

Nandani Creation Limited

JAIPUR KURTI

AMAIVA
BY JAIPUR KURTI

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,
Fax: 022-26598237, 022-26598238

Dated: 27.05.2023

Subject: Press Release

Dear Sir(s),

Please find herewith enclosed the press release dated May 27, 2023 by Nandani Creation Limited.

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



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Nandani Creation Limited



TRANSFORMATIONAL JOURNEY

- Premiumization leads to increase in ASP & Margin
 - Significant Debt reduction
 - 75% sales growth in Proprietary sales channel
- Soon launching our own B2B and B2C app on Google play and Apple app store

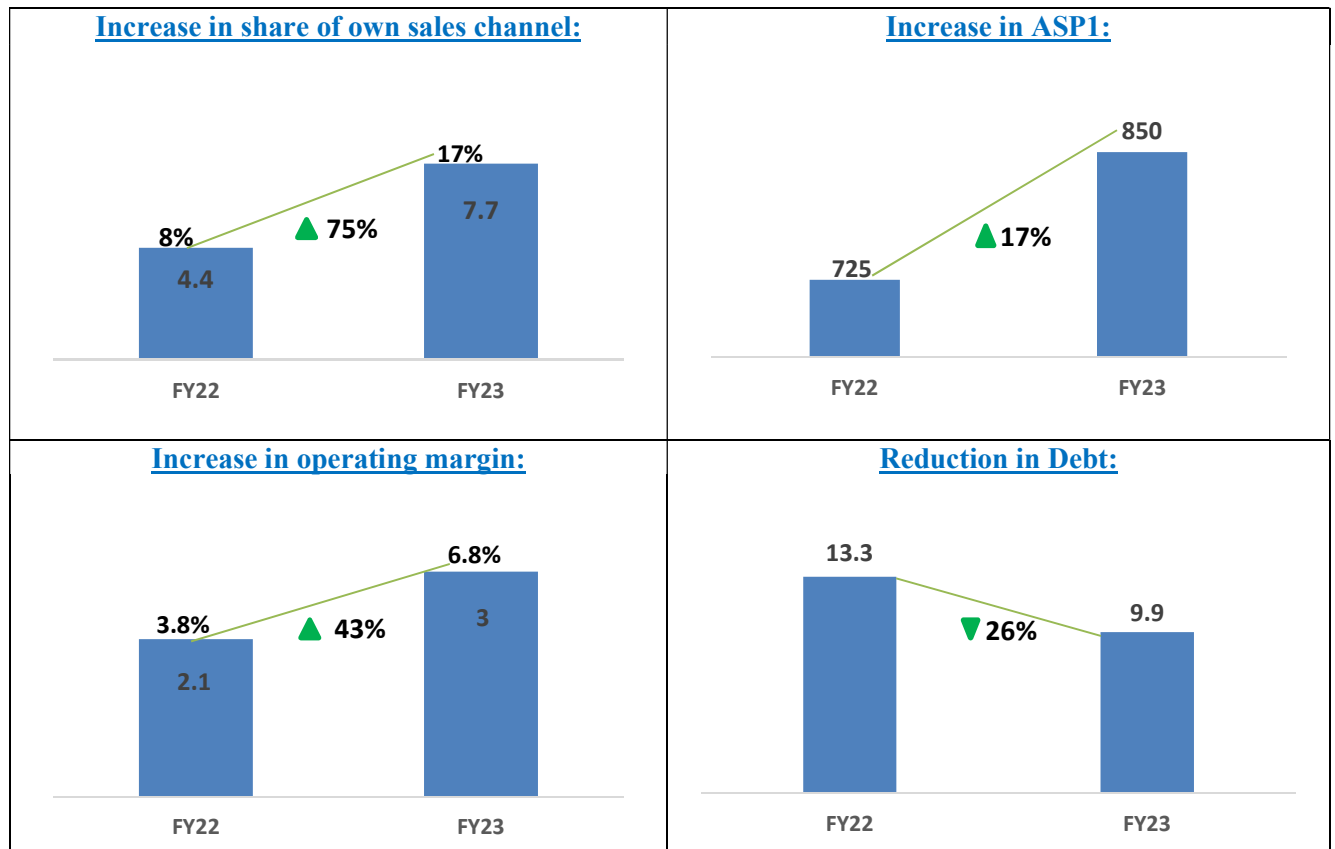
May 27, 2023, Jaipur: Nandani Creation Ltd (NCL), announced its result for 4th quarter and full year ended March 31, 2023 on May 25, 2023.

