



# Investor Presentation

Q4 & FY 23-24



South India's Leading Ethnic Wear And Value-fashion Retail Company With A Portfolio Of Established Formats With Focused Sales And Marketing Strategy

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# Abbreviations

Abbreviation	Definition
<b>CAGR</b>	Compound Annual Growth Rate , $CAGR = (Value_{final} / Value_{initial})^{1/t} - 1$ ; where t = specified time period
<b>EBITDA</b>	Earnings before Interest, Taxes, Depreciation & Amortization
<b>FY</b>	Fiscal Year Ending 31 <sup>st</sup> March
<b>CY</b>	Calendar Year Ending 31 <sup>st</sup> December
<b>PAT</b>	Profit After Tax
<b>ROCE</b>	Return on Capital Employed
<b>ROE</b>	Return on Equity
<b>EBO</b>	Exclusive Brand Outlets
<b>Sq. ft.</b>	Square foot
<b>SSKL</b>	Sai Silks (Kalamandir) Limited
<b>MBA</b>	Master's degree in Business Administration
<b>VP</b>	Vice President

Abbreviation	Definition
<b>TOI</b>	Times of India
<b>BITS</b>	Birla Institute of Technology and Science
<b>NIT</b>	National Institute of Technology
<b>SKUs</b>	Stock Keeping Units
<b>AP</b>	Andhra Pradesh
<b>UT</b>	Union Territory
<b>Crs</b>	Crores
<b>AI</b>	Artificial Intelligence
<b>ML</b>	Machine Learning
<b>SKD</b>	Salwar, Kurta & Dupatta
<b>SK</b>	Salwar Kurta
<b>IT</b>	Information Technology



## Agenda for Discussion



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### Our Growth Strategy

Long-Term Earnings Compounder

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Awards & Recognition

### Key Strengths

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Past Financial Performance



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# Sai Silks Kalamandir Limited – One of the Largest Ethnic Apparel Retailers in South India



## Company Overview



Sai Silks Kalamandir Limited (“SSKL”) is one of the largest apparel retailers, particularly sarees, in South India<sup>(1)</sup>, and offering products across **premium ethnic apparel and value fashion \***



Focused on innovative designs, offering wide range across ultra-premium and premium sarees, lehengas, men’s ethnic wear, children’s ethnic wear and value fashion for **weddings, occasional, party & daily wear**



Operates under four differentiated brand formats – **Kalamandir, Kanchipuram Varamahalakshmi Silks, Mandir and KLM Fashion Mall**



Strong presence in offline and online marketplace with presence across four states – **Telangana, Karnataka, Andhra Pradesh and Tamil Nadu**



Located in prime / central areas of the cities to tap the purchasing power of customers, with a **cluster-based model**



Strong focus on technology – Built In-house ERP to strengthen operational efficiencies

\*Note: 1) In terms of revenue and profit after tax in Fiscal 2019, 2020 and 2021


# Sai Silks Kalamandir Limited – One of the Largest Ethnic Apparel Retailers in South India





## Brands Across the Spectrum of Apparel Retail

Ethnic fashion for middle income	Ultra-premium designer sarees	Premium ethnic sarees & handlooms for wedding & occasional wear	Ethnic Value fashion at affordable price points

## Key Highlights


**Launched in 2005**  
**~6,47,310 sq. ft**  
 Combined store area<sup>(2)</sup>  
**10,788 sq.ft**  
 Average Store Area (FY24)


**Headquartered in Hyderabad**  
 South indian presents  
**60 stores<sup>(2)</sup>**  
 Across 16 cities<sup>(2)</sup>  
**₹ 229mn**  
 Average Revenue Per Store (FY24)


**5,176**  
 Employees<sup>(2)</sup>  
**6.5mn**  
 Customers<sup>(1)</sup>  
**₹ 21,219**  
 Average Revenue Per sq. ft (FY24)

Note: (1) As on March, 2024; (2) As on 31st March, 2024



# Journey Over the Years



**2005**

Started the business as a partnership firm on August 10, 2005 under the name and style of "Sai Silks".



**2005**

Launched the first retail outlet in Ameerpet, Hyderabad.



**2008**

Kalamandir expands to Karnataka under Kalamandir brand



**2009**

Our private limited company was converted into a public limited company.



**2011**

Launched 'kanchipuram Varamahalakshmi silks' through the first store in July 31, 2011.



