

CMP: INR 45

Outlook: Positive

Stock Info

NSE	JAIPURKURT
Bloomberg	NANDANI:IN
Sector	Textiles
Face Value (INR)	10
Equity Cap (INR Mn)	527
Mkt Cap (INR Mn)	838
52w H/L (INR)	71/30
Avg Yearly Volume (in 000')	85.11

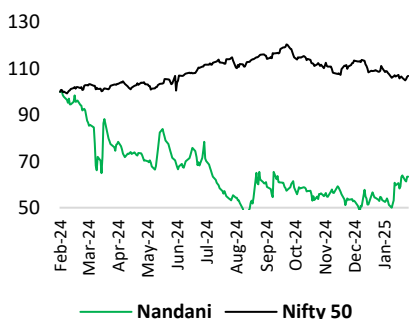
Shareholding Pattern %

(As on Dec 2024)

Promoters & Promoter Group	45.69
Public & Others	54.31

Stock Performance (%)	1m	6m	12m
Nandani	32.8	29.7	(18.5)
Nifty 50	(3.24)	(3.45)	6.68

Nandani Vs Nifty 50



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Nandani Creation Ltd. was incorporated in 2012, the company specializes in the manufacturing and trading of women's apparel, focusing on fabrics and ethnic garments. Its product portfolio includes kurtis, dresses, ethnic tops, palazzos, pants, Patiala suits, salwar suits, dupattas, skirts, etc. The brand is well-regarded for its ethnic wear, particularly kurtis, which feature diverse traditional designs across a wide range of colors, patterns, and sizes. The company operates its manufacturing facility in Jaipur and distributes products through third-party online platforms, and retail stores, ensuring a strong multi-channel sales presence.

Investment Rationale:

Strong Brand Portfolio and Market Positioning: The company operates a diversified brand portfolio, including "Jaipur Kurti," "Amaiva," and "Desi Fusion," catering to well-defined consumer segments. The flagship brand "Jaipur Kurti" is recognized as a leading D2C player in the ethnic wear segment, while "Amaiva" bridges the gap between style and affordability. "Desi Fusion" expands its B2B footprint. This robust multi-brand strategy positions the company to capture a larger market share in the growing women's apparel segment in India, particularly in the high-growth ethnic wear category.

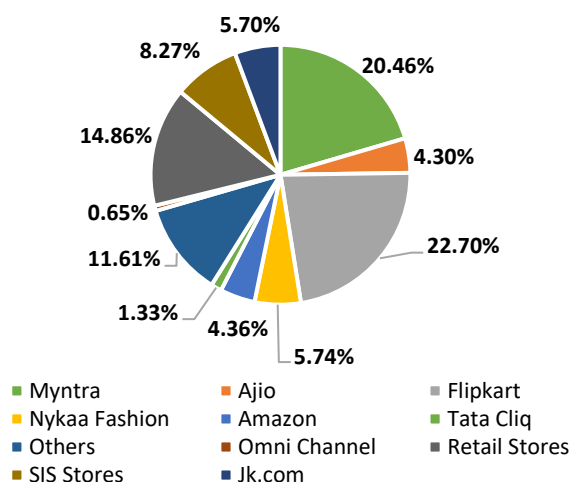
Rapid Retail Expansion and Omni-Channel Strategy: The company has achieved significant retail growth, with 15 stores in 12 cities, and planning to increase 20-30 stores in FY25, complemented by a strategic shift toward the FOFO model, starting with Jalandhar, Punjab. Simultaneously, the launch of proprietary online sales channels, mobile apps, and enhanced performance marketing has enabled an integrated omnichannel experience. These developments allow the company to enhance customer engagement, improve data analytics for personalized marketing, and reduce dependence on external marketplaces.

Premiumization Driving Increased ASP and Brand Equity: Through strategic brand premiumization efforts, the company achieved a substantial increase in average selling price from INR 855 to INR 2,000 reflecting a stronger brand perception. The collaboration with Bollywood actress Madhuri Dixit as the brand ambassador underscores the company's commitment to elevating its aspirational value and expanding its reach into untapped markets. These initiatives bolster both revenue growth and profitability, setting a solid foundation for future scalability.

Innovative Product Development and Sustainable Supply Chain: With a focus on continuous innovation, the company launches fresh styles bi-weekly, backed by a structured product development process involving trend forecasting, design innovation, and collaborations with over 250 suppliers. This approach ensures a differentiated product offering while supporting sustainability goals. Such capabilities enhance the company's competitiveness in a dynamic market, attract diverse consumer bases, and reinforce its reputation for quality and variety in ethnic and contemporary wear.