Financial Performance:

(Rs. Crs)

Particulars	Q4FY23	Q4FY22	FY23	FY22
Net Online & Retail Sales	10.6	11.7	44.8	55.2
Total Sales	10.6	11.7	44.8	55.2
Operating Profit	1.3	0.1	3.0	2.1
Operating Margin %	12.6%	0.9%	6.8%	3.8%
Finance Cost	0.4	0.4	2.1	1.2
Depreciation	0.3	0.2	1.3	0.9
Other Income	0.3	0.2	0.5	0.3
PBT	0.9	-0.4	0.1	0.2
Income Tax	(0.1)	0.0	0.0	0.1
PAT	1.0	-0.4	0.1	0.1
Net worth	28.1	14.9	28.1	14.9

KEY HIGHLIGHTS:



¹ Average selling price (ASP) is adjusted for sales done on transfer pricing model to certain market places

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✚ 2x increase of own channel contribution in total sales

(Rs. In Crs)

Particulars (Standalone)	FY23	FY22
Sales through EBO	4.4	3.3
Sales through own website	3.3	1.1
Total own channel sales	7.7	4.4
Own channel contribution in total sales	17.0%	8.0%
Other website sales	37.2	50.8
Total Sales	44.9	55.2
No. of Pcs sold	5,87,086	7,64,866
ASP	850	725

As per our narrative shared, we are delighted to report that we have made a remarkable progress in setting up of our own sales channel. As a result of our continuous efforts, we have made a significant change in our sales channel mix which has started to contribute ~17% in total sales. It is encouraging to note that despite muted demand environment our proprietary sales channel has shown revenue growth of ~75% YoY. To further strengthen our own sales channel, we are currently running beta version of our mobile applications and will be soon launching our B2B and B2C apps on Google Play and Apple App stores as already stated in our press release dated 01st June, 2022. In the process of premiumization and building brand loyalty we are now focusing on products for premium segment which will increase our ASP however it may hamper our volume growth

Benefits of our own sales channel over others

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

✚ Developing franchisee store network

To further strengthen the retail presence and build asset light model company have started to develop its franchisee network and as a first step we have opened our first franchisee store in Jalandhar, Punjab. Going forward, we plan to have multiple stores in FOFO model.

✚ 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.

✚ New Stores Addition

In last financial year company has opened 3 new Exclusive Brand Outlets (EBOs) out of which 2 company owned stores are opened in Rajasthan and 1 franchisee owned store in Jalandhar, Punjab. Taking total count of EBOs to 8.

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Commenting on the results, Mr. Anuj Mundhra, Chairman & Managing Director of Nandani Creation Limited commented: The year gone by was a soft year for us on account of sales channel rejig undertaken during the year, as a part of our future growth plan, which will enable us to improve pace of future business growth. Secondly, we also faced challenge in business environment due to early offset of summers which is our core season and a slowdown in the retail and consumption space due to which we have to do heavy channel inventory destocking on discounted prices which impacted our overall margins.

After a muted FY23, we have started a FY24 on good note and have seen good traction at the start of Spring & Summer Season 23 and are very excited with the type of response we are getting across our product offerings.

On financial front we raised equity from group of HNIs which helped us in repaying our debts and long overdue creditors and also have invested in growing our proprietary sales channel. Going forward these steps will impact positively in growth of our topline and bottom line and improve our margins.

Over the past year, our efforts have been completely dedicated towards brand building initiatives, which has helped us to gain visibility and increase in the Loyal (Repeated) Customer base along with the 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 Limited founded in 2012, is Jaipur based online first fashion player offering women Indian wear products under brands “Jaipur Kurti”, “Amaiva” & “Desi Fusion”. Company has its own manufacturing set-up at Jaipur with sales channels comprising 3rd party online platforms, own website and retail stores.

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 Limited. 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.

For further details:

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