**2011**

Launched the brand 'Mandir' through the first store launched in February 13, 2011



**2016**

Reached Turnover Rs. 500 Cr



**2017**

Expansion of brand KLM Fashion Mall



**2019**

Reached Turnover Rs. 1,000 Cr



**2020**

Launching of e-commerce platform



**2022**

Reached 50th store in Tamilnadu under kancheepuram Varamahalakshmi Silks



**2023**

Successfully listed in BSE and NSE



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# Key strengths : One of the Largest Ethnic Women Wear in India Especially in Sarees



Catering to Large and Growing Organized Apparel retail market in India, particularly Sarees



Diverse portfolio to cater the entire customers and wedding and occasion wear market



Templatized store roll-out strategy using a distinct Cluster-based expansion approach



Differentiated Sales and Marketing Strategy driven by targeted ATL and BTL activities Full price sale more than 90%



Technology driven industry design and supply chain management incentive mechanism and increased the sales



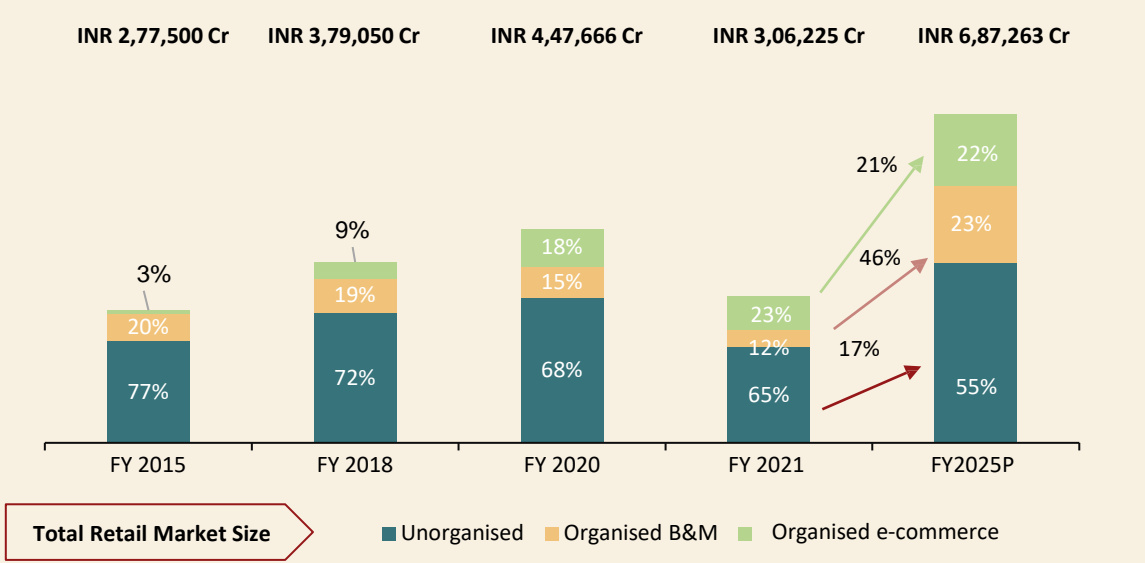
Experienced management team with proven execution capabilities



Track record of growth and profitability with an efficient operating model

India has the 3rd largest apparel market globally and is experiencing a growing demand for organized/online retail

Women Indian wear<sup>(1)</sup> segment is expected to grow at a CAGR of 22%<sup>(2)</sup> Over 2021-2025 period and become an INR 1,68,222 Cr market by 2025



Note: The chart represents percentage contribution of segments in the total women apparel market. The percentage values are calculated as (segment market value / total women apparel market value) \* 100% and are rounded off to zero decimal

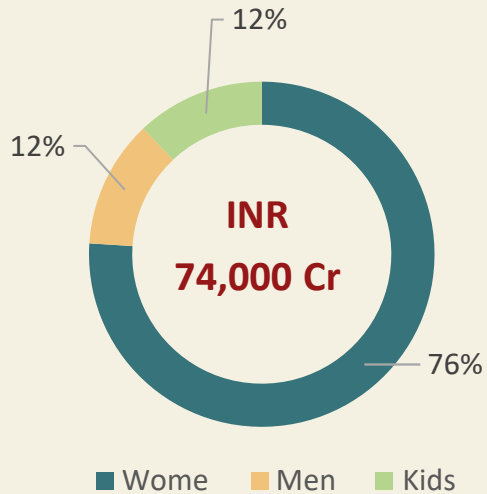
Source: Technopak Report

Note: (1) Saree & others (others includes Indian dresses, Lehenga, Etc), SKD (including Sets, Mix & Match, Dupattas, Stoles, Etc) and fusion wear which is an amalgamation of other cultural influences on Indian wear; (2) CAGR period □ CY21 to CY25

