**MD Speech**

# MD's Speech – Annual General Meeting

**Dear Shareholders,**

Respected Chairman, Members of the Board, and our valued Shareholders,

Thank you for giving me the opportunity to address you today.

It is my privilege to present an overview of your Company's performance during the financial year 2025-26 and, more importantly, to share our vision and plans for the years ahead.

Before I begin, I would like to sincerely thank each one of you for your continued trust, confidence, and unwavering support. Your encouragement has been instrumental in our journey, and we remain deeply committed to creating sustainable, long-term value for all our stakeholders.

## A Journey Built on Conviction

Two decades ago, I began this entrepreneurial journey with a simple belief — that the saree, deeply rooted in India's cultural heritage, would remain timeless across generations.

To me, it has always been more than a garment. It represents tradition, emotion, craftsmanship, and identity.

What started as a single saree store has evolved into one of South India's leading ethnic wear retailers, catering to the diverse needs of the modern Indian family.

While our scale has grown significantly, our purpose remains unchanged — **celebrating India's textile heritage while delivering quality, trust, choice, and value to every customer.**

Today, as we look back at the journey of the last two decades, I believe our greatest achievement is not simply the number of stores we have built. It is the institution we have created — one that is trusted by customers, valued by our partners, and powered by a committed team.

## Transforming a Fragmented Market

When we began our journey, India's saree market was largely unorganised and fragmented.

Customers often faced inconsistencies in quality, pricing, product availability, and shopping experiences.

We recognised an opportunity to bring greater structure, transparency, and professionalism to the sector by offering standardised pricing, trusted quality, extensive product choices, and superior service.

Over the years, our ability to execute this vision consistently has enabled us to strengthen our position in the market while building enduring customer relationships.

Our journey reflects not only the opportunity inherent in India's ethnic wear sector, but also the resilience of a business model built on **trust, choice, customer understanding, and disciplined execution.**

## Delivering Resilient Performance

FY2025-26 was another year of strong and profitable growth for SSKL.

Revenue from operations increased by **13.11% to ₹1,653.67 crore**, compared with ₹1,462.01 crore in the previous year, reflecting sustained demand and continued market relevance.

Gross profit grew by **13.88% to ₹695.66 crore**, while gross margins improved to **42.07%**, compared with 41.78% in the previous year.

EBITDA increased by **23.13% to ₹260.59 crore**, demonstrating the effectiveness of our operating model and disciplined cost management.

Most importantly, Profit After Tax grew by a robust **65.03% to ₹140.92 crore**.

These numbers are encouraging because they demonstrate that our growth is not merely translating into greater scale, but increasingly into **stronger profitability and value creation.**

## Building an Institution for Scale

Our investments in merchandising, inventory management, finance, marketing, supply chain, technology, and operational excellence have enabled us to build a scalable organisation capable of delivering consistent experiences across locations and formats.

As of March 2026, we operated **81 company-owned, company-operated stores**, spanning nearly **7,84,853 square feet** of net retail space, compared with 7,16,088 square feet in FY2025.

This represents an addition of approximately **70,000 square feet** during the financial year.

However, this footprint represents much more than physical expansion.

Every store represents a new market, a new set of customers, and a new opportunity to build lasting relationships.

Our focus has therefore never been on opening stores simply for the sake of increasing store count.

**Our objective is to build productive stores in attractive markets, strengthen our brand presence, and create long-term value from every market we enter.**

## The Opportunity in Organised Ethnic Wear

The Indian ethnic wear market remains highly fragmented and deeply regional.

Unlike many other retail categories, ethnic wear is influenced by local traditions, festivals, weddings, cultural preferences, family occasions, and individual tastes.

This makes the category complex, but also creates a very significant opportunity for organised retail.

SSKL is operating in a segment where organised retail penetration is still evolving.

We are among the few players attempting to build a large-scale, multi-brand, multi-format and technology-enabled organised ethnic wear platform.

This also means that our journey is somewhat different from that of conventional organised retailers.

**We are not merely participating in the organised transformation of the category — we are helping shape it.**

It takes time for customers to understand the value proposition of organised saree based ethnic retail. It takes time for markets to develop, and for suppliers, employees and business partners to evolve alongside the retailer.

We believe this is ultimately an opportunity.

As the category becomes more organised, we expect scale, brand trust, sourcing capabilities, technology, retail infrastructure and customer experience to become increasingly important competitive advantages.

## Understanding Our Business Model

As India's first listed organised saree and ethnic wear retailer, we believe it is equally important for investors to understand how our business differs from conventional apparel retail.

