



MRVL

MANDHANA RETAIL VENTURES LTD.

Continuation Sheet...

The Mandhana Retail Ventures Limited Update on Strategic Priority

The Mandhana Retail Ventures Limited today released ("TMRVL" or the "Company") its revised corporate presentation containing an updated business strategy focused towards creating long term shareholder value.

The company is following a multi-pronged strategy which concentrates on strengthening its business model while moving towards value retail by creating a strong pipeline of new products.

The company's license agreement with the Being Human Foundation holds valid until March 2020. The company enjoys a strong relation with the foundation and is confident on the continuity of the agreement beyond 2020. The company is discussing certain aspects of the business model with the foundation as part of the renewal process. The agreement is expected to be successfully renewed in the in the next few months.

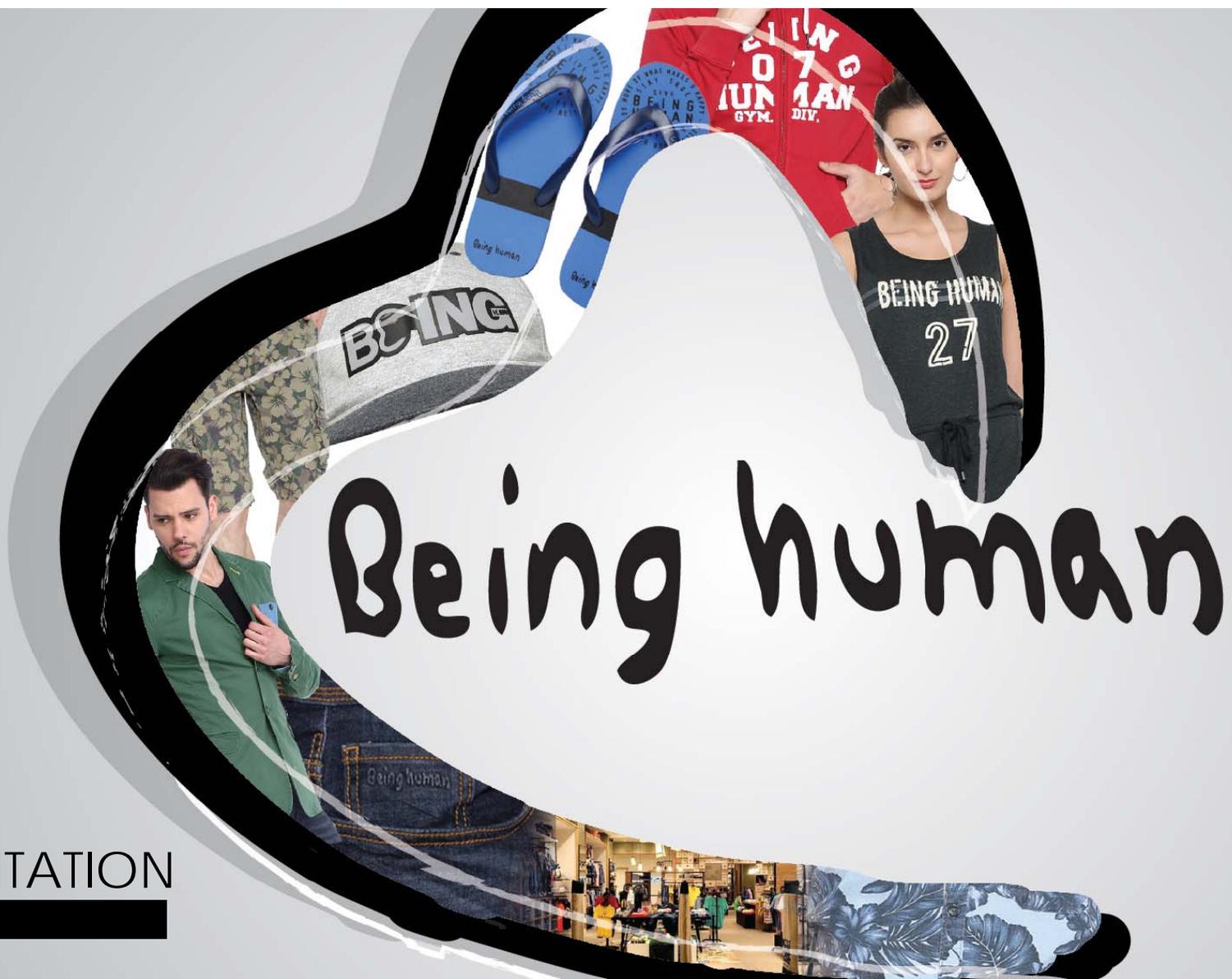
In addition, TMRVL is also aiming towards a wider geographical outreach by exploring various business model. The strategic priority is to create a strong foothold in India's Tier II and Tier III cities in order to leverage the increased urbanization and disposable incomes of the company's target audience. The company is concentrating on catering to the aspirational market of emerging city consumers who have a strong value-for-money orientation, significant local affinity, and a more conservative financial outlook. In terms of expanding its geographical footprint, the company is planning to expand in the North and South region of the country, where it currently doesn't have a strong presence.

The company is aggressively working towards creating a 'core or basic line' of products that will be targeted towards the fast fashion, value-for-money deals in the mid-to-premium segment of branded apparels. In order to improve the sales growth going forward, the company is introducing a new sales channel via MBOs i.e. Multi Brand Outlets. This will help the brand to reach out to a much wider base of audiences as well as improve the brand's visibility. TMRVL is also planning to strengthen its E-Commerce sales and has partnered with Jabong and Cloutail for the same.

The core management team is putting all of its efforts towards targeting an EBITDA margin of 15%-16% going forward by improving the out-sourcing practices. The company is also introducing various sales schemes and employee training courses in order to improve the same-store-sales growth for FY19.

Ensuring sustainable and healthy long-term profitability is one of the company's core philosophies. TMRVL is committed towards creating superior shareholder value and its strategic priorities are focused on long-term growth.