# Indian Wedding and Festive Wear Market is Driven By Increased Demand for Sarees, Especially in South India (1/2)

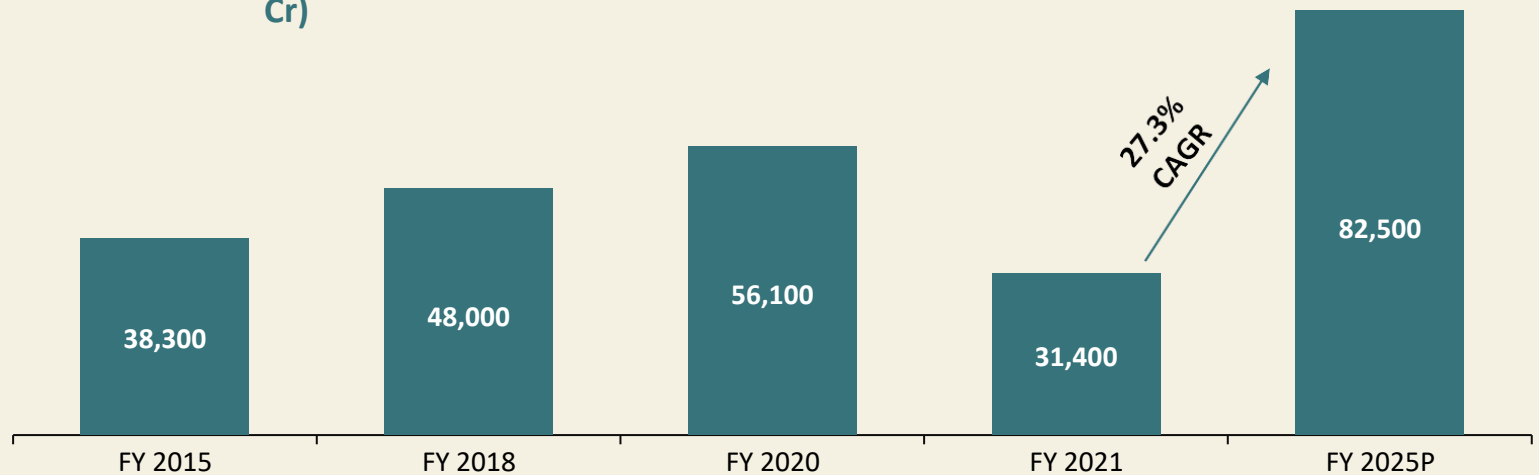
**Women Indian Wedding & Festive Wear market contributed 76% of Total Occasional wear market in 2020**

**Indian Wedding & Festive Wear market (FY2020)**



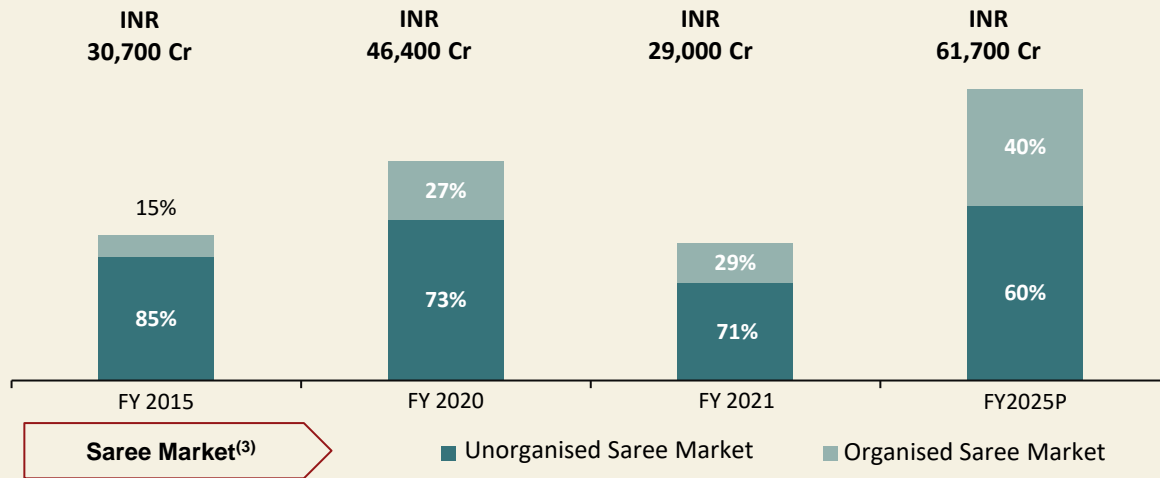
**Women occasion wear market is poised to grow at 27.3% CAGR (FY-22-25) and reach INR 82,500 Cr by 2025**

**Women Indian Wedding And Festive Wear Market (INR Cr)**



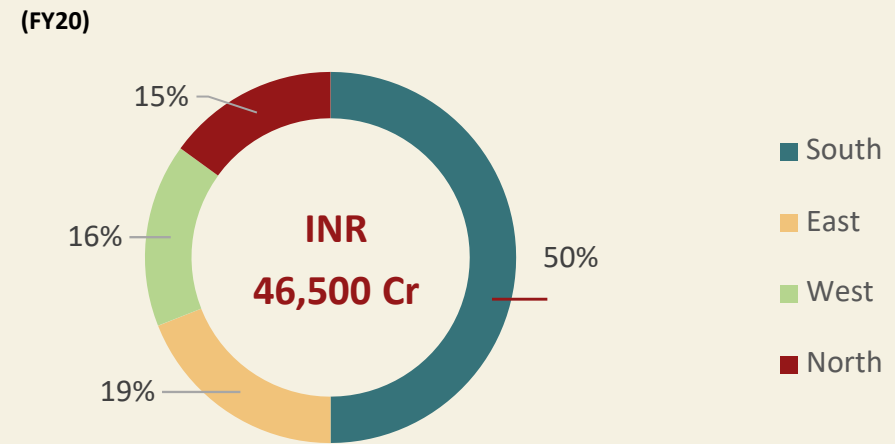
# Organized Saree Market is poised to grow at a 14.5% CAGR led by South Indian market.