Outlook & Valuations: The company demonstrates robust financial growth on QoQ and continues to innovate and diversify its product portfolio. With over 1,500 SKUs, more than 200 color options, 15 stores, and 70+ SIS counters across India, the company is expanding its market reach and store footprint. It focuses on in-house design and aims to drive a shift from the unorganized to the organized market segment. Plans are in place to add 20-30 new stores by FY25. While numerous brands in the ethnic wear space cater to both men and women, Nandani Creation stands out by offering high-quality products at competitive prices or lower prices than some brands. With a strong presence across major e-commerce platforms, the company is also capitalizing on the menswear kurta segment, leveraging opportunities in both organized and unorganized markets. **The company is currently valued cheaper than the industry with a PE multiple of 14.1x with trailing twelve months EPS of INR 3.19**

MARKETPLACE WISE SALES BIFURCATION-FY24



To drive the next phase of growth, they have partnered with Bollywood icon Madhuri Dixit as their brand ambassador which enhances their innovative designs and expands into new markets. The company's focus on proprietary online channels includes launching a mobile app on Android and iOS, upgrading retail software, and increasing performance marketing for www.jaipurkurti.com, <https://www.desifusion.store/>, and E-commerce channels. They have also expanded their retail footprint, opening stores in Gurugram, Delhi, and Bengaluru, while introducing their first franchise store in Jalandhar, Punjab. These initiatives aim to strengthen brand loyalty, boost sales realization, and reduce reliance on external platforms.

Expenses (INR Mn)

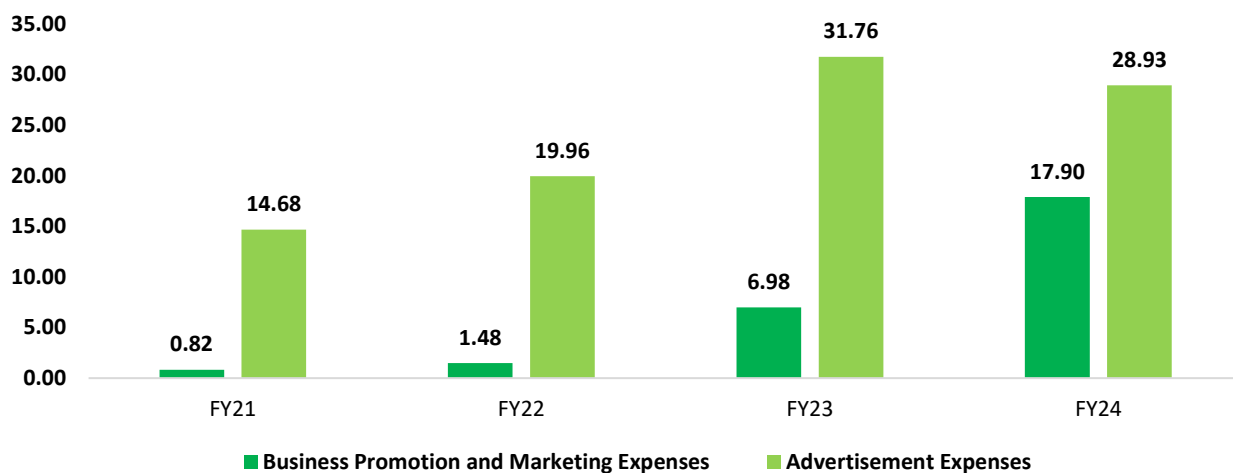
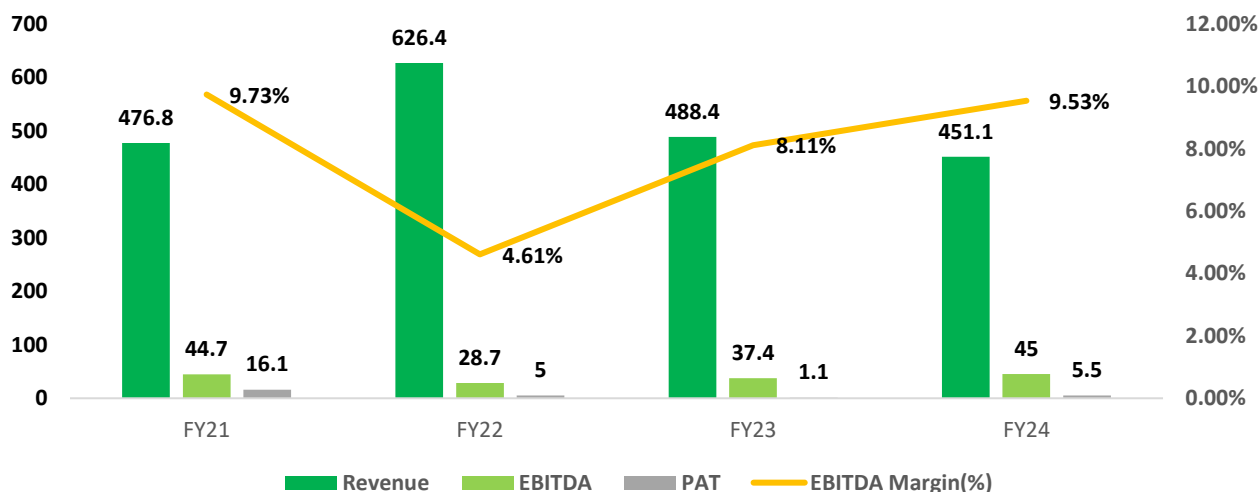


Exhibit: Financial Overview (INR Mn)



Source: Arihant Research, Company Filings

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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