</b> - Exclusive range for Women	Sweaters, cardigans	Shirts, t-shirts, tops and trousers		
<b>Tweens</b> - Exclusive Kids wear Collection				Sweaters, Cardigans, Shirts, t-shirts and Bottoms
<b>Cloak &amp; Decker</b> - Economy range for men		Cotton and cotton-blended t-shirts		

Segment wise Revenues	FY15	FY14	FY13	FY12
<b>Total Revenues (Rs. Mn)</b>	<b>5271.8</b>	<b>4566.7</b>	<b>3686.0</b>	<b>3346.9</b>
<b>% Revenues - Woollen Segment</b>	<b>34.5%</b>	<b>36.5%</b>	<b>42.7%</b>	<b>41.6%</b>
<b>% Revenues - Cotton Segment</b>	<b>52.6%</b>	<b>50.8%</b>	<b>47.5%</b>	<b>57.3%</b>
<b>% Revenues – Home Furnishing Segment</b>	<b>8.4%</b>	<b>8.0%</b>	<b>6.5%</b>	<b>0.1%</b>
<b>% Revenues - Kids Segment</b>	<b>4.6%</b>	<b>4.7%</b>	<b>3.3%</b>	<b>1.0%</b>

# SUSTAINABLE COMPETITIVE ADVANTAGE

## ROBUST DISTRIBUTION MODEL



	MBO	NCS	EBO-COCO	EBO –FOFO
Total Number of Outlets	1600+	145	20	198
% of Revenue Contribution – FY15	66.3 % (NCS Contribute less than 10%)		33.7 %	
Distribution Sale Model	Pre-Booking of Orders Outright Sale	SOR – Sale or Return / Outright Sale	Inventory owned by MCFL	Pre-Booking of Orders Outright sale
Inventory Risk	No	Yes	Yes	Minimal – 5-15 % of Products Return Allowed
Discount Sharing	No	No	Yes	Yes, Range from 5% to 17.5%
Payment Collection – Credit Risk	Exclusive Commission 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 NCS – National Chain Stores  
COCO – Company Own Company Operated FOFO – Franchise Own Franchise Operated



# FUTURE GROWTH STRATEGY



## 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

- Target to open 275 EBOs by the end of Financial Year 2016-17 mainly through the franchise route.
- 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, Snapdeal and India Shopping.

## FOCUS ON RETURN RATIOS EXPANSION

- No major capex requirement for over next 2 years. Have already built the Manufacturing building facility, need to install additional machinery to expand production facility.
- Ability to sustain Robust growth for next 2-3 years without any major capex. Therefore Return ratios set to improve.

# DISCLAIMER

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*This presentation and the following discussion may contain “forward looking statements” by Monte Carlo Fashions Ltd (“MCFL” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of MCFL about the business, industry and markets in which MCFL operates.*

*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.*



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# THANK YOU



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**Mr. Dinesh Gogna**  
**Director**

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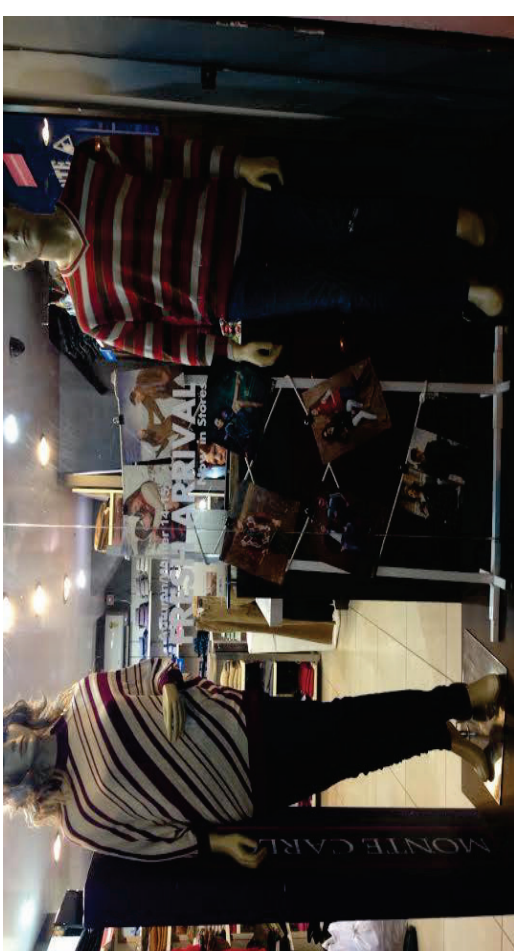
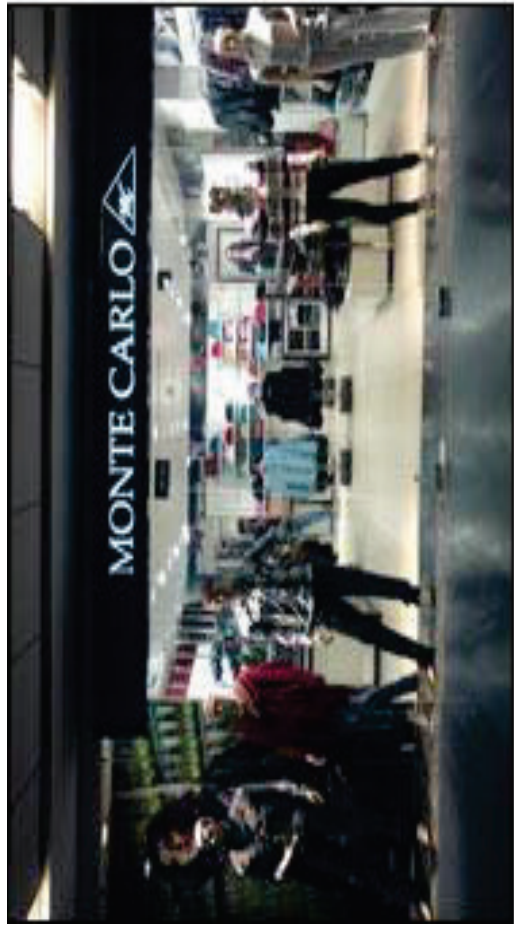


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# MONTE CARLO FASHIONS STORE IMAGES



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# MONTE CARLO FASHIONS

## OUR CAMPAIGNS & COLLECTIONS



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