**Saree Market(2) continues to be India’s first choice of apparel and is expected to become an INR 61,700 Cr market by FY2025\***



**South India is the largest saree market & contributed to 50% of total saree sales**

**Indian Wedding & Festive Wear market (FY20)**



- Saree market<sup>(3)</sup> is expected to grow at a CAGR of 20.8% over FY21-25 period and reach INR 61,700 Cr with organized contribution reaching 40% by FY25
- 90% organized market was MT and 10% led by E-commerce in FY2020
- **South India contributed 50% of total Saree market in FY2020 with 50-100 sarees purchased on average in a South Indian wedding**

## Growth Levers for increasing market size of Saree segment

### Rising Female Population

- Total females aged over 25 years are expected to reach from 37.6 Cr in 2021 to 45.5 Cr in 2031
- This is the largest consumer base for sarees

### Wedding & Festive Market

- Saree's cultural significance makes it an important piece of wearing and gifting in festivities across India, especially in South India region

### Universal Appeal of Saree

- Saree is an evergreen piece of cloth and is never out of fashion
- 80+ draping ways varying across states and cultures
- At least 1 saree purchased in over 90% households in South India

### Shift from unorganized to organized market

- Organized retailing share of apparel has increased from 14% in FY 2007 to 32% in FY 2020
- Organized retail has led to shift of demand away from unorganized

### Fusion/Fancy Sarees

- Introduction of fancier & newer categories of sarees with innovative designs like pre-draped and ruffled sarees
- Convenient designs with pockets, belts and other accessories

Source: \*Technopak Report; Note: 1) Saree & others (others includes Indian dresses, Lehenga etc), SKD (including Sets, Mix & Match, Dupattas, Stoles etc) and fusion wear which is an amalgamation of other cultural influences on Indian wear; (2) Saree market inclusive of Saree, Blouse & Petticoat

# South India's Leading Saree & Ethnic Value Fashion Player Catering To Wide Audience Through Multiple Formats



	Kalamandir	Mandir	Vara Mahalakshmi	KLM Ethnic fashion value
<b>Founded year</b>	2005	2011	2011	2017
<b>Category focus</b>	Ethnic fashion for middle income	Ultra-premium designer sarees	Premium ethnic sarees & handlooms for wedding & occasional wear	Ethnic fashion at affordable price points
<b>Product Portfolio</b>	Sarees such as Tusser, Silk, Kota, Kora, Khadi, Georgette, Cotton & Matka	Designer sarees such as Banarasi, Patola, Ikat, Kanchipuram, Paithani, Organza, & Kuppadam	Premium sarees such as Banarasi, Patola, Kota, Paithani, Organza, Kuppadam, and Kancheepuram silk sarees	Products like sarees for daily wear and western wear for women, men & children
<b>Price Range</b>	~₹1,000 to ₹100,000	~₹6,000 to ₹350,000	~₹4,000 to ₹250,000	~₹200 to ₹75,000
<b>Stores<sup>(1)</sup></b>	11 small / medium / large stores	4 small format stores	26 small / medium / large stores	19 large format stores
<b>Geographies served<sup>(2)</sup></b>	AP, Telangana & Karnataka	Telangana	Telangana, AP, Karnataka & TN	AP, Telangana & Karnataka
<b>Distribution*</b>	EBO & Online	EBO & Online	EBO & Online	MBO & Online

Company operated stores under efficient lease model

Diverse range of products catering to all market segments

69.5% Revenue From Saree Segment (FY24)

