



# IPO DETAILS

## SAI SILKS (KALAMANDIR) LIMITED



### Issue Opens

20 September 2023, Wednesday

### Issue Closes

22 September 2023, Friday

### Min. Lot Size

67 Shares

### Issue Price Band

₹210 - ₹222

### Industry

Retailing

### Issue Size

Fresh Issue:

27.03 mn Eq shares  
(₹6000 mn)

### OFS:

27.07 mn Eq shares  
(₹6010 mn)

### Face Value

₹2

### Listing at

NSE, BSE

### Rationale

Considering the FY23 adjusted EPS of Rs 6.36 on a post issue basis, the company is going to list at a P/E of 34.89x with a market cap of Rs. 34,047 mn. whereas its peer Vedant Fashions Ltd, TCNS Clothing Co. Ltd, Go Fashion Ltd, Aditya Birla Fashion & Retail Ltd, Shoppers Stop and Trent Ltd are trading at a P/E of 74.16x, N/A, 87.92x, N/A, 71.43x and 163.38x.

We assign "Subscribe" rating to this IPO as company has leading ethnic wear retail brand in India with a scalable model, and is well positioned to leverage growth in the ethnic and value-fashion apparel industry in India. Also, it is available at reasonable valuation as compared to its peers.

### Objectives of the issue

Funding capital expenditure towards setting up 25 new stores.

Funding capital expenditure towards setting-up of two warehouses.

Funding the working capital requirements of the company.

Repayment or pre-payment, in full or part, of certain borrowings availed by the company.

General corporate purposes.

### Rating

**Subscribe**

**APPLY NOW**



SAI SILKS (KALAMANDIR) LIMITED

## Company Overview

Incorporated in 2005, Sai Silks (Kalamandir) Limited provides ethnic apparel and value-fashion products.

They offer a range of ethnic fashion products catering to different market segments, including premium, middle-income, and value-fashion customers, with options at various price points.

They are amongst the top 10 retailers of ethnic apparel, particularly sarees, in south India in terms of revenues and profit after tax in Fiscal 2020, 2021 and 2022.

They operate through their four store formats, i.e., Kalamandir, VaraMahalakshmi Silks, Mandir and KLM Fashion Mall.

The breakdown of their revenue from operations for FY23 is (i) Sarees (68.38%) and (ii) Others (non- saree products) (31.62%).

They leverage their store network of 54 stores as of July 31, 2023.



## Exceeding Expectations: The Path to 5.98 Million Customers

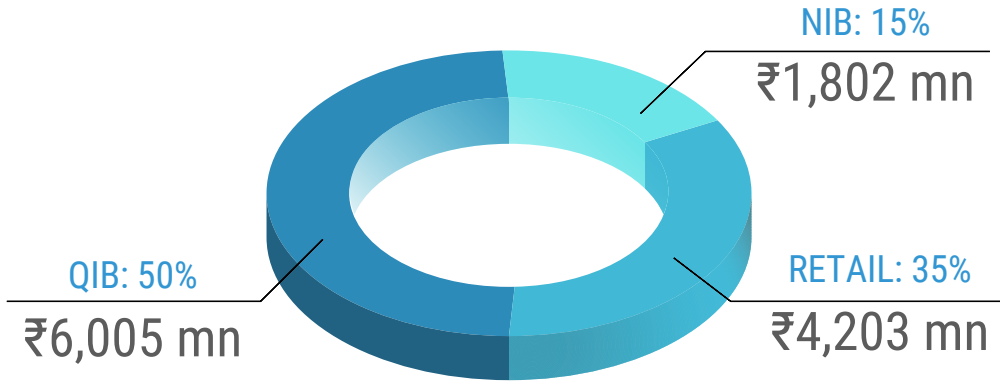
They believe their stores provide a unique experience and customer service, which combined with inventory and variety of SKUs that they offer, enables to attract and retain a growing customer base that, as of July 31, 2023, exceeded over 5.98 million customers in India.



