

Nandani Creation Limited

JAIPUR SKURTI

AMAIVA
BY JAIPUR SKURTI

Desi Fusion

SYMBOL: JAIPURKURT

ISIN: INE696V01013

To,
The Manager-Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building,
Bandra Kurla Complex, Bandra East,
Mumbai-400 051,

Dated: 15-02-2023

Subject: Press Release

Dear Sir,

Please find enclosed herewith our Press Release relating to the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2022.

This is for your kind information and record.

Thanking You,
FOR NANDANI CREATION LIMITED



GUNJAN JAIN
COMPANY SECRETARY & COMPLIANCE OFFICER
M No.: A45068

CIN No.: L18101RJ2012PLC037976



G-13, AARNA-3, Kartarpura Industrial Area,
Bais Godown, Jaipur -302 006 Rajasthan INDIA



+91-141-4037596
+91-141-4029596



info@jaipurkurti.com
www.jaipurkurti.com

RAJASTHAN

MAHARASHTRA

KARNATAKA

HARYANA

WEST BENGAL

Nandani Creation Limited

JAIPUR KURTI

AMAIVA
BY JAIPUR KURTI

Desi Fusion

A Constructive quarter in Transformational Journey

February 14, 2023, Jaipur: **Nandani Creation Ltd (NCL)**, announced its result for 3rd quarter and 9 Months ended December 31, 2022 (standalone and consolidated) on 14th February, 2023.

Developing own sales channel:

(Rs. In Crs)

Particulars (Standalone)	Q3FY23	Q3FY22	9MFY23	9MFY22
Sales through EBO	1.1	1.1	3.7	2.2
Sales through own website	0.9	0.2	2.4	0.5
Total own channel sales	2.0	1.3	6.1	2.7
Own channel contribution in total sales	23.1%	8.9%	17.7%	6.3%
Other website sales	6.6	12.8	28.3	40.9
Total D2C sales	8.6	14.1	34.4	43.6

Key developments:

✚ Equity fund raise

Company has raised Rs. 11.06 crs against issue of 14 lakhs shares through preferential issue and Rs. 1.98 crs (25% of the issue price) against issue of 10 lakh share warrants during the quarter. This has increased company's net worth by 13.04 crs, strengthening the Balance sheet. The same has been used towards repayment of high-cost debt, working capital and other general corporate purpose.

✚ Repayment of Debt:

We have repaid high-cost debt of Rs. 2.45 crs which will reduce our interest cost and cash outflow towards repayment in future.

✚ Repayment of overdue creditors:

We repaid our overdue creditors during the quarter which has reduced our outstanding creditors from Rs 12.1 crs to Rs. 4.9 crs as on 31st Dec 2022. This will help in reduction of our procurement cost going forward.

✚ Investment in own channel

We have invested in development of our proprietary online & offline sales channel to enable an omni channel offering to the customer. Below are few specific steps being undertaken in this regard:

CIN No.: L18101RJ2012PLC037976



G-13, AARNA-3, Kartarpura Industrial Area,
Bais Godown, Jaipur -302 006 Rajasthan INDIA



+91-141-4037596
+91-141-4029596



info@jaipurkurti.com
www.jaipurkurti.com

RAJASTHAN

MAHARASHTRA

KARNATAKA

HARYANA

WEST BENGAL

Nandani Creation Limited

JAIPUR KURTI

AMAIVA
BY JAIPUR KURTI

Desi Fusion

- Performance marketing of our website www.jaipurkurti.com. We reiterate, that at the current run rate, online portal is incurring marginal cash burn despite high marketing expenses
- Signed up of 5th company operated store in Jaipur thereby taking the total store count to eight, including one franchisee store at Jalandhar, Punjab.
- Development of Franchisee framework for asset light retail expansion model
- Upgradation of company's retail software
- Development of a consumer app

As a result of our initiatives, our own channel sales have remained stable despite muted demand environment. Our own website sales increased by almost 5x, though on a small base, taking the overall contribution of our proprietary channel sales to 23.5%.