Products directed to serve regional demand

Aspirational yet value for money products

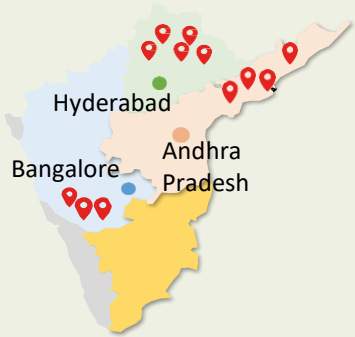
\*Source: Technopak Report

Note: (1) As on March 31, 2024; (2) State presence as on March 31, 2024

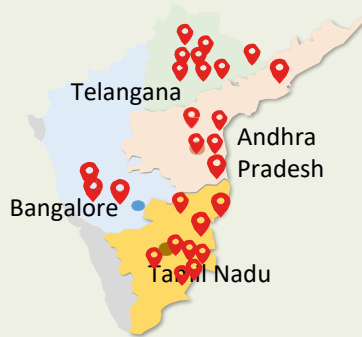


## Strategically Located Stores in Prime Areas to Tap into The Purchasing Power of Customers with A Cluster-Based Model

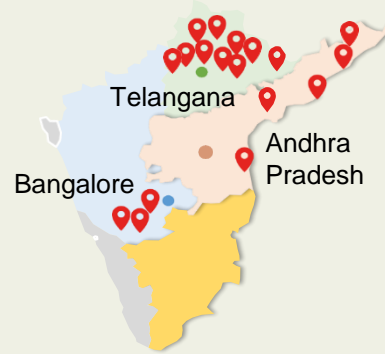
### Kalamandir Stores



### Varamahalakshmi Stores



### KLM Fashion Mall Stores



### Mandir Stores



State	# of stores <sup>(1)</sup>	Aggregate area (sq. ft.) <sup>(1)</sup>	FY24 Revenue (₹ cr)	% of FY24 Revenue
Telangana	26	283,163	535.87	39%
Andhra Pradesh	16	193,557	441.59	32%
Karnataka	9	107,584	208.59	15%
Tamil Nadu	9	63,006	187.51	14%
<b>Total</b>	<b>60</b>	<b>647,310</b>	<b>1,373.55</b>	<b>100.0%</b>

Note: (1) As of March 31, 2024; Revenue numbers are rounded off to zero decimal & % of Revenue is rounded off to 1 decimal  
Map is not to scale and it shows pictorial representation as of March 31, 2024

### Benefits of using cluster-based expansion model

- Focused targeting of customer segments & demographics
- Efficient management of stores
- Effective stock rotations
- Higher opportunity to cross sell

# Coupled With Increased Online Penetration, Providing Seamless Omnichannel Shopping Experience to Customers



### Own websites

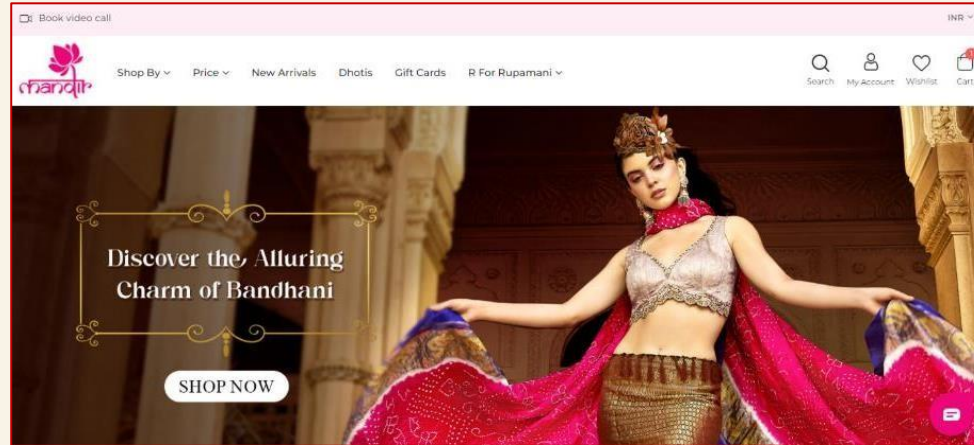
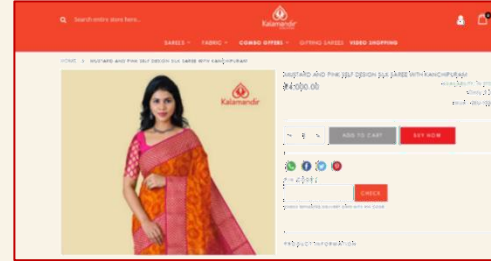
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Online e-commerce websites & live commerce

- 1.2 Million followers<sup>(1)</sup>
- 444.1 K followers<sup>(1)</sup>
- 253.5 K subscribers<sup>(1)</sup>

Live shows & video-based commerce



Revenue from e-commerce channel has grown more than 3x in 1 year

9,715 visits / day on websites across 4 formats<sup>(2)</sup>

25 states & 6 UTs served through e-commerce<sup>(2)</sup>

₹ 5,096 Average order value<sup>(2)</sup>

Attractive landing page & Virtual Assist Chat Box

Easy decision-making process

Video call appointment to try products virtually

Easy checkout & payment options

Regular updation of websites & social media channels

Note: 1) As of March 2024; 2) For FY24; Revenue numbers are rounded off to one decimal

# Providing Customers, the “Retail Experience” Not Just the Products



Skilled store associates who are trained to understand customer insights & feedback