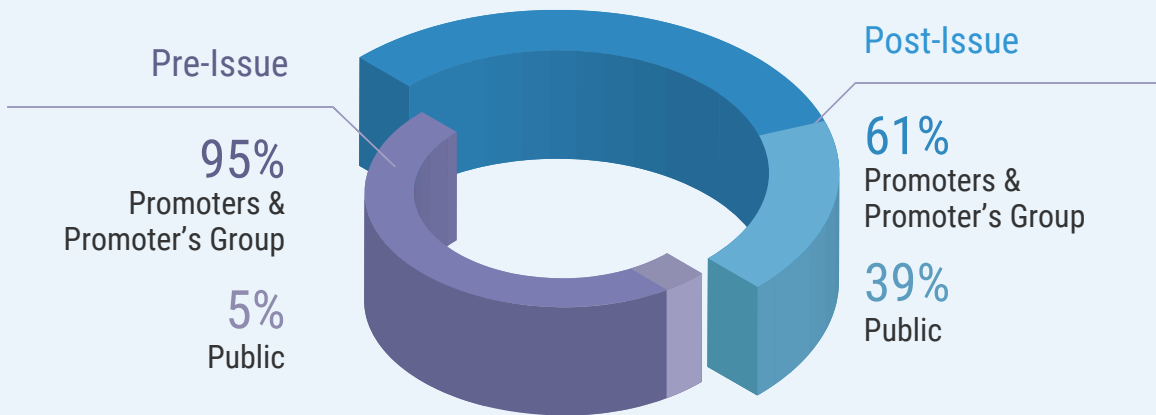
SAI SILKS (KALAMANDIR) LIMITED

# Issue Details

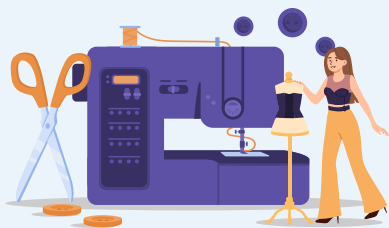
## Issue Break-Up



## Shareholding Pattern



## Capital Structure (in ₹)



**420 mn**

Authorised Equity  
Share Capital



**253 mn**

Paid-Up Capital  
(Pre-Offer)



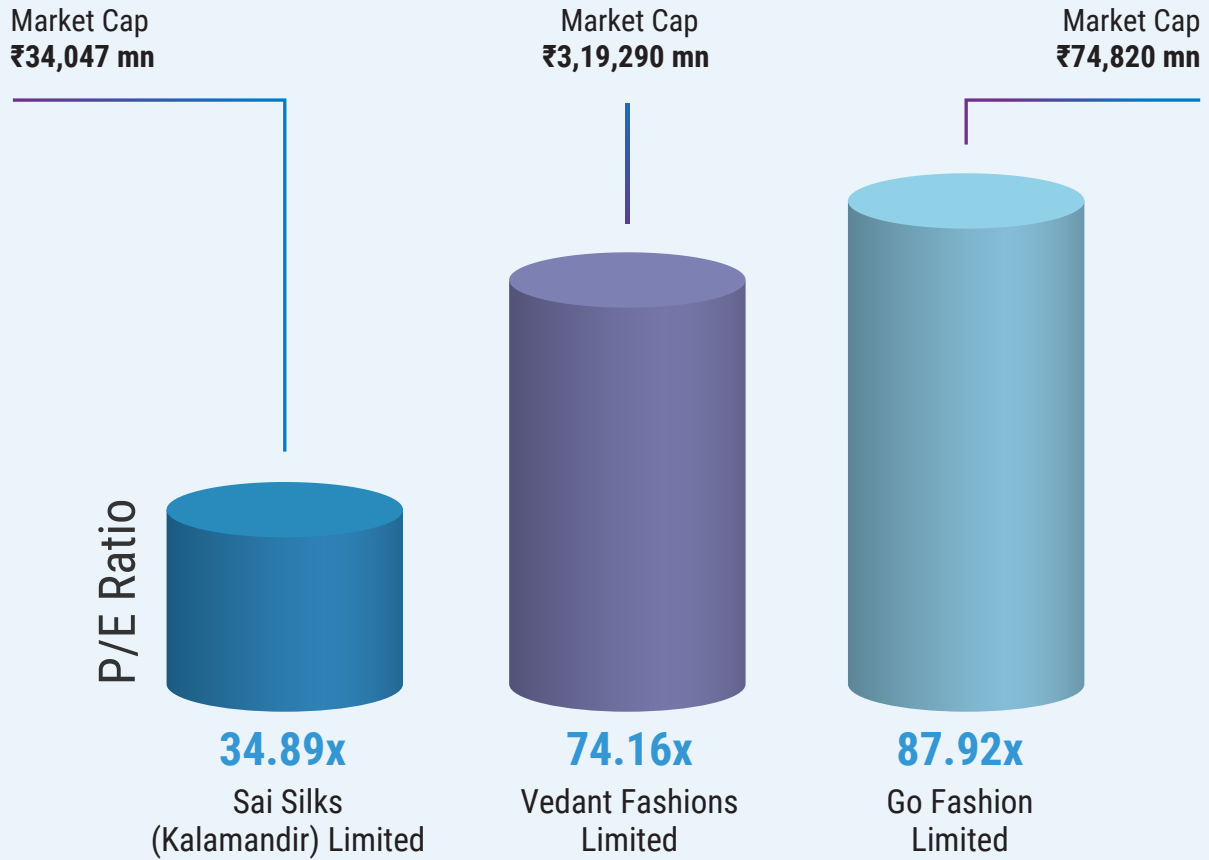
**307 mn**

Paid-Up Capital  
(Post-Offer)