Benefits of our own sales channel over other websites

- o Higher sales realization leading to brand premiumization
- o Collection of customer data
- o Cross sell opportunities
- o Lower sales return
- o Reduced dependence on other websites & vulnerability to their policies

Higher investment in upcoming summer season

Significant conversion of raw material into finished products for the upcoming spring season, which is our strongest season. As a result, the raw material inventory has reduced by Rs.2.9 crs (previous year Rs 0.50 crs) during the quarter and our FG/WIP inventory has increased by Rs.4.48 crs (previous year Rs. 0.25 crs) during the quarter. The additional FG stock is expected to drive the sales in our core season.

Increase in ASP

Company has taken multiple initiatives towards premiumization of its products. This has resulted in increase of ASP by 32% as compared to same quarter previous year.

Improvement in operational efficiency

Management has relentlessly worked towards increasing the productivity and reduction in cost. As a result, the operating loss has reduced by 40% in the customary off season during the quarter.

CIN No.: L18101RJ2012PLC037976



G-13, AARNA-3, Kartarpura Industrial Area,
Bais Godown, Jaipur -302 006 Rajasthan INDIA



+91-141-4037596
+91-141-4029596



info@jaipurkurti.com
www.jaipurkurti.com

RAJASTHAN

MAHARASHTRA

KARNATAKA

HARYANA

WEST BENGAL

Nandani Creation Limited



Financial Performance:

(Rs. Crs)

Particulars	Q3FY23	Q3FY22	9MFY23	9MFY22	FY22
Net Sales					
- Online & Retail Sales	8.6	14.0	34.2	43.5	55.2
- Other Sales*	0.9	1.7	4.1	3.3	7.5
Total Sales	9.5	15.7	38.3	46.8	62.7
Ebitda	-0.7	-1.1	2.3	2.8	2.9
Ebitda %	-6.8%	-6.7%	5.8%	5.9%	4.7%
Finance Cost	0.7	0.4	2.1	1.0	1.6
Depreciation	0.5	0.4	1.4	1.0	1.3
Other Income	0.1	0.0	0.3	0.4	0.7
PBT	-1.8	-1.8	-0.9	1.1	0.7
Income Tax	-0.2	-0.5	0.1	0.2	0.2
PAT	-1.6	-1.3	-1.0	0.9	0.5

*Largely comprise sale of fabric for processing to sub-contracting partners

Commenting on the results, Mr. Anuj Mundhra, Managing Director of Nandani Creation Limited commented: I am pleased to announce that in the quarter gone by we were able to deliver as per our narrative shared of developing and increasing contribution of our own proprietary sales channel and reducing the dependence on other sales channels.

In the quarter gone by, we saw a soft demand environment, in particular the online market places. We also saw an early offset of summers, which is our core fashion season in north India. However, we believe that long term trend of migration from offline to online along with complimenting co-existence of both the sales channel will emerge.

Over the past year, our efforts have been completely dedicated towards brand building initiatives, which has helped us to gain visibility and brand liking between our customers. Going forward, we believe this transformational journey coupled with our Omni channel offering will set us on the path of accelerated growth.

About Nandani Creation Ltd.:

Nandani Creation founded in 2012, is Jaipur based online first fashion player offering women Indian wear products under brands "JaipurKurti.com" and "Amaiva". Company has its own manufacturing set-up at Jaipur with sales channels comprising 3rd party online platforms, own website and retail stores.

CIN No.: L18101RJ2012PLC037976



G-13, AARNA-3, Kartarpura Industrial Area,
Bais Godown, Jaipur -302 006 Rajasthan INDIA



+91-141-4037596
+91-141-4029596



info@jaipurkurti.com
www.jaipurkurti.com

RAJASTHAN

MAHARASHTRA

KARNATAKA

HARYANA

WEST BENGAL

Nandani Creation Limited

JAIPUR KURTI

AMAIVA
BY JAIPUR KURTI

Desi Fusion

Disclaimer:

Certain statements in this press release may be forward-looking statements and/or based on management's current expectations and beliefs concerning future developments and their potential effects upon Nandani Creation. The forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements. Nandani Creation does not intend, and is under no obligation, to update any forward-looking statement contained in this press release.



CIN No.: L18101RJ2012PLC037976



G-13, AARNA-3, Kartarpura Industrial Area,
Bais Godown, Jaipur -302 006 Rajasthan INDIA



+91-141-4037596
+91-141-4029596



info@jaipurkurti.com
www.jaipurkurti.com

RAJASTHAN

MAHARASHTRA

KARNATAKA

HARYANA

WEST BENGAL