MRVL

MANDHANA RETAIL VENTURES LIM TED

INVESTOR PRESENTATION

May 2018

Cautionary Statement and Disclaimer

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Extension of Agreement

- o License with Being Human Foundation valid till March 2020
- o Working on extension of agreement; expected in the next few months

Sales Growth

- o Aggressively working on launch of "Core Line"
- o Strengthening the E-Commerce business – Partnered with Jabong and Cloudfair
- o Strategically expanding in Tier II and III cities

EBITDA Margin

- o Target to improve to 15% -16%
- o Working on improving sourcing strategy
- o Pursuing stronger same store growth
- o Focused on improving sales in high margin segments

Value Retail

- o Adapting the business model to meet changing customer requirement
- o Creating focus to cater to a segment with strong "Value for money" orientation

Appointment of COO and CFO

- Appointed Hemant Gupta in a strategic role
- A Chartered Accountant by Profession; Hemant comes with a rich experience in Finance and operations, M&A, legal and compliance
- Prior to joining Mandhana, **Hemant was associated with Blackberrys as CFO and Head of commercial, legal and secretarial**
- Before Blackberrys, Hemant served as the **Chief Financial Officer at Carrefour India**, the second largest retail chain in the world, and was instrumental in setting up their retail business in India

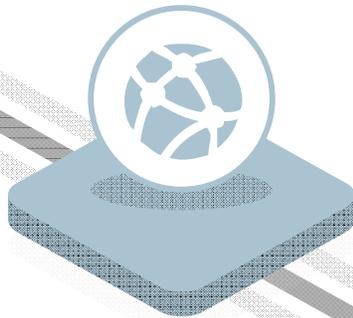


TMRVL is a strong brand with a large target audience; my immediate focus would be to strengthen the business model and adapt the strategy to the changing customer requirements

Mandhana Retail Ventures – A Leading Retail Company with a Soul



Being Human Clothing
Exclusive Brand Partner for "Being Human Brand"



c.600+ points of Sale
Well established distribution network



Asset Light Business Model



Negligible Debt
Strong Balance sheet



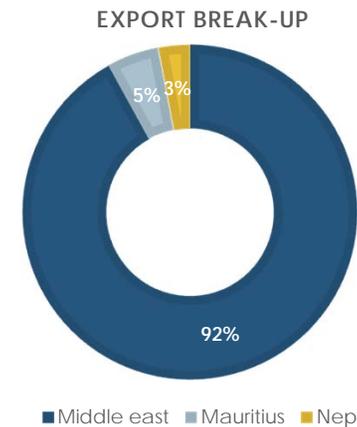
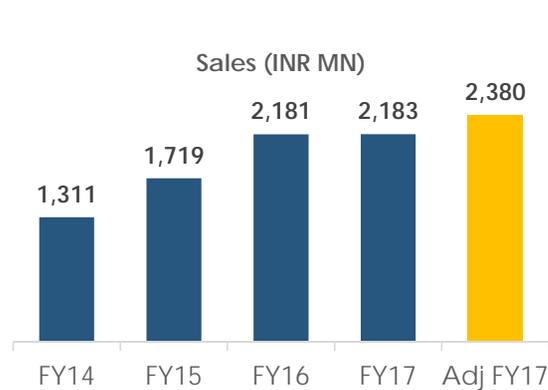
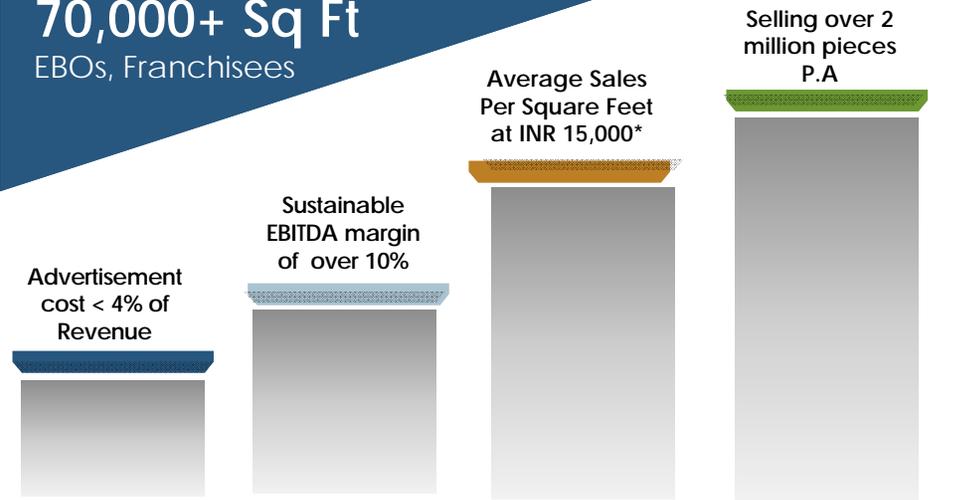
Strong and Eminent board
Strong corporate governance practices

Key Investment Highlights

-  Scalable business model with strong growth potential - Rapidly expanding footprints
-  Strong Balance Sheet with Negligible Debt
-  Well positioned to leverage a premium brand - ASP INR 1,200-1,300 per piece
-  Low Advertising cost – Less than 4% of topline
-  Ability to pursue own growth and investment opportunities
-  Strong focus on corporate governance