Elegantly designed stores with vibrant entrances and attractive window displays



Appealing posters and wall / ceiling decorations according to store’s theme



Well-designed layout to manage traffic flow



Well designed stores with perfect ambience



Sales associates providing right assistance to enhance shopping journey



**Unique shopping experience**



Word-of-mouth references



Increase in average business per customer

# Differentiated Store Experience, Offering Unique Ambience and Festive Feel



## Inventory planning well in advance based on sales forecast, demand and requirements for the forthcoming seasons

- **Detailed design process** based on prevailing fashion and design trends
- Additionally, using tastes and preferences sales data collected via **data analytics, 3<sup>rd</sup> party designers, market analysis, customer conversations and feedback from artisans and vendors**
- **Innovative and quality designs** with wide variety offered throughout the year



- **4 warehouses in Karnataka, Andhra Pradesh and Telangana** to manage inventory across all formats and channels
- Designated storage space at Varamahalakshmi store in Kancheepuram, Tamil Nadu
- **All products barcoded to ensure systematic movement and tracking of inventory**

**173,000 square feet**

Warehousing Capacity<sup>(1)</sup>



### Design & Planning

### Vendor Management and Procurement

### Warehousing and Storage

### Retail Coverage and Fulfilment Planning



- **Direct procurement from 3<sup>rd</sup> party manufacturers**
- **Long standing relationships with expert artisans**
- **Non-exclusive partnerships** to maintain highest quality standards
- **80-member procurement team<sup>(1)</sup>** to review vendor performance and production status
- **Regular visits to manufacturers** for timely and efficient trade

**4,034**

Master Weavers, Weavers and Vendors across India<sup>(2)</sup>



- Stores **strategically located** to cater to needs of target market
- **Front end and back end In-house ERP system**
- **Granular-level tracking** □ Real-time feedback on high-turnover & slow-moving inventory
- AI/ML integration □ **Providing store level insights**

Data analytics to obtain fast moving design trends

Innovative designs with emphasis on quality

All products are barcoded for systematic inventory management

ERP solutions to manage operations at each point in supply chain

AI features to provide store level insights



**Mr. Nagakanaka Durga Prasad Chalavadi**  
 Managing Director

**Experience:** 16+ years in retail business

**Role:** Responsible for the overall management, finance, internal controls and security systems of SSKL

**Education:** MBA from Institute of Management Education, Pune

Post Graduate diploma in computer applications from Institute of Computer Software Sciences

Bachelors in Commerce from Nagarjuna University



**Mr. Kalyan Srinivas Annam**  
 Whole Time Director

**Experience:** ~15 years in retail business

**Role:** Responsible for projects, strategic planning, brand building & business development

**Education:** Post Graduate diploma in Business Management from Institute of Marketing & Management; Bachelor's degree in law from Nagarjuna University



**Mr. Ravindra Vikram Mamidipudi**  
 Chairman & Independent Director

**Experience:** ~40 years in finance sector

**Past Organizations:** Partner at M. Andaman & Co., Chartered Accountants

**Education:** Fellow member of the Institute of Chartered Accountants of India



**Mr. Doodeswara Kanaka Durgarao Chalavadi**  
 Whole Time Director

**Experience:** ~12 years in retail business

**Role:** Responsible for procurement & marketing activities

**Education:** Master's degree in computing from Griffith University; Bachelor's degree in commerce from Nagarjuna University



**Ms. Sirisha Chintapalli**  
 Independent Director

**Experience:** Extensive experience in finance and secretarial work

**Past Organizations:** CCL Products (India) Ltd., International Seaport Dredging Ltd., L&T Shipbuilding Ltd.

**Education:** Associate member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India; Bachelor's degree in commerce from Nagarjuna University



**Mr. Pramod Kasat**  
 Independent Director

**Experience:** Extensive experience in Investment Banking

**Past Organizations:** Credit Suisse, IndusInd Bank, Citi Bank in senior roles

**Education:** Master's degree in management studies from University of Bombay; Bachelor's degree of engineering from the BITS, Pilani



**Mr. Kunisetty Venkata Ramakrishna**  
 Independent Director

**Experience:** 25+ years in private equity/venture fund management

**Past Organizations:** Kotak Investment Advisors Ltd., ICICI Venture Funds Management Company Ltd., Carlyle India Advisors Private Ltd.

**Education:** Post graduate diploma in management from IIM, Bangalore; Bachelor of technology degree in computer sciences and engineering from NIT, Warangal