SAI SILKS (KALAMANDIR) LIMITED

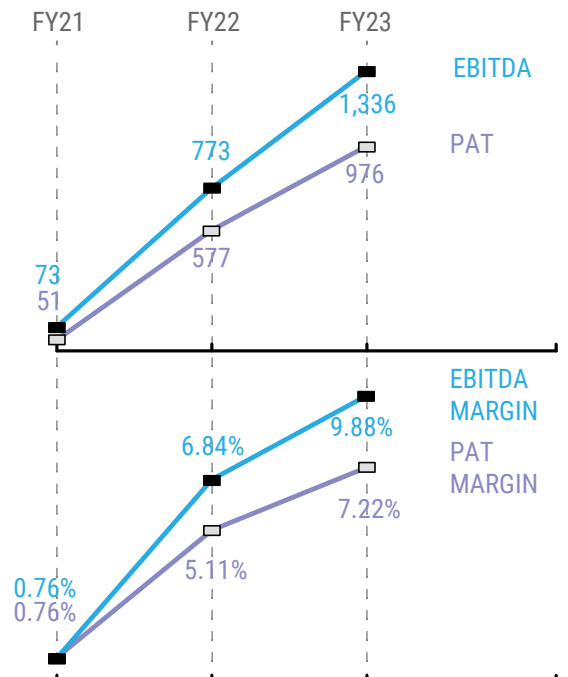
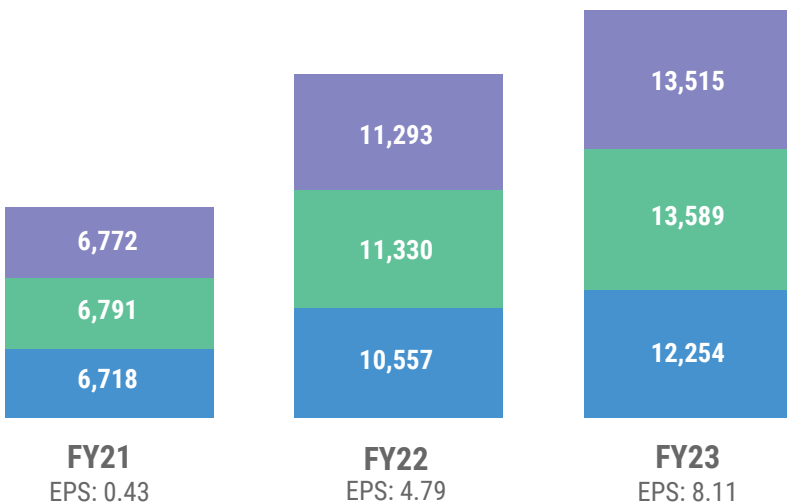
# Valuations and Peer Comparison



Market Cap data of listed securities as on September 15, 2023

## Financial Snapshot (in ₹ mn)

- Revenue
- Total Income
- Total Expenses





SAI SILKS (KALAMANDIR) LIMITED

## Business Insights



### Competitive Strengths

- Among the leading ethnic and value-fashion retail company in south India having a portfolio of established formats with focused sales and marketing strategy
- Leading ethnic wear retail brand in India with a scalable model, well positioned to leverage growth in the ethnic and value-fashion apparel industry in India
- Strong presence in offline and online marketplace with an omni-channel network
- Track record of growth, profitability and unit economics with an efficient operating model
- Experienced Promoter, management and in-house teams with proven execution capabilities.



### Business Strategy

- Expand footprint within India through owned stores and franchise network by leveraging brand appeal.
- Increase focus on sale of products through e-commerce.
- Leverage technology to bring cost efficiency and enhance customer experience.



### Risks

- Their business is highly concentrated on the sale of women's sarees and is vulnerable to variations in demand and changes in consumer preference, could have an adverse effect on business, results of operations and financial condition.
- The nature of their business requires to maintain sufficient inventories resulting into high inventory costs. If they are unable to maintain an optimal level of inventory, business, results of operations and financial condition may be adversely affected.
- They are dependent on third-party transportation providers for the delivery of products, and any disruption in such delivery or failure by third parties to provide their services may adversely affect operations.

## Promoters and Management Details

Ravindra Vikram Mamidipudi - Chairman & Independent Director

Nagakanaka Durga Prasad Chalavadi - Managing Director

Kalyan Srinivas Annam - Whole-time Director