FY17 EBITDA is Adjusted for changes in accounting policy

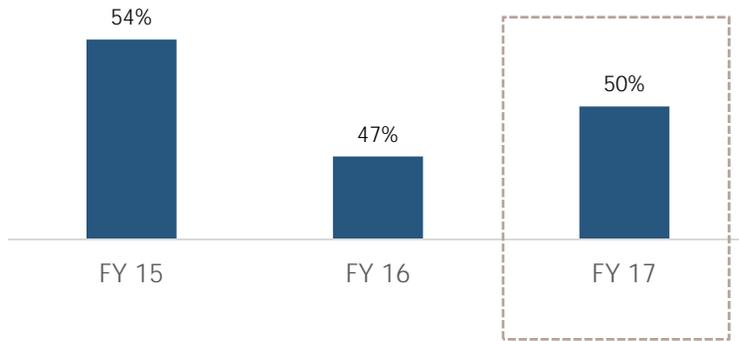
70,000+ Sq Ft
EBOs, Franchisees



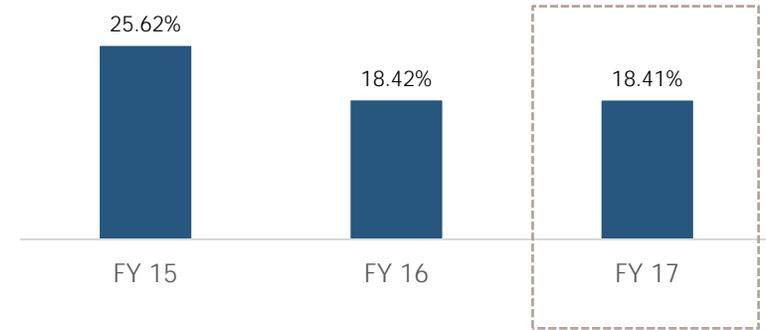
■ Middle east ■ Mauritius ■ Nepal

Strong Financial Performance

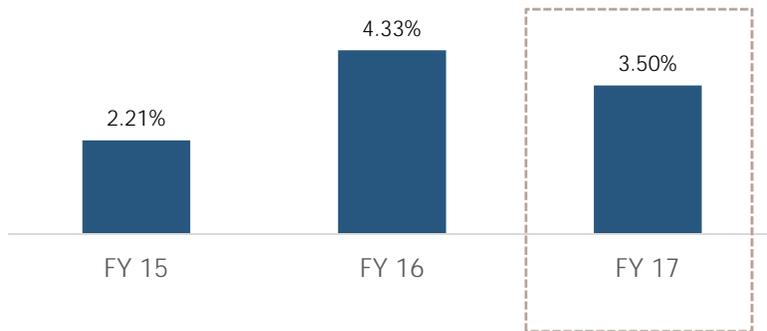
Gross Profit %



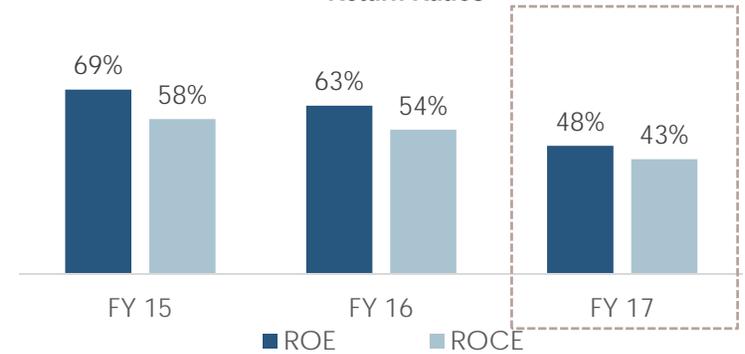
EBIDTA %



Advertisement Cost (% of Revenue)

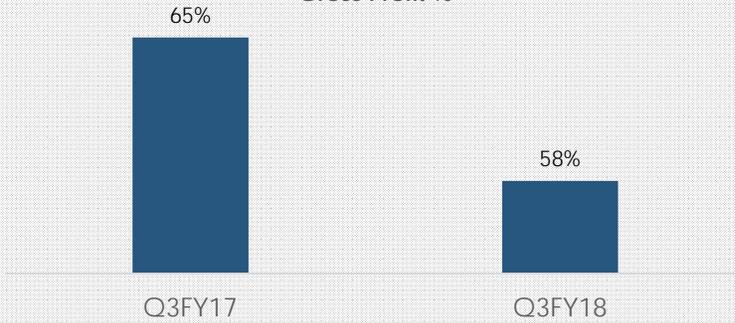


Return Ratios



Key Performance Indicators – Q3FY18

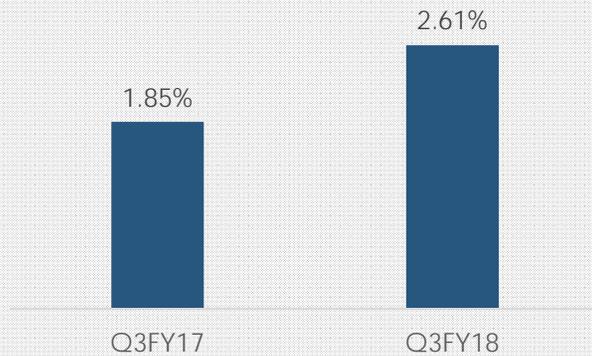
Gross Profit %



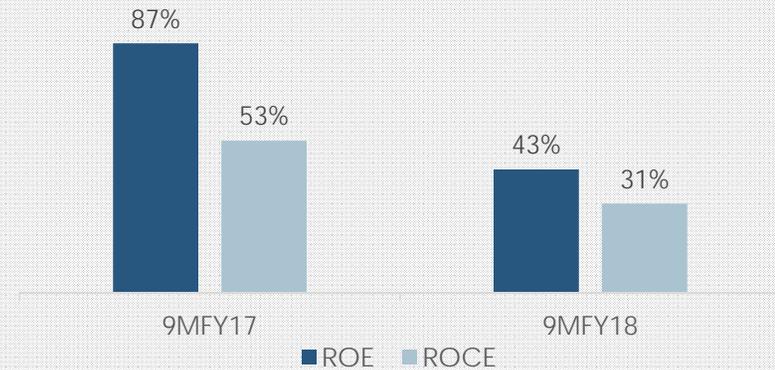
EBITDA Margin%



Advertisement Cost (% of Revenue)