## Agenda For Discussion



Contents of the Presentation

# The Agenda

## Introduction

Who We Are & What We Do

## Our Growth Strategy

Long-Term Earnings Compounder

## Key Strengths

Long-Term Earnings Compounder

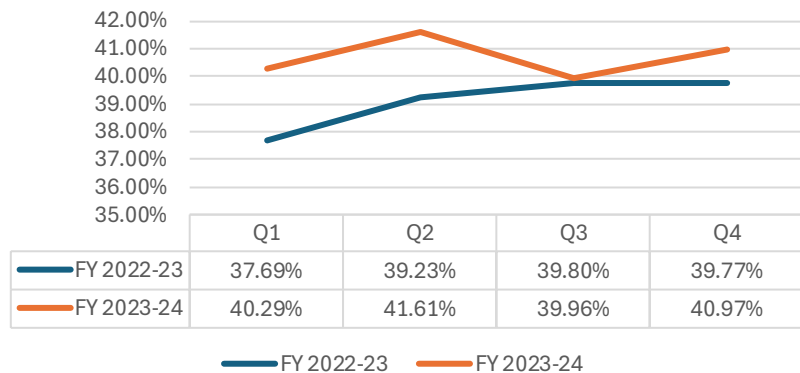
## Financial Highlights

Past Financial Performance

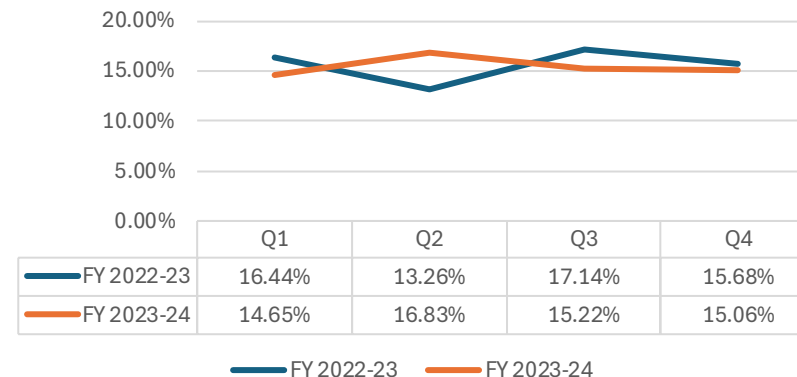
# Track Record of Growth and Profitability with an Efficient Operating Model



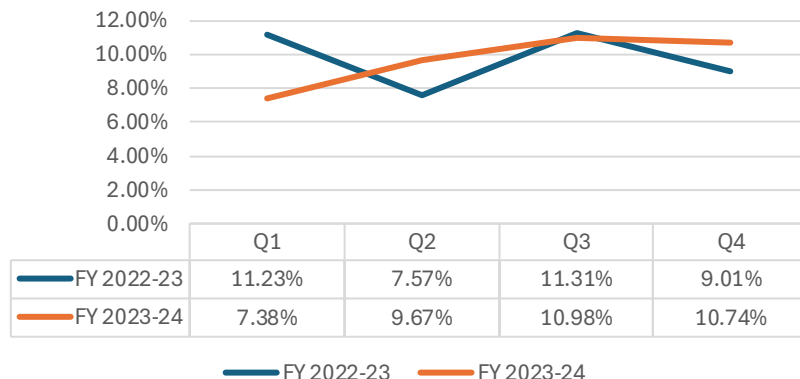
### Gross Profit Margin



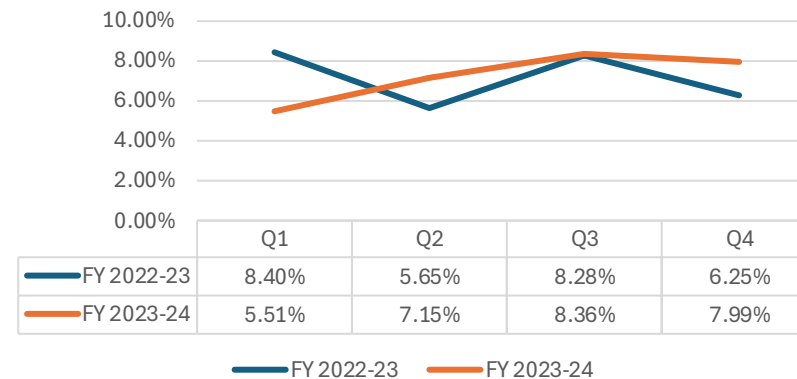
### EBIDTA Margin



### PBT Margin



### PAT Margin





# Standalone Profit & loss Statement Summary



(₹ in crores)

(Rs. in Cr.)

Particulars	Q4_FY 2023-24	Q3_FY 2023-24	Q4_FY 2022-23
Revenue from operation	359.64	382.45	323.93
Gross Profit	147.36	152.81	128.84
Gross Profit (%)	40.97%	39.96%	39.77%
Total Operating Expense	93.21	94.61	78.05
EBITDA	54.15	58.20	50.79
EBITDA (%)	15.06%	15.22%	15.68%
Finance Cost	11.45	14.03	13.44
Depreciation and Amortization	12.33	12.25	11.13
Other Income	8.23	10.06	2.97
Profit before Taxes	38.61	41.98	29.20
PBT (%)	10.74%	10.98%	9.01%
Profit After Taxes	28.73	31.98	20.24

Note: All financial numbers are rounded off to 1 decimal; (1) EBITDA = Revenue from operations – (Purchases of stock-in-trade + Changes in inventories + Employee Benefit Expenses + Other Expenses)