Ethnic wear, particularly sarees, is a category where assortment, availability and customer choice play a far more important role than in most other apparel segments. A customer visiting our store expects to see thousands of designs, colours, fabrics and price points before making a purchase. This makes inventory not merely a balance sheet item, but one of our strongest competitive advantages.

Our fully owned inventory model, multi-brand approach and differentiated store formats have been carefully designed around the unique characteristics of this category. Unlike fast fashion, sarees have a significantly longer shelf life, are not size dependent, and rarely become obsolete. This allows us to offer unmatched variety while preserving value over time.

We recognise that this business model is different from conventional apparel retail and therefore cannot always be evaluated through the same lens. Over the years, we have consistently worked to help investors better understand our industry, our inventory philosophy and the long-term strengths of our business model.

As organised retail continues to gain share in this large and fragmented market, we believe our scale, trusted brands, sourcing capabilities, inventory depth, technology and customer relationships position SSKL to benefit from this long-term structural opportunity.

## Creating Exceptional Customer Experiences

At SSKL, customers remain at the centre of every decision we make.

Their evolving preferences shape our product assortments, designs, pricing strategies, store environments and service standards.

Through continuous analysis of customer insights and store-level performance, we curate offerings that resonate with local tastes while maintaining broad appeal.

We strive to create differentiated experiences through personalised service, thoughtfully designed store environments, extensive choice and warm hospitality that reflects India's cultural ethos.

Ultimately, our ambition is simple:

**We want every customer to leave our store with the confidence that they received the right product, the right value, and the right experience.**

## Expanding with Discipline

Our cluster-led expansion strategy remains a key driver of growth.

Building density within markets enables us to strengthen brand visibility, deepen customer relationships, improve operational efficiencies and leverage our existing organisational capabilities.

At the same time, we remain disciplined about entering new markets.

Our expansion decisions are guided by catchment potential, customer demographics, store economics, brand fit and long-term profitability.

We are also expanding our presence into **Kerala and Maharashtra**, which we expect to progress further during the next financial year.

Our approach will remain disciplined.

**Growth for us is not about maximising store count. It is about maximising the value created by every store and every market we enter.**

## Technology and Innovation

Technology has increasingly become an integral part of our business.

We continue to leverage data, analytics, artificial intelligence and digital capabilities across demand forecasting, inventory optimisation, merchandising, customer engagement and operational decision-making.

Over the last several years, we have invested in building these capabilities, and we see technology as much more than a support function.

As our business grows, technology will increasingly become an important enabler of scale.

Our ambition is to progressively move towards a more predictive retail model — where buying, allocation, replenishment, customer engagement and operational decisions are increasingly supported by data and intelligent systems.

We believe this will help us improve inventory productivity, enhance customer experiences, increase operating efficiency and ultimately improve returns on capital.

## Looking Ahead

As we look ahead, we do so with confidence in our strategy and clarity of purpose.

The foundations we have built over the past 20 years — trusted brands, enduring customer relationships, strong partnerships with weaving communities and vendors, a growing retail network, and a dedicated team — position us well to capitalise on the significant opportunity ahead.

The Company is geared to **multiply its scale meaningfully over the next five years.** We want to build a larger organisation that is **more profitable, more productive, more technology-driven and more financially resilient. our customisation of product vis-à-vis location will result in optimum financial results for any store.**

A key strength of our business has been the internal financial discipline we have built over the years. Through better inventory management, improved profitability and stronger cash generation, we have **brought our borrowings almost down to zero during the last financial year.**

This gives us a strong foundation for the next phase of our growth. As we pursue our new expansion targets, **we intend to increasingly use the internal generations to fuel our growth engine**, while maintaining disciplined capital allocation and financial prudence.

Our focus will remain on disciplined expansion, strengthening our brands and formats, improving inventory and store productivity, leveraging technology and AI, and continuous improvement on returns on capital.

While much has changed since our first store opened its doors, our core values remain unchanged — **integrity, customer centricity, operational excellence, quality, and a long-term commitment to our stakeholders.**

The next five years are about taking the platform we have built to a significantly larger scale, while preserving the values, discipline and customer trust that brought us here.

I extend my heartfelt gratitude to our customers, employees, weaving partners, vendors, business associates, Board members and, most importantly, our shareholders for the trust and support you have placed in us.

**Together, we look forward to building on our legacy and shaping the next chapter of SSKL's growth story.**

Thank you.