Return Ratios



Growing Domestic Distribution Network

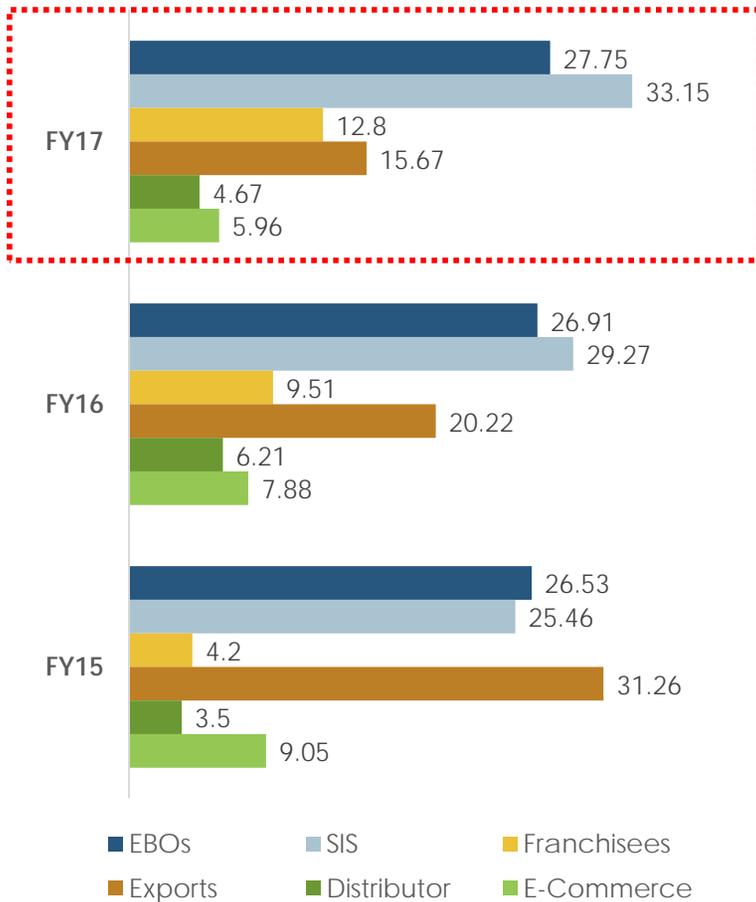
Focussed on creating an Asset Light Business Model; Faster Penetration in Tier 2 and 3

| Points of Sales | As on 31st March 2017 | Stores opened in QTR 1 | Stores opened in QTR 2 | Stores opened in QTR 3 | As on 31 December 2017 |
|---------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| EBO | 29 | (+1) | (+1,-1) | (+1) | 31 |
| SIS | 351 | (+3) | (+6) | (+14) | 374 |
| Franchisee | 24 | (+1) | (+1) | (+2) | 28 |
| Distributors | 10 | (-3) | | 0 | 7 |
| E- Commerce | 4 | | | (-1) | 3 |
| Total Domestic POS | 418 | 2 | 7 | 16 | 443 |

- 3 new stores to be opened in Q4FY18,
 - Coimbatore, Jaipur, Chennai
- FY18 Domestic POS – 440+;
- FY 19 – 12 new Domestic Outlets planned

Channel Wise Contribution

Category Wise Sales (%)



EBO and Franchisees

- 6 New Stores Opened in FY17
- The focus will be on Tier 2 cities.

SIS and Distributors

- Added 66 new SIS/Distributors added in FY17
- The company plans to significantly add new points of Sales through these 2 channels. Currently the largest SIS partners are Shoppers Stop and Lifestyle

E- Comm

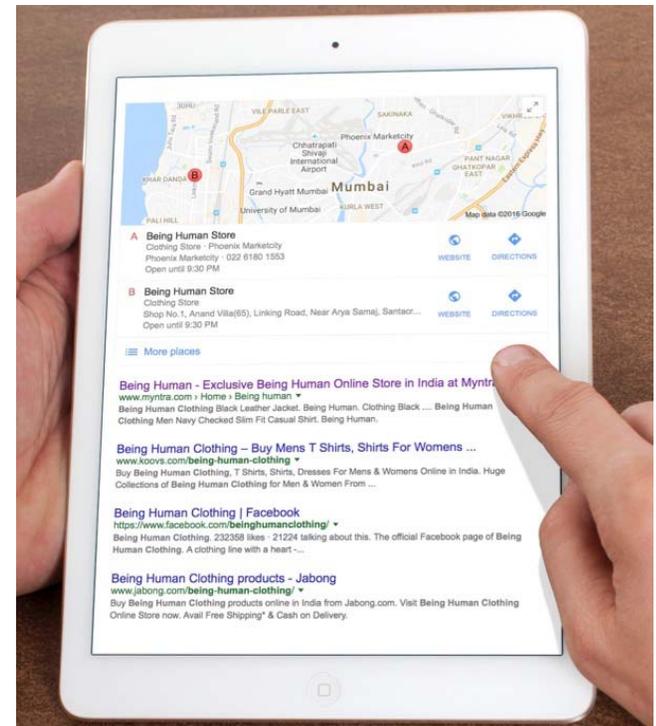
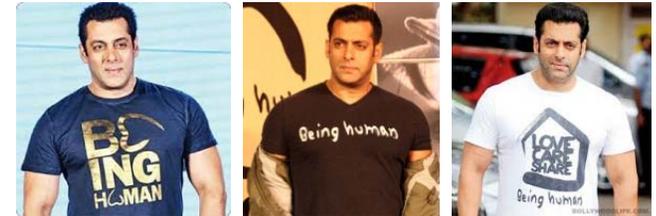
- Myntra is currently the largest E-Commerce partner. Looking for tie-ups with other large retailers.