# Balance Sheet Summary (1/2)

*in ₹ Crores*

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, Plant and Equipment	222.00	204.71
(b) Capital work-in-progress	2.27	(0.00)
(c) Other Intangible assets	3.32	5.47
(d) Right-of-use assets	188.69	169.29
(e) Financial assets		
(i) Other financial assets	31.83	27.65
(f) Other non-current assets	18.45	8.61
	<b>466.55</b>	<b>415.72</b>
<b>2 Current assets</b>		
(a) Inventories	723.22	689.75
(b) Financial assets		
(i) Trade receivables	3.31	2.88
(ii) Cash and cash equivalents	44.27	4.61
(iii) Bank balances other than (ii) above	357.37	45.09
(iv) Loans	20.69	34.40
(v) Other financial assets	3.95	0.89
(c) Other current assets	22.27	27.10
	<b>1,175.08</b>	<b>804.73</b>
<b>Total Assets</b>	<b>1,641.64</b>	<b>1,220.45</b>

Note: All financial numbers are rounded off to 1 decimal

## Balance Sheet Summary (2/2)

in ₹ Crores

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
<b>EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	29.47	24.06
(b) Other equity	1,033.48	373.27
	<b>1,062.95</b>	<b>397.34</b>
<b>2 Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	22.62	65.38
(ii) Lease liabilities	192.29	166.38
(iii) Other financial liabilities	2.59	2.70
(b) Provisions	5.93	4.64
(c) Deferred tax liabilities (Net)	10.22	11.48
	<b>233.64</b>	<b>250.59</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	235.13	280.12
(ii) Lease liabilities	14.19	14.03
(iii) Trade payables		
-Due to micro, small and medium enterprises	-	3.40
-Others	59.22	226.62
(iv) Other financial liabilities	29.13	31.81
(b) Other current liabilities	6.27	3.81
(c) Provisions	0.72	0.54
(d) Current tax liabilities (Net)	0.38	12.20
	<b>345.05</b>	<b>572.53</b>
<b>Total equity and liabilities</b>	<b>1,641.64</b>	<b>1,220.45</b>

# Cash Flow Statement Summary

## (1/2)

in ₹ Crores

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>A) Cash Flows from Operating Activities</b>		
Net profit before tax and exceptional items	134.68	133.57
Adjustments for :		
Amortisation of Right to use asset	24.11	20.28
Unwinding of discount on security deposits (net)	16.72	13.88
Actuarial gain / loss	0.11	(1.22)
Depreciation on property, plant and equipment	21.66	18.58
Amortisation on intangible assets	2.15	2.15
Unrealized foreign exchange (gain)/ loss	0.03	0.19
(Profit)/ Loss on sale of Property, Plant and Equipment	(0.02)	(0.01)
Other Income	(5.09)	(5.00)
Interest expense	51.83	43.21
Interest income	(16.56)	(1.66)
<b>Operating profit before working capital changes</b>	<b>229.62</b>	<b>223.96</b>
Adjustments for working capital changes in :		
Inventories	(33.48)	(213.32)
Trade Receivables	(0.42)	(0.99)
Other current financial and non financial asset	15.48	(26.98)
Trade payables	(170.80)	100.90
Other current liabilities	2.47	1.38
Other financial liabilities	(3.29)	6.44
Other financial and non-financial non-current assets	(15.48)	(8.20)
Long-term provisions	1.29	2.12
Other non-current financial liabilities	(0.11)	1.58
Short term provisions	0.18	0.29
<b>Cash generated from operations</b>	<b>25.47</b>	<b>87.18</b>
Income tax paid	(46.93)	(45.95)
Cash Flow Before Exceptional items	(21.46)	41.23
<b>Net Cash generated from/(used in) operating activities</b>	<b>(21.46)</b>	<b>41.23</b>

# Cash Flow Statement Summary

## (2/2)

in ₹ Crores

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>B) Cash flows from Investing Activities</b>		
Sale/ (Purchase) of Property, Plant and Equipment/CWIP (incl. capital advances)	(41.20)	(60.11)
(Increase)/ Decrease in Deposits	(312.28)	(6.69)
Interest income	16.56	1.66
Other income	5.09	5.00
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(331.83)</b>	<b>(60.14)</b>
<b>C) Cash flows from Financing Activities</b>		
Proceeds from issue of Share Capital/ Share Application Money	564.66	-
Proceeds/ (repayment) from or of Long-term borrowings	(42.76)	16.72
Increase/ (Decrease) in Short-term borrowings	(44.99)	68.29
Increase/ (Decrease) in Payable to IPO Exp / Selling Share Holders	0.60	-
Principa payment of lease liability	(32.71)	(26.78)
Interest paid and effect of foreign exchange	(51.85)	(43.33)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>392.95</b>	<b>14.90</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>39.66</b>	<b>(4.01)</b>
Cash and Cash equivalents at the beginning of the year	4.61	8.62
<b>Cash and Cash equivalents at the end of the year</b>	<b>44.27</b>	<b>4.61</b>



# THANK YOU