Exports

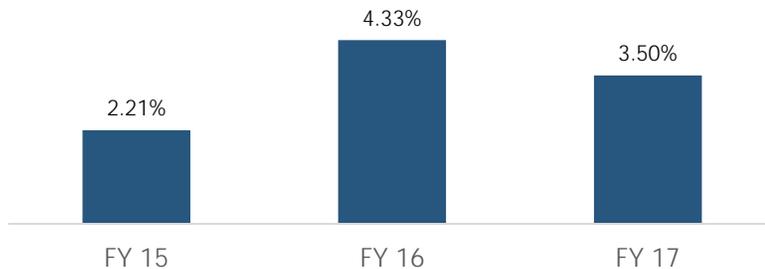
- Middle East and France continue to remain strong
- Looking at Tie-ups with large retailers in US and South East Asia

Well Positioned to Leverage a Premium Brand

- 1 Premium Fashion Brand with "top of the mind" brand Recall
- 2 Strong self advertisement by Brand Ambassador
- 3 Catering to age group of 18-30 years old; demographically well positioned

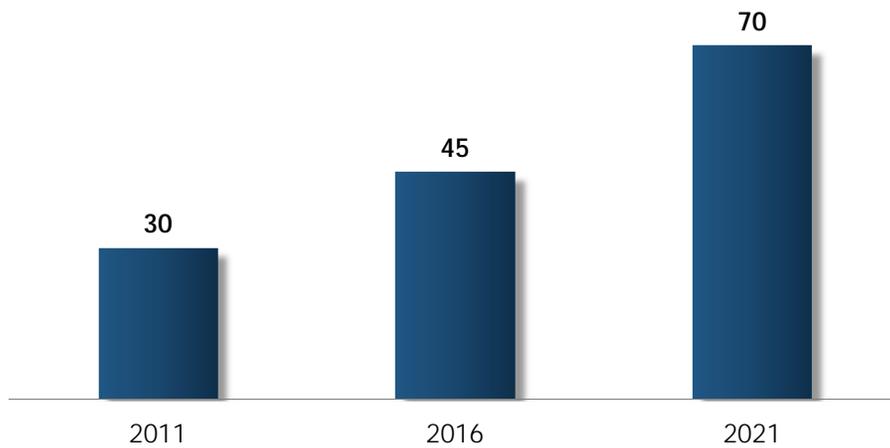


Advertisement Cost (% of Revenue)

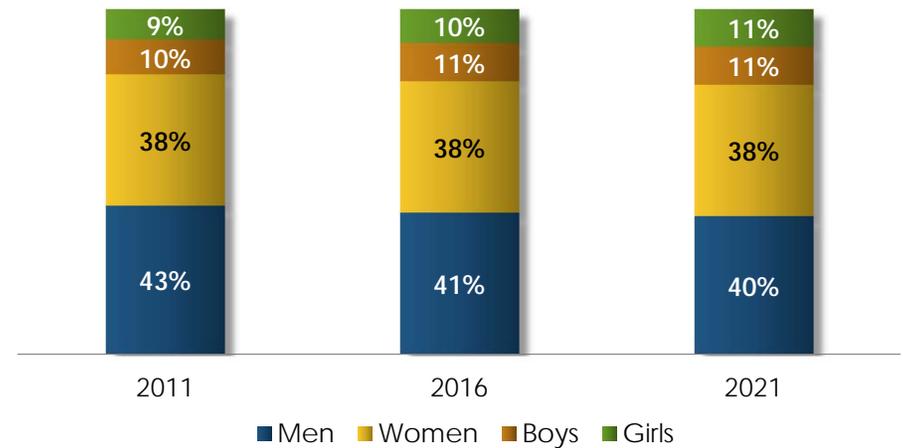


Strong Growth Prospects for Apparel Industry in India...

Total Apparel Market (USD bn)



Apparel Segment Split



Branded apparel market in India is set to double by 2021

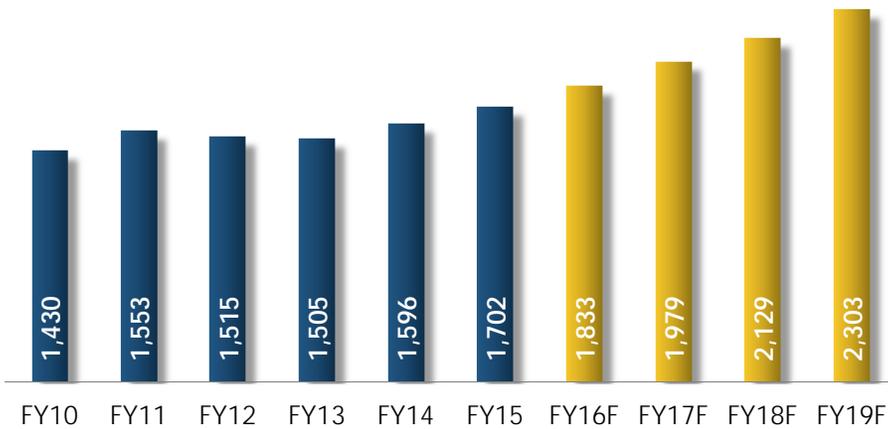
Organized value-retail segment (compared to unorganized retail or independent stores) is gaining considerable traction

An expanding Indian middle class, new eCommerce companies, favorable demographics, and value retail format are the other reasons for the shift.

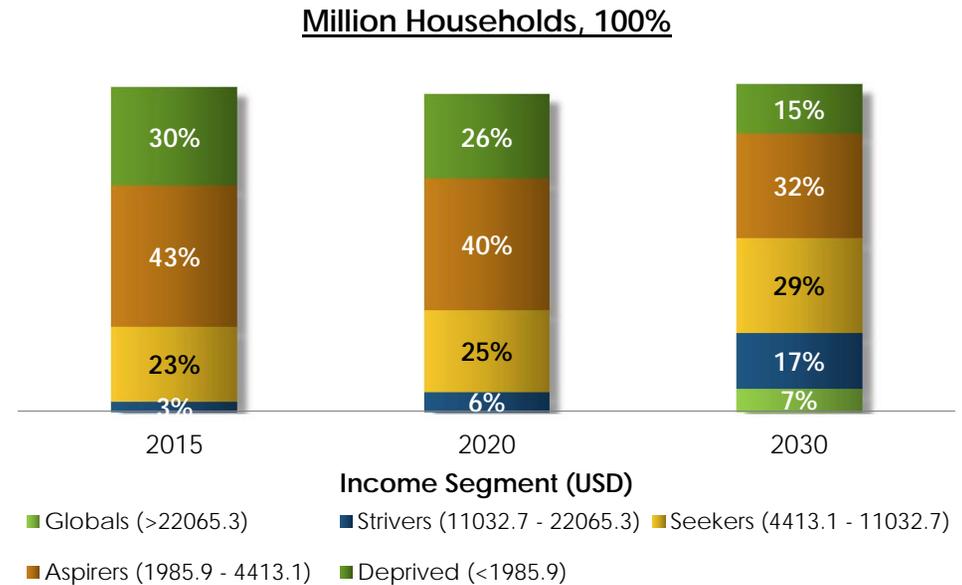
...Driven by Improving Demographics

Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue
Rising industrial activity would support the growth in the per capita income

Trends in per-capita income in India (USD)



Changing Economic Fortunes by Income Segments



Source: Various Industry Reports

Adding Value Beyond Numbers

Creating a de-risked and sustainable business model

Shareholders

- Providing a high growth retail platform
- Strategic focus on providing superior returns through higher profits and cash flows

Suppliers/Vendors

- Long term relationships with a large network of supplier and vendors
- Being a preferred "customer" for vendors



- Providing customers with best quality products and price points
- Standardized and enhanced customer experience
- Providing easy and lucrative loyalty Programmes

Customers

- Working with a large team of 3rd party manufacturers
- Enhancing skill set by creating capabilities to develop new designs and ensuring ethical practices
- Providing regular quality checks to ensure minimum rejections

Manufacturers

Adjusted Income Statement

INR MN except as stated

| Particulars | FY 17 | FY17 |
|--------------|---------|----------|
| | Audited | Adjusted |
| Total Income | 2,194 | 2,380 |
| EBITDA | 402 | 495 |
| PAT | 200 | 278 |
| EBITDA % | 18.32% | 20.81% |
| PAT % | 9.13% | 11.69% |
| EPS | 9.07 | 12.60 |

Key Financial Highlights

| <i>INR Mn; except as stated</i> | FY17 | FY16 | % Change |
|---------------------------------|--------------|-------|----------|
| Revenue | 2,183 | 2,181 | 0% |
| Other Income | 11 | 12 | -14% |
| Total Revenue | 2,194 | 2,194 | 0% |
| Total Expense (ex.Advt exp) | 425 | 359 | 18% |
| Advertisement Expense | 77 | 95 | -19% |
| EBITDA* | 402 | 402 | 0% |
| <i>EBITDA Margin</i> | 18.4% | 18.4% | 0% |
| Finance Cost | 47 | 44 | 7% |
| Profit Before Tax | 321 | 328 | -2% |
| Tax | 120 | 114 | 6% |
| Net Profit | 200 | 214 | -7% |
| EPS (Rs/Share) | 9.07 | 9.7 | -7% |

- Revenue for the year ended 31st March 2017 is net of provision for sales returns of Rs. 187 mn

Balance Sheet

| Equity and Liabilities (INR mn) | FY16 | FY17 |
|--------------------------------------|--------------|--------------|
| Share Capital | 0.5 | 221 |
| Reserves and Surplus | 636 | 616 |
| Net Worth | 636 | 837 |
| Non Current Liabilities | | |
| Long Term Borrowings | 21 | 0 |
| Deferred Tax Liabilities | 4 | 0 |
| Other Non Current Liabilities | 90 | 94 |
| | 115 | 94 |
| Current Liabilities | | |
| Short Term Borrowings | 53 | 59 |
| Trade Payables | 297 | 412 |
| Other Current Liabilities | 158 | 47 |
| Short Term Provisions | 220 | 130 |
| | 727 | 648 |
| Total: Equity and Liabilities | 1,478 | 1,579 |

| Assets | FY16 | FY17 |
|------------------------------------|--------------|--------------|
| Non Current Assets | | |
| Fixed Assets | 247 | 249 |
| Tangible Assets | 242 | 244 |
| Intangible Assets | 5 | 4 |
| Capital WIP | 0 | 1 |
| Long term loan and advances | 156 | 173 |
| Current Assets | | |
| Inventories | 400 | 394 |
| Trade Receivables | 661 | 744 |
| Cash and Cash equivalents | 2 | 5 |
| Short Term Loans and Advances | 8 | 5 |
| Other Current Assets | 5 | 9 |
| Total: Current Assets | 1076 | 1157 |
| Total Assets | 1,478 | 1,579 |



JOY

100%



CARE

LOVE



SHARE

HOPE

HELP

Strong Management Team

Purvi Joshi; Vice President – Sourcing & International Business -



We have de-risked our business model by working with multiple suppliers. We are committed to share our success with our business partners through inclusive growth

Mustafa Kanchwala; Country Head – Operations (EBO)



Our aim is to achieve profitability across all stores along with smooth store operations and customer delight

Karan Berry; Head – Visual Merchandising



It is our endeavor to make our stores extremely appealing to our target audience. Our creativity in displays keep our customers engaged and plays a key role in improving same store sales

Bijoya Mukherjee; Head – Womenswear Design



We keep in mind both creativity and functionality while designing our womenswear. The designs are also created in line with the latest runway designs in Europe and other western countries

Saurabh Singh; Head – Men's Wear design



Mens wear is our key focus area. Our target audience well versed with the overseas fashion trend and looks for similar trend in our brand

Superior Designing Capabilities

Strategy

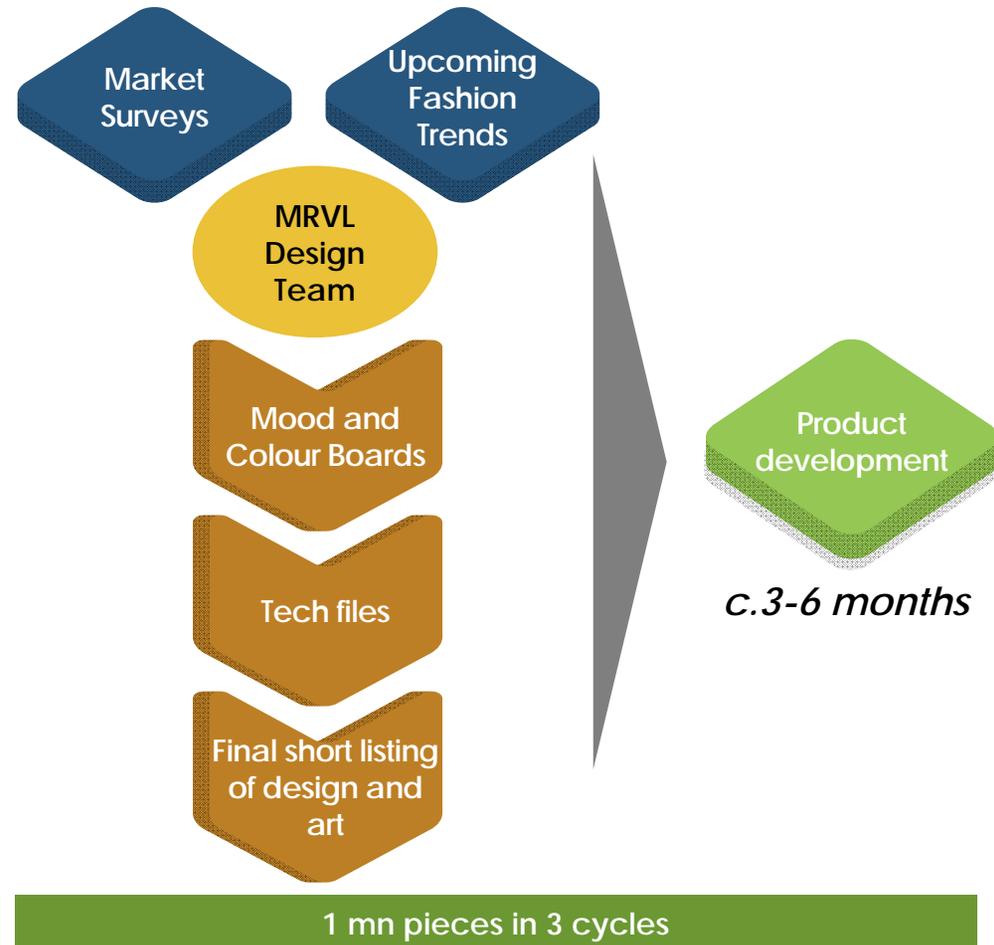
- Focus on developing new and unique designs for customers in a timely manner

Approach

- Follow a stringent timetable for designing new products
- Strong focus on Customer preference while designing and product development
- Customer feedback collected and shared with designers
- Designs tweaked/changed based on the feedback received

MRVL Design Team

- Strong in-house design team
- Design team headed by European designers who provide the insights on upcoming trends
- Mood boards and colour cards developed for the season
- Getting artwork approvals and completing other formalities
- Development of tech files for production team
- Pushing the design through production process



Product Development

Strategy

- Develop the new designs in the most efficient and cost effective manner

Approach

- Following a stringent pre-production timelines
- Distributing business among vendors based on categories of products being developed
- Ensuring smooth process for proto development and getting the necessary approvals in place

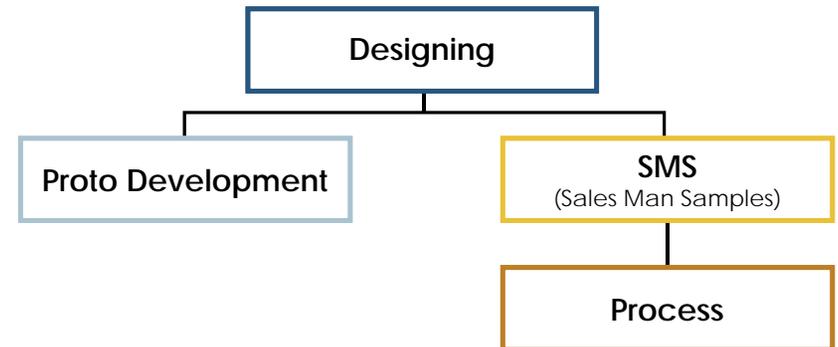
MRVL Product Development Team

Proto Development

- Lab-dip, strike-off for proto samples
- Proto presentation review meeting
- Selection of products based on proto look, feel & final appearance
- Color balancing undertaken wherever needed

Sales Man Samples (SMS)

- Final samples which are required for final presentation & buying meetings



Production Process

Strategy

- De-risked production process and timely launch of new collection

Approach

- Ensure proper division of orders with various vendors
- Hard negotiations to ensure higher margins
- Planning season wise deliveries
- Developing additional SKUs to avoid any delays later

MRVL Production Management Team

- Sharing the final tech files with selected vendors
- Hand-holding through production process to ensure high quality standards
- Conducting In-line, mid-line and final inspections for all the orders of the season
- Conducting the fabric and garment lab test



Elevated Shopping Experience

Strategy

- Provide an elevated yet comfortable shopping experience to customers

Approach

- All the stores are designed and developed around the themes of Re-cycle, Re-use and Re-invent

MRVL Marketing team

- Stores are designed based on the unique characteristics of the city in which they are situated
- The endeavor is to provide a strong brand connect along-with a premium vibe
- Use of unique props to bring out the elements unique to the city



Customer Focused Programs

Strategy

- Provide lucrative and genuine loyalty programs
- Achieve higher "Same Store Growth"

Approach

- Create a easy to use and lucrative customer loyalty programme
- The current loyalty base is over 400,000

MRVL Sales team

- 100% Share Loyalty Program where customer earns not just Goodness Points but also surprise gifts in return of shopping at a Being Human store.



**EARN
GOODNESS
POINTS**

Embracing IT for a Unique Shopping Experience

Strategy

- Smart utilization of IT to capture customer preference and enhance shopping experience

Approach

- Use technology to innovate and introduce new ways to engage with target group
- Integrate technology with operations

MRVL IT team

- Created a unique platform for customers to browse through collection and also match and create looks
- The concept called shopsense to search or discover new looks and share with friends for feedback through email or whatsapp using a large touch screen before making a purchase decision
- Provides a combined online and offline experience to the customer within the store itself.

Easily browse through the inventory

Match and Create Looks

Search and discover new styles

Find product availability

41% of our customers use the same for ease of purchase

Influenced approximately 10% sales

Understand Customer Behavior

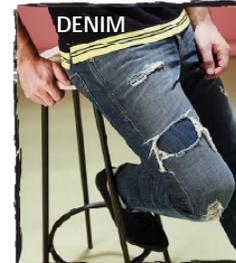


Delivering Joy to our Customers

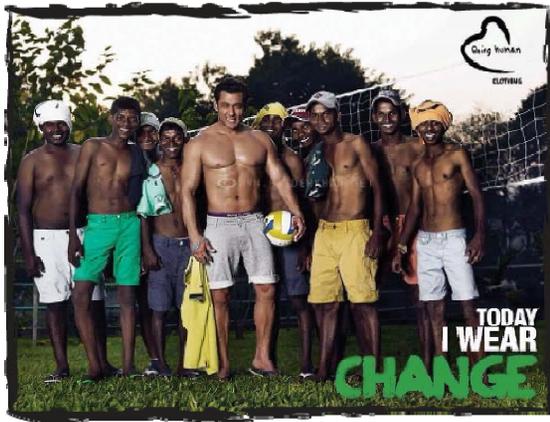
Women



Men



Key Strategic Priorities



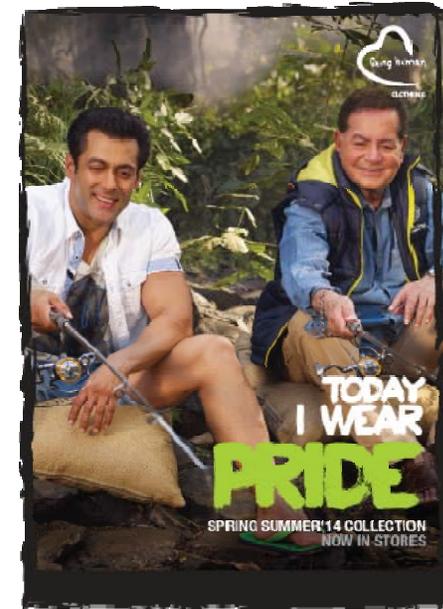
Increase Geographic Penetration

- Expand the being human brands to other geographies
- Key markets being focused are [SE Asia]



Leverage the Being Human Brand

- Leverage the Being Human Brand to enter other complementary areas



Enhance Product Portfolio

- Further enhance the product portfolio to provide a complete range of men's wear, women's wear and accessories
- Add new products and accessories

Eminent and Distinguished Board



Mr. Pradip V. Dubhashi, aged 68 years, was appointed as Chairman & Non-Executive & Independent Director on our Board on October 07, 2016. He has a BE in Electrical Engineering from CoEP (Pune) and a post graduate diploma in management from XLRI School of Management (Jamshedpur). He has spent 44 years in Development Banking, Industry and Strategy Consulting



Ms. Sangeeta M. Mandhana, aged 46, is commerce graduate from Calcutta University. She has also done International Montessori course from London Montessori Centre, Calcutta and was into teaching profession for few years. With her aptitude for designing apparels and outfits which she eventually turned into her expertise and she was heading Design Department of Golden Seams Industries Private Limited as Vice-President – Design from July 1, 2011 till August 31, 2016.



Mr. Priyavrat P. Mandhana, aged 27 years, is commerce graduate from Mumbai University and possesses more than 4 years of experience and exposure in MIL. He has also completed 'Masters of Innovation and Entrepreneurship' from University of Warwick, United Kingdom. He was looking after overall affairs of the MIL as especially textiles segment as Vice-President – Corporate Affairs from August 1, 2014 till August 31, 2016. Currently, he plays a vital role in strategizing and monitoring retail business of our Company.



Mr. Sachin S. Jaju, aged 39 years is a commerce graduate and has a Masters in Accounts from the R.A.Poddar College, Mumbai. He has a Masters in Marketing from N.M.I.M.S, Vile Parle. He has hands on experience of 18 years in business. In 2001, he forged entry in Palette International into health and personal care segment with the vision of a finely balanced customer portfolio to offer continued & consistent growth. With a vision to bring another growth booster, in 2005 he maneuvered a dealership agreement with Dystar to import and market its products in India.



Mr. Ramnath Pradeep, aged 65 years, is a post graduate in Economics and Law. He has served the banking industry for more than 37 years in various positions. He retired as Chairman & Managing Director, Corporation Bank. Earlier he served as Executive Director of Central Bank of India and was appointed as Legal Adviser to ONGC LTD. The Government of India appointed him as Chief Vigilance Officer in State Bank of India in rank of DMD and Bank of India. He had also been on the Boards of IILFS, Cent Bank Financial Services Ltd, Cent Bank Home Finance Ltd, Corp Bank Security Ltd, Indian Institute of Banking and Finance Ltd, Zen Advisors Pvt. Ltd. He was also appointed by RBI and IBA to head various committees of Banks.



Mr. Kiran C. Vaidya, aged 55 years, was appointed as Non-Executive & Independent Director on our Board on October 07, 2016. He is a commerce graduate from Bangalore University. He was a rank holder and a Gold Medalist. He is also an associate member of Institute of Cost and Works Accountants of India. He has over 35 years of experience in various industries in the fields of Finance, accounts, costing, budgeting, project finance, working capital management, equity raising through IPO, QIP and private equity, mergers and acquisition, general overall business Management and strategic planning. His last assignment was with JBF Industries Ltd. as Group President and CFO.

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